



Rochester Hills Minutes - Draft

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City Council Special Work Session

*Erik Ambrozaitis, J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen,
Michael Webber and Ravi Yalamanchi*

Vision Statement: The Community of Choice for Families and Business

Mission Statement: "Our mission is to sustain the City of Rochester Hills as the premier community of choice to live, work and raise a family by enhancing our vibrant residential character complemented by an attractive business community."

Monday, August 25, 2008

5:30 PM

Budget Meeting

In accordance with the provisions of Act 267 of the Public Acts of 1976, as amended, the Open Meetings Act, notice was given that a Special Rochester Hills City Council Work Session would be held at 5:30 P.M. on Monday, August 25, 2008 for the purpose of discussing the 2009 Proposed Budget.

CALL TO ORDER

President Hooper called the Special Rochester Hills City Council Work Session to order at 5:33 p.m. Michigan Time.

ROLL CALL

Present 6 - Greg Hooper, J. Martin Brennan, James Rosen, Erik Ambrozaitis, Michael Webber and Vern Pixley

Absent 1 - Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Development
Bryan Barnett, Mayor
Clarinda Barnett-Harrison, Economic Development Assistant
Alan Buckenmeyer, Parks Operations Manager
Dan Casey, Manager of Economic Development
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Director
Kurt Dawson, Director of Assessing/Treasury
Derek Delacourt, Deputy Director of Planning
Bob Grace, Director of MIS
Mike Hartner, Director of Parks and Forestry
Julie Jenuwine, Director of Finance
Captain Mike Johnson, Oakland County Sheriff's Department
Gerry Lee, Forestry Operations Manager
Pam Lee, Director of Human Resources*

*Jane Leslie, City Clerk
Roger Rousse, Director of DPS/Engineering
Captain Robert Smith, Oakland County Sheriff's Department*

PLEDGE OF ALLEGIANCE

REVIEW OF AGENDA

A motion was made by Ambrozaitis, seconded by Webber, that the Agenda be Approved as Presented. The motion CARRIED by the following vote:

Aye 6 - Hooper, Brennan, Rosen, Ambrozaitis, Webber and Pixley

Absent 1 - Yalamanchi

PUBLIC COMMENTS

Lee Zendel, 1575 Dutton Road, commented on the Single Trash Hauler issue, noting that of the six companies responding to the Request for Proposal (RFP); two were local companies, one an international company, and three were multi-billion dollar coast-to-coast companies. He also expressed concern that the RFP included a Fuel Adjustment Clause.

(Mr. Yalamanchi entered at 5:36 p.m.)

Present 7 - Greg Hooper, J. Martin Brennan, James Rosen, Erik Ambrozaitis, Ravi Yalamanchi, Michael Webber and Vern Pixley

LEGISLATIVE & ADMINISTRATIVE COMMENTS

Mr. Ambrozaitis expressed his congratulations to Rochester Hills resident and NASCAR driver Brad Kezelowski, who won this past weekend at a race held in Bristol, Tennessee.

Mr. Rosen announced that a Trail Visioning Workshop for the Clinton River Trail is set for Tuesday, August 26, 2008, at 7:00 p.m. at Oakland University. Public input is requested for guidance for the Trail's development in the coming years.

Mr. Webber reminded everyone of the upcoming Brooksie Way, scheduled for October 5, 2008. The half-marathon and 5k run/walk will begin and end at Oakland University, and travel through Rochester Hills.

Mayor Barnett added that the Brooksie Way will be a major race in the community, with Oakland County taking the lead on the event. He encouraged everyone to get involved.

(Mr. Ambrozaitis exited at 5:37 p.m. and returned at 5:40 p.m.)

RECOGNITIONS

2008-0443 Adoption of Resolution to Waive City Council Rules of Procedure to take action at a Work Session solely for the purpose of adopting a resolution to recognize Oakland University 2008 Welcome Week

A motion was made by Ambrozaitis, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Hooper, Brennan, Rosen, Ambrozaitis, Yalamanchi, Webber and Pixley

Enactment No: RES0280-2008

Whereas, Oakland University's 2008 Welcome Week is the week of September 2 - 12, 2008; and

Whereas, City Council deemed it appropriate to waive their "Rules of Procedure" in order to adopt a resolution to recognize Oakland University 2008 Welcome Week; and

Whereas, City Council "Rules of Procedure", Article III: Meetings of Council; Section .03: Work Sessions: Subsection (b) states, "No votes will be taken at Work Sessions, except if there is a need to adjourn to Closed Session at which time Council may consider a resolution at the beginning of the Work Session to adjourn to Closed Session at the conclusion of the Work Session"; and

Whereas, City Council can determine to suspend their "Rules of Procedure" pursuant to Article IX: Suspension and Amendment of these Rules, Section .01: Suspension of these Rules: Subsection (a) states, "A majority of the Council currently holding office may resolve to waive or suspend any rule as applied to any matter of business appearing on the Council Agenda.

Resolved, that the Rochester Hills City Council hereby waives City Council "Rules of Procedure", Article III, Section .03 (b)(ii), solely for the purpose of adopting a resolution to recognize Oakland University 2008 Welcome Week.

2008-0441 Proclamation in Recognition of Oakland University 2008 Welcome Week

Attachments: [Agenda Summary.pdf](#)
[Resolution to Waive CC Rules.pdf](#)
[OU Welcome Week Proclamation.pdf](#)
[Resolution.pdf](#)

Mayor Barnett read the Proclamation.

A motion was made by Webber, seconded by Pixley, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Hooper, Brennan, Rosen, Ambrozaitis, Yalamanchi, Webber and Pixley

Whereas, the City of Rochester Hills, Rochester Regional Chamber of Commerce and Oakland University are partners in the community, working together to seek opportunities that are jointly beneficial to residents and students alike; and

Whereas, the City of Rochester Hills values Oakland University and the economic, cultural, sporting, academic and recreational benefits it brings to our community; and

Whereas, the City of Rochester Hills encourages local businesses to welcome students, parents, faculty, staff and alumni of Oakland University to their establishments; and

Whereas, the City of Rochester Hills proudly welcomes Oakland University students back to campus for the 2008-09 school year; and

Whereas, the City of Rochester Hills officially recognizes the week of September 2 - 12, 2008 as Oakland University Welcome Week.

Now, Therefore, Be It Resolved, that the Mayor and City Council of the City of Rochester Hills proclaims its support of Oakland University Welcome Week 2008. GO GRIZZLIES!

PROPOSED 2009 BUDGET DISCUSSIONS

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

Public Comment:

Bill Bidwell, 2055 Avoncrest, presented information he had compiled regarding the overall budget numbers proposed in relation to past years. He questioned whether Council had adequate information to make budget decisions, and stated that proposed budget amounts should always be compared to actual expenditures. He also expressed concerns regarding the Building Department's proposed budget.

213 - R.A.R.A. MILLAGE FUND

Mr. John Anderson, Executive Director, Rochester Avon Recreation Authority (RARA), provided an overview of RARA:

- 15,000 registrations per year
- Major programs include Dance and Youth Sports
- Other programs include Camps, Adaptive Students programs and special events
- Supported by millage of 0.1950 passed in 2006 (through fiscal year 2016)

Mr. Ambrozaitis thanked Mr. Anderson and applauded the work of RARA.

Mr. Webber questioned whether Oakland Township had been approached to discuss budgetary contributions.

Mr. Anderson replied that discussions were being held with Oakland Township. Any acceptable proposal received from Oakland Township would be presented to the four entities that make up RARA; City of Rochester, City of Rochester Hills, Avondale School District and Rochester School District.

Discussed.

2008-0426 Discussion - Component Units (800's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

808 - R.A.R.A. OPERATING FUND

See Legislative File 2008-0427.

Discussed.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

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[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

265 - O.P.C. Millage Fund

Ms. Marye Miller, Executive Director of the Older Persons Commission (OPC), provided an overview of the programs OPC provides:

- One-third of OPC's budget is millage, one-third is fees and charges, one-third is grants and fund raising
- A major fund raiser for OPC is the Art and Apples Festival. OPC makes and sells over 3,000 apple pies at \$12 each/two for \$20
- A Strategic Plan is being developed. A continuation of the Planning Session is scheduled for September 25, 2008 at 5:00 p.m., at OPC
- Three municipalities make up OPC and contribute funding: Rochester, Rochester Hills and Oakland Township
- The Proposed Budget for OPC was passed by the Board in June

Mr. Ambrozaitis extended his appreciation to Ms. Miller for her work at OPC.

Mr. Brennan questioned the membership figures and the number of seniors served.

Ms. Miller responded that Rochester, Rochester Hills and Oakland Township residents can participate in all programs without membership registration. Only individuals from outside these communities are required to register as members. She estimated that 14,000 area seniors could take advantage of OPC programs, and over 9,000 residents of the three municipalities are currently served. Those over fifty years of age are able to attend health and wellness programs. She stated that these numbers were expected to rise as baby boomers age.

Mr. Rosen requested information on Revenue Line Item 420000 - Taxes - Delinquent Personal Property.

Ms. Miller responded that delinquent tax money is delayed and not transmitted to OPC until the following year, when it is sent by Oakland County.

Mr. Pixley complimented Ms. Miller on the creativity that OPC brings to its budget, stating that the fund raising and grant writing efforts of OPC were greatly appreciated.

Public Comment:

Lee Zendel, 1575 Dutton, requested information on the health and optical insurance breakdown for OPC employees, commenting that this percentage, related to salaries and wages, was very low in comparison to other budget areas of the City.

Ms. Miller responded that health benefits are only provided for thirteen full-time employees. The remainder of OPC's employees are part-time.

Discussed.

2008-0426 Discussion - Component Units (800's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

820 - O.P.C. Operating Fund

See Legislative File 2008-0427.

Discussed.

2008-0425 Discussion - General Fund (100's) - 2009 Budget

Attachments: [Agenda Summary.pdf](#)
[Final Recap.pdf](#)
[Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)
[Supplemental Analysis of Dept.pdf](#)

BUILDING/ORDINANCE:

535 - Weed Control Program

Mr. Yalamanchi stated the City needs to reassess the charges for this program.

Mayor Barnett responded that fees were recovered in 2004, 2005, 2006 and 2007, however, monies collected may not be received in the same calendar year as the expenditure. He stated that the Building Department recommends Council consider a fifty percent Administrative Fee increase to cover costs moving forward.

Mr. Ambrozaitis stated he would be in support of raising fees for weed control.

Mr. Rosen asked what the increase in costs was due to.

Mr. Scott Cope, Director of Building/Ordinance Compliance, responded that the increase is a direct result of the allocation of salaries and wages.

Mayor Barnett explained that the Personnel Services increase for Weed Control (535) proposed for 2009 is a reallocation of administrative costs.

Mr. Yalamanchi stated that if prior years' numbers were adjusted to reallocate administrative costs, those years most likely would have shown a deficit in the Weed Control budget as well. He stated that Council should consider an Ordinance Amendment to increase the Administrative Fee for the Weed Control Program.

Mr. Brennan questioned whether the increase was due to an increase in staffing, or if the budgeted increase was due to an accounting entry to reallocate time.

Mr. Cope responded that it is a reallocation of current staff costs for Ordinance Inspectors to administer the Weed Control Program.

Mr. Brennan stated that as the economy improves, he would expect that administrative expenses for weed control will decrease.

PLANNING & DEVELOPMENT:

Mr. Ed Anzek, Director of Planning and Development, reviewed the following areas his department is responsible for:

General Fund Costs Centers:

400 - Planning Commission
401 - Planning and Economic Development Department
410 - Zoning Board of Appeals (ZBA)
804 - Historic District Commission (HDC)

Component Unit Funds:

843 - Brownfield Redevelopment Authority (BRA) - the collection of the monies for the Madison Park development, also known as Suburban Softball. Once that property changed hands and the Brownfield Plan was approved, there was Tax Increment Financing (TIF) generated. That is being stored in a fund until some point in time eligible activities are performed that are entitled for reimbursement.

848 - Local Development Finance Authority (LDFA)

851 - SmartZone - money captured from the School Tax. These monies are transferred to Oakland University Incubator as part of the SmartZone project.

893 - Economic Development Corporation (EDC) - established in the early 1990s to implement industrial development revenue bonds, and is required to stay in place until those bonds are retired. Those bonds are scheduled to retire in 2016. The EDC must meet annually, and has a budget of less than \$1,000.

Mr. Anzek stated that under Council's direction the department also supports the Historic Districts Study Committee (HDSC), as well as the Environmental Oversight Committee (EOC). Further, under the Mayor's direction, the department supports the Mayor's Business Council (MBC).

Goals and Objectives:

Mr. Anzek identified how the Planning and Development Department Goals and Objectives related to City Council Goals and Objectives as follows:

City Council's Goal of **Economic/Tax Base**: to retain investment, maintain the tax and employment base, support redevelopment, and uphold high property values in the City.

Planning Department Goals:

- Provide professional guidance to define and identify appropriate means and techniques to accomplish the desired direction for the built environment of the community.
- Align land development codes and standards to reflect City policies and directions contained within the City's various plans to further support and promote the community's desired land use mix and appearance.
- Provide for a diverse business base that generates high quality employment opportunities and a strong tax revenue base.
- Continue the pursuit of efficiencies within the approval process.
- Evaluate routine processes for all activities of the department to determine if greater efficiencies could be gained by change.
- Revise land development codes to better address redevelopment issues.

- Continue efforts with the Mayor's Business Council as a means to strengthen our Economic Development efforts and to implement ways to be more efficient and effective.

Planning Department Objectives:

- Monitor the recently adopted Zoning Ordinance update as to it's meeting the policies and directives of the Master Land Use Plan 2007, and initiate actions to improve where necessary
- Continue in the implementation of the Economic Development Strategy as a component of the Master Land Use Plan, 2007. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study
- Continue to meet bi-weekly with representatives of other departments to evaluate the development permit approval process in order to identify and implement means and techniques to be more expeditious and efficient (Development Improvement Process Committee)
- Identify specific areas where internal departmental procedures could be improved upon to provide better service to the public and to expedite administrative and approval reviews
- Continue to evaluate and rewrite various codes which are cumbersome to administer, interpret, enforce, and apply while maintaining City standards
- Develop strategy/policy papers to affect desired results regarding development, preservation, enhancement, and redevelopment and submit results to the City Administration, City Council, and/or the appropriate Boards, Commissions, and/or Council Committees for their consideration and adoption. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study
- Continue in providing support services to the Mayor's Business Council, and its committees and subcommittees, by conducting appropriate research and analysis of issues and concerns identified by the members of the Business Council
- Implement near-term recommendations adopted as part of the Master Land Use Plan, 2007. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study
- Develop, in conjunction with the LDFA, a M-59 Corridor study to refine the directions and policies approved as part of the City's Master Land Use Plan, 2007. Studies: M-59 Corridor Study; Branding and Communications Plan
- Initiate study of Olde Town/Auburn Road area as identified in the Master Land Use Plan, 2007. Studies: Olde Town (Internal efforts as possible); Branding and Communications Plan
- Develop strategies for redevelopment of Landfill Planning area, including possible investigation of underdeveloped properties with existing or perceived contamination. Studies: Landfill Planning Study; Branding and Communications Plan
- Update City's Architectural Guidelines for adoption by the Planning Commission
- Investigate sustainable development and LEED incentives for future non-residential development
- Revise and update Department Development Guide
- Maintain a strong business retention and attraction program, including expanding the number of small businesses that will be visited and assisted. Studies: M-59 Corridor Study; Branding and Communications Plan

- Implement a small business program that creates a network of entrepreneurs and small businesses, and creates a communication link that supports the identification of resources and service providers. Studies: M-59 Corridor Study; Branding and Communications Plan
- Develop and implement marketing strategies that work to differentiate the City within the region for purposes of promoting City assets, housing stock, commercial and industrial stock and attracting investment. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study; Olde Town (Internal efforts as possible)
- Continue to develop the SmartZone program through coordination with various agencies, including Oakland University, and evaluate opportunities for expansion of the boundaries locally or regionally. Studies: M-59 Corridor Study; Branding and Communications Plan

City Council's Goal of **Infrastructure Management**: to provide reliable, safe and effective infrastructure (roadways, utilities, building, etc.) throughout the City.

Planning Department Objectives:

- Develop and implement marketing strategies that work to differentiate the City within the region for purposes of promoting City assets, housing stock, commercial and industrial stock and attracting investment. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study; Olde Town (Internal efforts as possible)

City Council's Goal of **Community/Neighborhoods**: to protect the family-oriented community from adverse events and conditions by strategic planning and proactive management in all aspects of municipal governance

Planning Department Objectives:

- Monitor the recently adopted Zoning Ordinance update as to it's meeting the policies and directives of the Master Land Use Plan 2007, and initiate actions to improve where necessary
- Implement near-term recommendations adopted as part of the Master Land Use Plan, 2007. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study
- Initiate study of Olde Towne/Auburn Road area as identified in the Master Land Use Plan, 2007. Studies: Olde Towne (Internal efforts as possible); Branding and Communications Plan
- Develop strategies for redevelopment of Landfill Planning area, including possible investigation of underdeveloped properties with existing or perceived contamination. Studies: Landfill Planning Study; Branding and Communications Plan
- Update City's Architectural Guidelines for adoption by the Planning Commission
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City Council's Goal of **Effective Governance**; to provide clear policy direction to the administration for the execution of City programs and services.

Planning Department Goals:

- Continue the pursuit of efficiencies within the approval process.
- Evaluate routine processes for all activities of the department to determine if greater efficiencies could be gained by change.

Planning Department Objectives:

- Continue to meet bi-weekly with representatives of other departments to evaluate the development permit approval process in order to identify and implement means and techniques to be more expeditious and efficient (Development Improvement Process Committee)
- Identify specific areas where internal departmental procedures could be improved upon to provide better service to the public and to expedite administrative and approval reviews
- Continue to evaluate and rewrite various codes which are cumbersome to administer, interpret, enforce, and apply while maintaining City standards
- Develop strategy/policy papers to affect desired results regarding development, preservation, enhancement, and redevelopment and submit results to the City Administration, City Council, and/or the appropriate Boards, Commissions, and/or Council Committees for their consideration and adoption. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study
- Continue to seek appropriate educational and training opportunities for the members of the various boards and commissions
- Maintain a strong business retention and attraction program, including expanding the number of small businesses that will be visited and assisted. Studies: M-59 Corridor Study; Branding and Communications Plan
- Implement a small business program that creates a network of entrepreneurs and small businesses, and creates a communication link that supports the identification of resources and service providers. Studies: M-59 Corridor Study; Branding and Communications Plan

City Council's Goal of **Environment**; to move towards a more green city - not only city hall and facilities but promotion within the community and businesses and which businesses we attract.

Planning Department Objectives:

- Develop strategy/policy papers to affect desired results regarding development, preservation, enhancement, and redevelopment and submit results to the City Administration, City Council, and/or the appropriate Boards, Commissions,

and/or Council Committees for their consideration and adoption. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study

- Implement near-term recommendations adopted as part of the Master Land Use Plan, 2007. Studies: M-59 Corridor Study; Branding and Communications Plan; Landfill Planning Study
- Develop, in conjunction with the LDFA, a M-59 Corridor study to refine the directions and policies approved as part of the City's Master Land Use Plan, 2007. Studies: M-59 Corridor Study; Branding and Communications Plan
- Initiate study of Olde Towne/Auburn Road area as identified in the Master Land Use Plan, 2007. Studies: Olde Town (Internal efforts as possible); Branding and Communications Plan
- Develop strategies for redevelopment of Landfill Planning area, including possible investigation of underdeveloped properties with existing or perceived contamination. Studies: Landfill Planning Study; Branding and Communications Plan
- Update City's Architectural Guidelines for adoption by the Planning Commission
- Investigate sustainable development and LEED incentives for future non-residential development
- Revise and update Department Development Guide
- Maintain a strong business retention and attraction program, including expanding the number of small businesses that will be visited and assisted. Studies: M-59 Corridor Study; Branding and Communications Plan
- Implement a small business program that creates a network of entrepreneurs and small businesses, and creates a communication link that supports the identification of resources and service providers. Studies: M-59 Corridor Study; Branding and Communications Plan
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Significant Changes:

Mr. Anzek stated the Department closely reviewed meeting schedules and bylaws for the different Boards and Commissions supported, budgeting for a decline in meetings to cover the lessened work and decrease in revenues. Reductions in meeting schedules provide for a projected savings of 27% in the Planning Commission budget, 25% savings in the Zoning/Sign Board of Appeals budget and a 14.2% decline in the Historic District Commission budget. He summarized that the Planning and Development Department Budget was down four percent overall.

*703000/Salaries and Wages decreased 6% - \$33,940 due to the elimination of a full-time Landscape Architect based on a decline in workload. A Part-Time Landscape Architect position was established to provide the necessary technical expertise on a limited basis. In addition, a reduction of overtime hours from 675 to 200 due to an anticipated reduction in the number of meetings of the Planning Commission, ZBA, HDC and HDSC.

**740000/Operating Supplies decreased 29% - \$2,500 due to recent actuals.*

**801000/Professional Services increased 68% - \$21,270 due to the introduction of a Landfill Planning Area study (PS-15) as promoted and supported by the Master Land Use Plan 2007 for the development of a strategy to address issues associated with landfill areas in the east-central edge of the City. A cost share agreement (25% share) for a Branding & Communication Plan (PS-04) is proposed for FY 2009 with the Mayor's Department (25% share) and the LDFA (50% share) also contributing.*

President Hooper requested a brief overview on the two projects in the CIP; PSO4 Branding and Communications Plan, and PS15 Landfill Planning Study.

Mr. Dan Casey, Manager of Economic Development, explained that the purpose of branding is to develop a consistent message that helps to distinguish our community from our competition. It is intended to be highly reflective of what the community is and stands for so that every time you think about the City of Rochester Hills you get the exact same impression, the same message, and you understand the quality of service. He stressed that it has to be delivered consistently every time in order to be effective. He noted that this proposal is strongly supported by the Mayor's Business Council, was called out in the Master Land Use Plan as a strategy, and the Administration's Economic Development Strategy also called for the development of a Branding and Communication Plan.

Council Discussion:

Mr. Ambrozaitis questioned how the Landfill Planning Survey will benefit the City.

Mr. Derek Delacourt, Deputy Director of Planning and Development, stated that there was significant discussion during the Master Land Use Plan process about Zoning and what uses were most appropriate for areas in the City having problems with waste issues. The intent of this Landfill Planning Survey is to tag these locations and develop a sub area plan of how to develop and redevelop some of those properties. The intent is to use the study to provide direction as to what uses would be most appropriate, and what uses would generate tax increment financing in hopes of utilizing the Brownfield program to clean up contaminated properties.

Mr. Ambrozaitis stated his understanding of the Branding Plan and expressed his concern regarding the overall costs. He stressed his support regarding any effort to encourage development in the Olde Town Auburn corridor, and that property values could only improve should development go forward. He noted the number of revised site plans processed have increased and questioned why these plans are being revised. He suggested that it could be advantageous to the City if Planning and Development personnel were licensed in commercial real estate.

Mr. Anzek responded that revised site plans were submitted when there was a revised use of facilities, property face-lifts, or similar changes. He stated that revised site plans require as much review time as newly-submitted plans. He also stated that requests for residential site plan extensions require review time as well; and with the economic slowdown, the Department has been processing a number of extensions. Regarding branding, he offered that the estimated amount of \$60,000 for the development of a marketing theme was an upper-end figure, with an estimate of 25 percent of this amount for professional services to take the City through the process of identifying a comprehensive marketing theme and message, and a significant amount for printing costs. He stated that a portion of this expenditure was offset by LDFA budget reductions of printing costs from \$25,000 to \$5,000.

President Hooper questioned the progress on the Zoning Ordinance update.

Mr. Anzek indicated that the update is moving forward and would hopefully be presented to Council by year's end.

Mr. Rosen suggested that a branding campaign should emphasize trees and green space.

Mr. Anzek concurred, and added a campaign should emphasize the City's quality housing stock, schools, shopping and cultural amenities.

Mr. Webber asked if there are projections as to what returns a branding campaign would have.

Mr. Casey stated it would be difficult to determine an exact return on investment, however, if even one business was attracted to town, it would lead to a monetary return.

Regarding redevelopment possibilities of the Olde Town corridor, **Mr. Brennan** questioned whether local universities could be involved in the planning process.

Mr. Anzek responded that Mr. Delacourt has had contact with Lawrence Technological University.

Mr. Yalamanchi questioned how the objective of implementing a small business program was being accomplished.

Mr. Anzek related statistics that indicate 85 percent of new jobs created come from small businesses and noted that they will need City support. He stated that at the last Mayor's Business Council meeting, fifteen members volunteered to serve on a subcommittee to support small businesses.

Ms. Barnett-Harrison stated that an Entrepreneurship and Innovation Committee has been formed to discuss the resources in place and develop a systematic process to direct businesses in a way that is seamless and resourceful for their needs. She stated that the Small Business Technology and Development Center provides services to businesses to understand the area market and competition.

Mr. Casey stated that the City's focus is on emerging sectors in its economic development strategy.

In response to Mr. Yalamanchi's question on the City's Landfill Planning Policy, **Mr. Delacourt** replied that the Landfill Planning Study was more of a land-use based planning study, as opposed to a TIF study.

In response to a question on the LDFA, **Mr. Casey** responded that a SmartZone report would be brought to Council in late September.

Mr. Anzek stated that the LDFA is not a savings account. He explained that the money generated must be spent or it will be returned when the program is completed.

Mayor Barnett stated that the economic development year has progressed with many successes, and that branding will be another tool to help the City be successful. He stated that plans for the Olde Town Study area have stalled because no significant business owner or developer has expressed an interest in taking a leadership role in that area. He further stated that Olde Town has many obstacles to overcome related to alleys, parking and signage issues before a cohesive idea for the area could be brought forth. He commented that the Mayor's Business Council has been a very important resource for information and assistance.

President Hooper stated that he supports both the Branding and Marketing project and the Landfill Study project.

Mr. Anzek added that another project in the LDFA budget is the M-59 Corridor Plan. This plan is one hundred percent funded by LDFA.

President Hooper questioned why there is not a CIP for the LDFA Major Road Concrete Slab Replacement.

Mr. Casey responded that this is in the CIP, but not under the LDFA project. He stated that there is a Major Road Slab Replacement Program as well as an Asphalt Slab Replacement Program. The purpose of the LDFA's funding of slab replacement is to reimburse the Major Road Fund for projects that occur within the District. At the end of the year, the LDFA would approve projects that have occurred within the District that were funded under the two existing CIP projects. He stated there is not a separate CIP for LDFA slab replacement because they already exist under the other funds.

President Hooper asked what the LDFA term was. He suggested this term be added to the budget information.

Mr. Anzek responded that it was in place through 2026.

President Hooper questioned the amounts spent and budgeted for HDC studies for listing and delisting properties, and noted that to date no money was spent in this year's budget for HDC studies.

Mr. Delacourt explained that six studies have been completed to a preliminary stage and submitted to the State for review to date this year. Several will come before Council shortly, and some of the studies conducted this year will not be coming before Council until next year.

Mr. Yalamanchi asked whether a TIF would be created in the Olde Town area.

Mr. Anzek responded that there are several programs at the State level that the City could explore, but the intent was to be careful not to create a dis-incentive for development.

Mr. Brennan questioned whether Olde Town had a business association.

Mayor Barnett stated that the idea for an organized association was introduced in 2002, but did not find cohesive support.

Mr. Delacourt stated that the City has resources in place through the Zoning Ordinance and the Master Land Use Plan to work toward development in that area, but it would take a business owner or developer in the private sector to step forward to begin the process of redevelopment.

Mr. Ambrozaitis encouraged continued City involvement in the Olde Town area and requested that periodic reports be given to Council on any progress made toward redevelopment.

Mr. Anzek stated the City's economic development efforts under the Mayor's leadership has been granted the Pinnacle Award by the Regional Chamber of Commerce. He reported that the City has reduced its vacancy rate in its industrial parks from 15.5 percent to 8.8 percent over the past year.

Discussed.

2008-0426 Discussion - Component Units (800's) - 2009 Budget

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843 - Brownfield Redevelopment
848 - Local Development Finance Authority
851 - SmartZone
893 - Economic Development Corporation

See Legislative File 2008-0425.

Discussed.

2008-0425 Discussion - General Fund (100's) - 2009 Budget

Attachments: [Agenda Summary.pdf](#)
[Final Recap.pdf](#)
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PARKS

756 - Parks Department

Mr. Mike Hartner, Director of Parks and Forestry, stated that the Parks and Forestry Department functions as a resource-based department, providing the parks, the fields, trails and the open spaces, but not the community programs. He reported that many recreation program providers exist, including 25 to 30 leagues and associations from southeast Michigan that use the City's fields each year. The City has fourteen parks and two major trails, comprising of approximately 1,000 acres of parkland, providing services to over 800,000 visitors each year from Rochester Hills and surrounding communities.

Significant Changes:

- *The overall Parks Operational Budget for 2009 shows an 8.8% decrease, and the proposed budget is less than 2003 actual expenses.*
- *A projected increase of \$90,000 in revenue for 2009 is based on a three-year averaging method of calculating trends.*

Public Comment:

Melinda Hill, 1481 Mill Race, questioned whether a splash pad project was still proposed for Spencer Park.

President Hooper stated that the splash pad project had been removed.

Mr. Lee Zendel, 1575 Dutton Road, suggested that a dedicated parks millage could relieve some of the budget pressures on the General Fund.

Council Discussion:

Mr. Ambrozaitis questioned the four percent increase in 945000/Miscellaneous Expense due to anticipated increase in taxes for Pine Trace Golf Course, and asked whether Pine Trace was netting the City any revenue.

Mr. Hartner responded that the percentage of revenues received by the City will rise from five percent to eight percent for 2009.

Ms. Julie Jenuwine, Director of Finance, reported that Pine Trace revenue is approximately \$100,000 for this year.

Mr. Hartner reported that the City is fifteen years away from getting the property back. The current company has a lease agreement to run the Golf Course.

Mr. Pixley questioned a 27 percent increase in 802004 - Interfund Charges - Fleet Vehicles.

Mr. Hartner commented that the Fleet Manager looks at the cost for maintaining the vehicles and makes those decisions.

President Hooper stated that Interfund Charges have gone down fifty percent.

Ms. Jenuwine stated that the 2008 Budget for Fleet Charges was low and would be adjusted in a Third Quarter Budget Amendment. The 2009 Budget amount is based on true usage and would show no increase over 2008 actual.

Mr. Webber requested a clarification of revenues with respect to rental rates and concession stand prices.

Mr. Hartner replied that the City is on the high-end of average in their pricing, based on a review of charges in southeast Michigan for metroparks. He stated that the field rental charges were raised recently. The City recovers costs for soccer and baseball leagues, and for Spencer staffing and lifeguarding, but does not have a revenue center in place to recover costs from playground areas. He stated in relation to rental rates and concession fees that there is a point where the costs could not feasibly be raised further.

Mr. Yalamanchi questioned how the figures for User Activity Days were derived.

Mr. Alan Buckenmeyer, Parks Operations Manager, responded that car counts are used to determine these numbers and track attendance. Attendance at games and sporting events could not be accurately tracked.

Mr. Hartner added that users of the Paint Creek Trail, Clinton River Trail and the Festival of the Hills are not included in the tracking. He stated the total figure of 850,000 parks users is on par with a Metropark.

Mr. Yalamanchi questioned whether a public/private partnership for the Museum and the Environmental Education Center could still be explored.

Mayor Barnett stated that this possibility was explored after the last budget session. He explained that if the Museum were turned over to a private partnership, deed restrictions state that Michigan State University would become the immediate owner.

President Hooper stated that a workshop or committee could undertake exploration of the options.

Mr. Ambrozaitis suggested that something in writing be obtained from

Michigan State University to clarify their position on a possible public/private ownership. He also asked for an explanation on Facilities Fund differences in this budget.

Ms. Jenuwine explained how the Council Policy changes this past spring gave relief to the General Fund for these difficult economic times, temporarily eliminating the transfer of future replacement dollars to the Facilities Fund. This policy change has afforded the Parks Department relief in this budget area.

774 - Forestry

Mr. Hartner stated that the Forestry Division is responsible for 19,000 street trees on over 275 miles of road, and all of the trees and woodlands on City-owned properties, including parks, fire stations and boulevards. Typically 600 service requests are logged from residents and staff annually.

Significant Changes:

- The Forestry Division proposes a flat budget for 2009. The vast majority of the Forestry Division budget is charged out to Major Roads, Local Roads, Pathways and the Clinton River Trail.

Council Discussion:

Mr. Webber questioned the differences in 802001/Interfund Charges - MIS.

Ms. Jenuwine explained that the depreciation schedule for software is three years and the Budget will reflect these future replacement costs of Forestry software over the next three years. This amount will then drop off until the next software replacement.

Discussed.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
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232 - Tree Fund

*807000/ Contractural Services

Mr. Webber asked for clarification on the budgeted amount for Contractural Services.

Gerry Lee, Forestry Operations Manager, stated that using Contractural Services in Forestry was a cost-effective way to do aerial work on City

properties, based on the equipment needed to do this work.

Mr. Yalamanchi questioned whether an endowment fund for trees could be explored as a perpetual fund source.

Public Comment:

Ms. Melinda Hill, 1481 Mill Race, questioned what restrictions were placed on planting trees in City boulevards.

Mr. Hartner responded that the restrictions of placing trees into boulevards were not by Ordinance, but by Policy. He stated that by formulating a tree fund use policy, the City could identify instances where tree placement could occur. The City could also explore using Michigan Department of Transportation funds as enhancement dollars as a part of State projects.

Discussed.

(Recess - 7:41 to 8:09 p.m.)

2008-0429 Discussion - Internal Service Funds (600's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

MIS:

Bob Grace, Director of MIS, reported that MIS is an internal service department, providing reliable computer services and implementing new technology throughout the City. The three major services provided by the MIS department include the following:

- Infrastructure; providing training on new office software, storage capacity, patching and virus protection
- GIS; a geographic information system for both in-ground and on-ground areas of the City
- Departmental projects; including the selection of software packages, administration, installation and troubleshooting

Mr. Grace listed proposed 2009 Departmental projects:

- New aerials for pictometry
- Website maintenance
- Asset management
- Vital Statistics software replacement and training

Mr. Grace reviewed the City Council's **Goals and Objectives**, identifying how the MIS Department related to them as follows:

City Council's Goal - Public Safety; Objective - To protect the residents, businesses, and visitors of Rochester Hills by providing high quality public safety.

- Mapping improvements allow benefits for public safety, providing maps for Fire and Emergency Services

City Council's Goal - Infrastructure Management; Objective - To provide reliable, safe and effective infrastructure throughout the City.

- Asset management
- Work with departments to refine data
- The number of training and workshops given has risen. New desktop training classes, new software package training will be going up for 2009
- Computer network configuration for financial software upgrades was performed in 2006
- Help desk calls are expected to increase
- The number of software patches should remain relatively constant. Changes were implemented in 2007 to allow patches to be put out onto desktops

City Council's Goal - Community Trust and Participation; Objective - To promote effective communication between City Council, Administration, residents, businesses and visitors so that decisions reflect the community's desires and expectation.

- Work with the Accounting Department to develop online billing and payment
- Improved GIS mapping to the website
- Mailings are done through GIS, allowing identification and notification of property owners and residents certain distances from a location

City Council's Goal - Effective Governance; Objective: To provide clear policy direction to the Administration for the execution of City programs and services.

- Pictometry applications will be shared with Rochester Schools. The Schools has made a commitment for 2009 to share the costs of this application. The Department is also exploring working with other communities and institutions to share these applications
- Information is being shared with the City of Rochester on parcel data and street mapping
- Vital Statistics updating is making progress

City Council's Goal - Environment; Objective: To promote conservation of water, electricity, etc.; to move towards a more green City - not only City Hall and facilities, but promotion within the community and businesses and which businesses we attract.

- Environment and Energy Conservation: Power settings have been changed on all PCs to place them in sleep mode. Server consolidation and virtualization

has been accomplished. Trips into the computer room have been minimized by remoting in, allowing a more controlled environment

Significant changes:

* 801000 / Professional Services are up 50% due to pictometry upgrades.

* 932000 / Maintenance - Equipment increased 87% due to expiring warranties.

* 934000 / Maintenance - Software increased 24% due to the asset management system.

Public Comment:

Melinda Hill, 1481 Mill Race, commented that the City should be vigilant and cognizant about the initial cost plus the additional costs to adding and upgrading software packages throughout the City.

Council Discussion:

President Hooper questioned how often the pictometry is being updated.

Mr. Grace responded that the City tries to reify these areas every other year, dependent upon the amount of construction that had occurred during the prior years. The City departments are consulted as to whether new pictometry is suggested, based on construction and development. This year it is the consensus that it is warranted.

President Hooper questioned an RFP for water and sewer billing that was issued.

Mr. Grace stated that the RFP was a request for information and a cost, to get an idea of what the City might be looking at. He stated the City would most likely see this as a 2010 budget item.

President Hooper questioned whether the software maintenance amounts could be reduced.

Mr. Grace stated there would be little opportunity to reduce these software maintenance amounts, as the applications being used throughout the City must remain supported for upgrade. He stated that typically, it is more cost-effective to pay the maintenance amounts, as frequently these companies will provide upgraded software as a part of their maintenance agreements. If no maintenance agreements are in place, companies usually require a repurchase of the entire software package to obtain an upgrade.

Mayor Barnett stated that recently under Mr. Grace's direction the staff reviewed every application on every computer to ascertain use. He stated that he is comfortable that every City computer is configured with only the necessary applications for each employee's use.

Mr. Yalamanchi questioned what depreciation costs were used for software, and whether maintenance costs were allocated to specific department users.

Mr. Grace stated that costs were distributed differently for each application. He explained that DPS might use 75 percent of asset management costs; Parks uses a tree module, and they have five percent distributed to them. If a department needs a specific software module addition, that cost is allocated directly to that department.

Mr. Yalamanchi asked for an update on the Vital Statistics upgrade.

Mr. Grace stated that 2009 is the year that this should be looked at. Once it is implemented, there will be continuing costs to the Clerk's Department. The City is also exploring whether Oakland County records could be accessed here at the City. This possibility was explored last year, and the County initially responded that this is not an option, possibly due to the way the County holds the data. The City is continuing discussions with Oakland County MIS and Ruth Johnson, County Clerk, to explore options on how the data is held.

Mr. Yalamanchi asked what length of depreciation was being used.

Mr. Grace stated that software depreciation is typically three-years and depreciation for equipment is five years.

Mr. Yalamanchi questioned whether pictometry intervals could be stretched out to three or more years.

Mr. Grace stated that pictometry was last done in 2007, using photos from April and May.

President Hooper questioned whether other users could be brought on line to help defray costs.

Mayor Barnett responded that Rochester Schools has been approached, along with the City of Rochester.

Mr. Ambrozaitis stated that he would be in support of an interval of every three years for pictometry if additional user contributions could not be obtained.

Public Comment:

Lee Zendel, 1575 Dutton, questioned the annual maintenance costs for software, citing the initial JD Edwards software cost of \$300,000.

Mr. Grace reiterated that if the software maintenance fees were not paid, the City would have to repurchase software to receive upgrades. He stated that when software RFPs are issued, they include software maintenance fees.

Mr. Rosen questioned the number of software programs used in the City and whether there would be a way to bundle some of the software applications.

Mr. Grace responded that the City has approximately fifty programs where maintenance agreements are paid. He stated that the City has approximately 170 total software applications. He stated that there are some "supervendors" providing combined software packages, but many times this results in more costs. Citing JD Edwards, he stated the City gets more use from this software package, but at a higher cost. He further stated that MIS weighs what is best for the City when selecting the software packages.

Discussed.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

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Mayor Barnett announced that Captain Smith was being promoted to Major Smith as of Monday, September 1, 2008. He stated that Captain Mike Johnson has been announced as the new Substation Commander for the Rochester Hills Division.

SPECIAL POLICE FUND:

207 - Special Police Revenue (207)
207 - Special Police Fund (207)

Captain Robert Smith, Oakland County Sheriff's Department (OCSD), reported that there are sixty Officers assigned to the Rochester Hills Substation. He stated the Uniformed Division runs four shifts seven days per week, with limited command staff. A Detective Lieutenant oversees eight detectives. The Substation includes one Crime Prevention Officer, one rotating Desk Officer, an Alarm Compliance Officer and the School Officer Program. He stated the organization is lean and vertical, efficient and cost effective. He referred to the high satisfaction ratings that the OCSD received in the Oakland University Survey. Captain Smith reviewed the Objectives and Significant Changes for the Oakland County Sheriff's Department, noting the following:

City Council's Goal - Fiscal Management

Captain Smith stated that in an effort to reach out to other revenue resources, the Department has been successful in obtaining State of Michigan Traffic Improvement Association grants, paid for by Federal gasoline taxes. One hundred-sixty manhours were associated with \$10,000 in patrol time directed at specific types of enforcement activities that the State feels are important. Also, a special Operating Under the Influence of Liquor (OUIL) Cost Recovery Statute allows a City to recoup monies spent by Police Services, Fire and EMS upon conviction for drunk driving. These charges are tracked carefully in an attempt to recoup these monies. Reimbursement charges are at the discretion of the judges involved.

To date \$34,775 has been recouped for Police Services and \$1,596 for Fire Services through this Statute. He gave the following performance indicators for the OCSD:

Performance indicators:

- Calls for Service have continued to increase
- Community Contacts have increased
- Patrol Investigation of Criminal Activity have increased
- The Alarm Compliance Program has begun to see a reduction in false alarms, freeing up manpower. \$134,880 has been billed, with \$90,000 being collected in false alarm fees, allowing the program to become nearly self-funding
- The City has 0.78 officers per 100,000

Significant changes:

The Special Police Fund Budget increased 8%, based on projections of the increase in the patrol contract. These contracts have been frozen for five years and are entering negotiations.

* 807001 / Contractual Police Services: Administration and Council are being asked to consider an upgrade of one of the eight Patrol Investigators to a Detective/Sergeant position. This would result in a minimal cost increase and is being requested because the complexity and number of criminal investigations increasing at a rapid pace. Upgrading this position would also enhance supervision in the unit and allow a more seasoned investigator to be able to handle more complex investigations that cannot be done by rank and file.

* 655001 - Fines, City; * 655002 - Fines, District Court; * 655004 - Fines, OWI:

Captain Smith discussed the different fines and forfeiture revenues to the City. He explained the two different types of tickets OCSD issues. State of Michigan Standard Traffic Citations monies are collected by the District Courts and there is a sharing formula in which a relatively small percentage of those fines come back to the municipalities. City Ordinance Tickets can be issued on certain types of non-moving violations, such as parking tickets, and these fines come one-hundred percent to the City.

Council Discussion:

President Hooper questioned what timeframe is expected for contract negotiations.

Mayor Barnett stated that there has not been any discussions in the last thirty days. He reported that this is the fifth year that they have operated without a contract in place.

President Hooper requested information on the mini-contracts and asked if they are one-for-one reimbursement.

Captain Smith stated that these mini-contracts are run by the County one-for-one.

Mr. Webber asked for an update on the Police Liaison program and the changes in the distribution of costs.

Mayor Barnett stated that a conservative number was entered into the budget with the idea that by October a new breakdown of costs might be available.

Ms. Jenuwine stated that the contribution changes were based on population increases and decreases.

Mr. Ambrozaitis questioned when the City of Rochester Hills would become responsible for taking care of the Courthouse and Substation.

Ms. Jenuwine stated that the City is responsible for the Courthouse property maintenance, and the Court is responsible for building maintenance and custodial work.

Mr. Brennan questioned whether the current Police manpower was adequate for the City's population.

Captain Smith stated that established guidelines indicate that this ratio should be at around 1.81 per 100,000.

Mr. Brennan asked what the cost would be to upgrade the Investigator's position.

Ms. Jenuwine stated that the marginal cost is approximately \$14,000 annually.

Mr. Yalamanchi questioned where the mini-contracts are being used.

Captain Smith stated these mini-contracts are used where events are associated with revenues. A long-term mini contract is in place for a House of Worship because of traffic issues occurring on Friday afternoons.

Mr. Yalamanchi asked for clarification of the revenue figures for False Alarms.

Captain Smith responded that \$87,872 has been collected since the program's inception. The first six months of 2008 have seen revenues of \$42,690. He stated that in some cases the OCSD has to make three or four calls to businesses. More importantly, the false alarms are beginning to trend downward.

Mr. Yalamanchi requested an explanation of Interest and Dividend Earnings.

Ms. Jenuwine explained that as the tax revenue comes in, it is not spent immediately and this is the interest earned on the tax revenue.

Mr. Yalamanchi questioned whether the overall increase in costs were in direct correlation to an increase in calls.

Captain Smith stated that one investigator was added last year. Some of the

cost increases are attributed to increased overtime.

Ms. Jenuwine stated that the increase was due in part to more detailed tracking of overtime trends, the added position, and a four percent contractual increase.

Captain Smith stated that the Department's current operating model is the best way to go. He stated that if you attempt to run with a leaner number, if someone calls in sick it presents a staffing problem. In response to Mr. Yalamanchi's question about the number of officers listed, he stated that the 62 officers include two Rochester City officers that are a part of the Police Liaison program.

Mr. Webber stated that during Police and Road Funding Technical Review Committee discussions, the idea was raised to try to find room in the Budget to add an officer. He stated that he would challenge Council to review the Budget very closely to find the funds for supporting an additional officer.

Mr. Yalamanchi concurred that a strategic adding of officers was warranted. He questioned whether the community policing aspect could be coordinated with the Building Department.

Mr. Yalamanchi requested information on Liquor License Revenue.

Ms. Jane Leslie, City Clerk, stated that the City receives a 55 percent reimbursement of fees paid for liquor licensing throughout the City.

Captain Smith stated that the more liquor establishments a community has, the more enforcement activities are warranted, and that is the manner in which the State assists in defraying the additional costs.

President Hooper questioned the difference in the City Fines Budget line item.

Ms. Jenuwine stated that this line item was moving from the General Fund to the Police Fund.

Public Comment:

Mr. Lee Zendel, 1575 Dutton, questioned whether the City receives any revenue from property seizures in drug investigations.

Captain Smith stated that those type of dollars are typically part of undercover investigations by a County-wide narcotics enforcement team. These seizures go into a fund, and a Board of Police Chiefs decide how any monies seized are apportioned, usually determined by the number of officers and communities participating. For these investigations, a narcotics investigator is typically called in, and this takes the investigation off the plate of those officers working in the community.

Discussed.

2008-0425 Discussion - General Fund (100's) - 2009 Budget

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315 - Crossing Guards

Council Discussion:

Mr. Webber questioned whether the City might be able to receive some contribution from the school district for the Crossing Guard program. He asked whether there could be use of school security guards to assist in this program.

Captain Smith responded that court rulings and legislation state that the schools must be kept out of the business of providing crossing guards, and that responsibility falls to local municipalities. He stated that this City's program is managed by a Public Safety Aide. He commented that if a crossing guard is not in place and a reserve guard is not available, certain crossing locations require the commitment of a full patrol car.

Discussed.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

FIRE DEPARTMENT FUND:

206 - Fire Department Revenue
206 - Fire Department - Administration
339 - Fire Suppression
341 - Fire Prevention Bureau
342 - Training
343- Dispatch (343)
344 - Emergency Medical Response

Ron Crowell, Fire Chief/Emergency Management Director, gave an overview of the Fire Department:

- Fire Suppression Division: The Fire Suppression Division includes 24 full-time Firefighter Paramedics and over 90 budgeted Paid-On-Call Firefighter/EMT positions (POCs). The POCs are assigned to one of the City's five fire stations. The Suppression Division responds to emergency requests for service from

structure fires, car fires, hazardous materials incidents, downed wires and illegal burns.

- *Fire Prevention:* The Department visits every retail and commercial building within the City to conduct fire safety inspections. Over the years, fewer violations have been noted. Through the Planning Department, CPR programs and fire extinguisher training programs are promoted. The Division also has a Senior Citizen Fall Protection Program.

- *Training:* The Training Division is committed to provide advanced technological training for all fire personnel to ensure the health, safety and welfare not only to the City employees, but to the citizens of the community as well. The Division develops training programs and educates Fire Department personnel in current Fire and EMS standards. The Division also works with neighboring departments in developing inter-agency training seminars.

- *EMS Division:* Approximately 65 percent of calls are EMS incidents. Crittenton Hospital Medical Center is the base hospital and provides training and technology for the Department. EMS services are shared with the neighboring communities of Auburn Hills, Oakland Township and the City of Rochester. The Department has been recognized by the Oakland County Medical Control Authority for outstanding medical run reporting.

- *Dispatch:* Moving of the 911 answering system to the County is in process. The Department is able to eliminate a position, choosing not to fill a vacant position.

Chief Crowell reviewed the City Council's Goals and Objectives and noted the Fire Department related as follows:

City Council's Goal - Public Safety; Objective - To protect the residents, businesses, and visitors of Rochester Hills by providing high quality public safety.

- Call volumes are expected to increase with the addition of three new senior citizen developments, as seniors are approximately 35 percent of the EMS runs

- Station Four, on Walton east of Adams, is now staffed with two paramedic firefighters out of the existing staff, resulting in a three to four minute decrease in response times. He stated that the Department is moving toward staffing Fire Station Three, at Crooks and Auburn Road, which serves Section 31, containing the two American House developments

- Ensure the rehabilitation of on-scene providers, including personnel at structure fires in hazardous atmospheres to monitor them and keep them on the scene.

- Maintain contact with family members during incidents, and enhance pediatric training

- Implement specialized training, such as Firefighter Survival, Rapid Intervention and Building Collapse, and increase participation with regional Fire and EMS Academies

City Council's Goal - Fiscal Management; Objective - To establish policies for

fiscal responsibility that ensures short and long-term prosperity through effective fiscal planning and efficient management of the taxpayers' assets.

- A goal in the Fire Suppression Division is to control personnel costs. Overtime controls have been implemented, including flex time, allowing trade-days, and working toward development of a comp time policy. Costs are being controlled by reducing off-shift training. The objective of reducing on-duty injuries is accomplished with targeted training and strict safety policies while on fire scenes. To improve the POC hiring process, new POCs are coming on board with an EMT license.
- Call volume has increased slightly over the year, and has been handled with existing staff levels
- The Department continues to work with neighboring agencies to provide the highest level of service, and share services in emergency situations
- The level of service and response times continue to be monitored, and customer survey results have remained positive
- Savings have been realized in training both through hiring qualified, experienced and certified EMTs, and through combining training efforts with multiple departments

206 - Fire Department - Revenue

Significant Changes:

- * 401002 / Fund Balance to Balance - No use of fund balance is proposed.
- * 403000 / Taxes - Current (Fire Department Levy) remains constant for Fiscal year 2009 at 1.8000 mill.
- * 608010 / Charge for Service - EMS Service - This revenue is projected to increase as calls increase. The Department constantly monitors EMS charges with the billing company, and the company makes recommendations on increases and decreases.

206 - Fire Department - Administration

Significant Changes:

Chief Crowell stated that the Fire Department Operating Budget has seen a reduction of 1.6 %.

Public Comment:

Mr. Lee Zendel, 1575 Dutton, questioned the EMS service budget, and asked how many POCs were included.

Chief Crowell responded that 90 POCs are budgeted, and 80 are currently on the rolls and in training.

Mr. Zendel asked if the allocation of wages is 65 percent to EMS and 35 percent to suppression, as the call volume is 65 percent medical.

Chief Crowell responded yes, and as the call volumes change, the allocation will change.

Melinda Hill, 1481 Mill Race, expressed concern over dispatch costs. She questioned what hospital EMS typically transports to, questioning whether signs of stroke are heeded by transporting to a hospital with a stroke center.

Chief Crowell stated that EMS transports to two hospitals in Pontiac, Troy Beaumont, or Crittenton. Level One Trauma Patients are taken to Royal Oak Beaumont. Crittenton Hospital is consulted, and they direct the unit whether they should transport elsewhere.

Deputy Chief Bradford commented that Oakland County Medical Control is in the process of implementing a Stroke Protocol, where units would transport to a Stroke Center if stroke is suspected.

Council Discussion:

President Hooper asked about the Department's Accreditation.

Chief Crowell responded that Accreditation is used more for training centers.

Deputy Chief Bradford reiterated that incoming new hires are trained and accredited.

Mr. Zendel expressed his hope that Council would never start considering dollars over human lives.

Mr. Ambrozaitis questioned whether the neighboring communities are charged the proper amounts for dispatch fees. He stated that he wants to see the Department maintain the proper level of equipment. He questioned EMS billing amounts and observed that it would be difficult over time to continue to transfer money to the Capital account from the Operating Fund.

Chief Crowell stated that it is his opinion that neighboring communities are charged a fair fee, and the contract expires at the end of this year. He discussed the fact that with three new senior citizen developments coming in, individuals in the community losing jobs and insurance, there is a need to constantly monitor call volumes and billing. He stated that the intent was not to make money at EMS billings, but it is his opinion that the Department does fairly well with revenues.

Mr. Pixley questioned overtime in the Fire Prevention portion of the budget.

Chief Crowell responded that full-time firefighter/paramedics have a certain amount of overtime built in per year based on the 24-hour shifts they work. Attempts are made to minimize this, changing who is sent out on calls at shift changes and so forth.

Ms. Jenuwine stated that fifty hours of overtime is estimated, and this is based on minimum staffing levels. She stated that the Department uses Kelly

Overtime, where anything over 106 hours is overtime.

Chief Crowell stated that overtime in the Fire Suppression section is due to fire investigation, and attempts are made to curb these overtime amounts.

Mr. Yalamanchi questioned the POC numbers.

Mr. Crowell stated that last year, the Department had 65 POCs and the goal was to achieve 80. The Department wants to maintain 80 POCs but budget for 90, allowing flexibility if someone leaves.

Ms. Jenuwine stated that the POC fees are more or less a lump sum.

Chief Crowell stated that the 90 POCs are never all called to a run. On EMS runs, typically two respond; an evening structure fire typically brings 30 responding POCs.

Mr. Yalamanchi asked how the budget would be balanced.

Chief Crowell said overtime is cut, fire investigation is cut, vehicle life would be extended, smaller vehicles for inspectors would be utilized, and new vehicle selections would be made. He stated that no cuts would be made to compromise the safety of personnel or residents.

Mayor Barnett stated that a study indicated areas that could be explored further. He pointed out that the staffing changes of Station Four were accomplished with a reallocation of staff and minimal cost, and this has resulted in a reduction of response times.

Mr. Rosen supported a work session on Dispatch and stated it should also include a review of the vehicles responding to calls.

President Hooper concurred, and also questioned which City-owned vehicles were taken home by on-call Department employees and questioned various vehicles in the inventory.

Chief Crowell stated the only vehicles taken home are Command Vehicles used by the Chief, Deputy Chief, and the Training Officer. These vehicles include computer and other equipment used to respond to calls. He commented that the Department's pickup truck started out as a utility truck plowing the fire stations, and is now used as an extra vehicle. He stated that the Squad Vehicle is now a backup response medical vehicle.

Discussed.

(Mr. Rosen exited at 9:22 p.m. and returned at 9:25 p.m.)

2008-0431 Discussion of the Capital Funds (400's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

402 - Fire Capital Fund

Ron Crowell, Fire Chief, stated that the Fire Capital Fund provides a mechanism to account for and fund major capital purchases for the Fire Department.

President Hooper stated that a structural deficit in the Fire Fund was predicted in 2010 and forward, but it appears that for 2009 a transfer can still be made to the Capital Fund.

Chief Crowell stated that each year an attempt would be made with selected reductions to keep that balance as long as possible.

Discussed.

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326 - Wireless Communications

Ron Crowell, Fire Chief, reviewed the Objectives and Significant Changes for Wireless Communications noting the following:

Objectives:

- Provide cost-effective wired and wireless communications to enhance citywide operations
- Improve wired and wireless communication efficiency by implementing new technology

Significant Changes:

* 748000 - Operating Equipment: **Chief Crowell** cited that a 77 % reduction in operating equipment, stating that once Oakland County's Open Sky program comes in, purchases will be less. He stated that used radios will be turned over to the Parks Division as they are replaced.

Council Discussion:

Mr. Rosen asked when the Open Sky program would be implemented.

Chief Crowell responded that the Troy Fire Department is currently utilizing the system, and is working the bugs out.

Discussed.

President Hooper rearranged the Agenda Items to discuss 2008-0429 Discussion of the Internal Service Funds (600's) - 2009 Budget, Facilities Fund and Fleet Fund; and Item 2008-0430 Discussion of the Debt Service Funds (300's) - 2009 Budget, Debt Funds ahead of the remainder of the Agenda.

2008-0429 Discussion - Internal Service Funds (600's) - 2009 Budget

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631 - Facilities Fund

Roger Rousse, Director of DPS/Engineering, gave the following summary of the Facilities Fund - Internal Service 2009 Budget:

Mr. Rousse stated that Facilities manages the City assets including Buildings, Grounds, Utilities and Equipment. Total City assets include 46 parcels with a value of over \$53 million. He gave the following 2009 Performance Indicators, citing the projected percent of work allocation:

- | | |
|-----------------------------|------|
| 1. Administration | 2.6 |
| 2. Custodial | 41.4 |
| 3. Operational Service | 40.0 |
| 4. Building Maintenance | 15.6 |
| 5. Renovations/Construction | 0.4 |

Mr. Rousse reviewed the Objectives and Significant Changes for the Facilities Division, noting the following:

City Council's Goal - Fiscal Management; Objective - To establish policies for fiscal responsibility that insures short and long-term prosperity through effective fiscal planning and efficient management of the taxpayers' assets.

Objectives:

- Focus on utilities as a source for cost-savings including reduced lighting schedules, raised awareness of utility costs by user departments and revised temperature policies
- Develop management and maintenance strategies that maximize the life cycle of assets, minimize operational costs and plan for timely replacement of

facilities

- Ensure the investment that residents have made in City-owned facilities, using contractual services whenever cost saving and reliable service can be experienced

Significant Changes:

- Personnel Services reduced 6.9 %
- Operating Supplies reduced 9.1 %
- Professional Services increased 6.2 %
- Other Expenses decreased 4.8 %
- Capital Outlay increased 46.1 % due to the construction of the Cemetery Chapel and the HVAC System at Fire Station No. 1
- Overall Budget (Facilities Fund - Expense) Increase of 1.8 %

Council Discussion:

President Hooper questioned if the Fire Station HVAC was not in the Fire Capital Budget Questions.

Mr. Rousse responded it was in the Facilities Budget.

Mr. Ambrozaitis questioned the differences in revenues and expenses.

Ms. Jenuwine stated that Facilities is an Internal Service Fund and is different than a Governmental Fund. She stated that depreciation amounts were offset with approximately \$200,000 coming out of fund balance.

President Hooper questioned budgeted amounts for photocopier replacement.

Mr. Rousse responded that most photocopiers are shared by various departments, and these come up on a cycle for replacement.

Public Comment:

Melinda Hill, 1481 Mill Race, questioned whether the Master Plan for Facilities was completed.

Mr. Rousse responded that the report was completed in April of 2008 and included a Facilities Condition Index and an Inventory. The report concluded what was expected, that older buildings require more maintenance, and newer buildings require less. He stated that Facilities was seriously looking at savings through management of utility use, changing lights and energy policies. He stated that the single greatest function of an asset management program is to extend the life cycle of facilities.

Mr. Ambrozaitis requested that Mr. Rousse make that report available for Council.

661 - Fleet Fund

Mr. Rousse gave the following review of the Fleet Fund - Internal Services:

Mr. Rousse stated that the mission of the Fleet Fund is to provide a central location of accountability for the acquisition and maintenance of safe and effective machinery, equipment and vehicles for City staff. Current inventory includes:

- * 81 cars, vans and pickup trucks
- * 19 dump trucks
- * 10 heavy construction vehicles
- * 12 trailers
- * 18 specialty vehicles
- * 35 fire emergency vehicles

Mr. Rousse gave the following 2009 Performance Indicators, citing the projected percent of work allocation:

- * Percentage of hours spent on preventive maintenance - 30 percent
- * Percentage of hours spent on repairs - 70 percent
- * Work orders completed - 975
- * Professional Development hours decreased as the number of mechanics decreases

City Council Goal: Effective Governance; Objective - To provide clear policy direction to the Administration for the execution of City programs and services.

- Cooperative purchases with other agencies - Activities with the Michigan Intergovernmental Trade Association

City Council Goal: Fiscal Management; Objective - To establish policies for fiscal responsibility that ensures short and long-term prosperity through effective fiscal planning and efficient management of the taxpayers' assets.

- Outsourcing body repair, engine and transmissions, auto glass, vehicle alignment

City Council Goal: Environment; Objective - To move towards a more green City.

- Recycling of used oil

Significant changes:

- Personnel Services decreased 7.5 %
- Operational Supplies increased 3.3 %
- Professional Services increased 8.9 %
- Other Expenses increased 0.1 %
- Overall budget reduction 13.2%

Mr. Rousse stated that the current City Vehicle Replacement Schedule is being extended as follows:

- * 4x4 pickup with plow - six years
- * Cars, pickup trucks, vans - seven years
- * Dump trucks - ten to 15 years
- * Heavy construction equipment - ten to 15 years
- * Specialty vehicles - eight to 12 years

He stated that the life-cycles can be extended due to a longer life-cycle for current trucks and the ability for inside storage.

Mr. Rousse reported that a new significant challenge is in diesel fuel emissions. Changes in emission requirements have added to the costs of each vehicle. Additional changes are coming in 2010, and these increase maintenance costs as well.

Council discussion:

President Hooper noted that the Interfund Charges for facilities were doubled. He questioned the listing of several vehicles that were not in the CIP.

Ms. Jenuwine stated that one vehicle in question was most likely a carry-over from the current budget, but she would verify that.

Mr. Rousse related that the Interfund Charge increase was due to the new DPS Facility square footage allocation.

Mr. Yalamanchi questioned a budgeted amount for a new Vector Vehicle.

Mr. Rousse stated the City's current vehicle was involved in a serious crash. He also noted that due to new MS-4 requirements, materials removed from drains must now be treated as industrial waste. He stated that MS-4 requirements are revised every five years. He reported that a much more aggressive schedule of cleaning catch basins was being implemented as well. New requirements will require the cleaning of approximately 2,000 catch basins, as opposed to 800 last year. Street sweeping frequency will be increased as well. The City experiences increased costs to meet these new requirements; these changes are a result of the 1976 Clean Water Act.

Mr. Yalamanchi questioned whether leasing vehicles would be cost effective.

Mr. Rousse stated that it is not cost-effective to lease specialty vehicles. He stated that the use of hybrid vehicles would be explored in the City. He reported that vehicles are charged out in two ways. The City uses Act 51 rates, set on a schedule from the State revised every year, for all DPS vehicles. Those rates are intended to provide replacement dollars and these charges go into the Fund Balance. For vehicles in other Departments, a seven-year depreciation schedule is used, and these departments are charged one-seventh for depreciation each year. The vehicles are not necessarily replaced at the seven-year mark. Department directors are contacted and asked if they want the vehicles extended longer. Negative consequences of this occur when multiple vehicles need replacement at once. He stated that in the past the City has received a good resale on these

used vehicles, although recently the values have not been as high.

Mr. Ambrozaitis questioned whether agreements to share a vector truck with a neighboring city was explored.

Mr. Rousse stated sharing a vector truck or street sweeper was looked at, but it was not feasible because these vehicles were used at the same times of day in each community, and coordination would be difficult.

Discussed.

2008-0430 Discussion of the Debt Service Funds (300's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

DEBT FUNDS:

- Local Street - 2001 Series (313)
- Local Street (SAD) - 2001 Series (314)
- Local Street - 2002 Series (325)
- Drain Debt (331)
- Local Street - 1994 Series (337)
- Local Street (SAD) - 1995 Series (338)
- OPC Building Debt (368)
- Municipal Building Debt (370)
- Refunding Bond - 1998 Series (391)
- Water & Sewer Debt Service Fund (595)

Ms. Jenuwine stated that the City is paying the debts on these funds, and outlined which years Debt Funds were expiring.

Mr. Yalamanchi questioned how these expiring Debt Funds can be recaptured as they expire so that they might be used for other purposes within the General Fund and stated that Council needs to be ready to have these ready as ballot items as they expire.

Discussed.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

MAJOR ROAD FUND:
202 - Major Road Revenue

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0431 Discussion of the Capital Funds (400's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)
[090308 Budget Discussion Outline.pdf](#)

442 - Major Road - Transfer Out
452 - Major Road - Construction
462 - Major Road - Routine Maintenance
472 - Major Road - Traffic Service
482 - Major Road - Winter Maintenance
494 - Major Road - Administration

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

LOCAL STREET FUND:
203 - Local Street - Revenue

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0431 Discussion of the Capital Funds (400's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

444 - Local Street - Transfer Out
454 - Local Street - Construction
464 - Local Street - Routine Maintenance
474 - Local Street - Traffic Service
484 - Local Street - Winter Maintenance
494 - Local Street - Administration

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

**PATHWAY:
214 - Pathway Maintenance Fund**

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0431 Discussion of the Capital Funds (400's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

403 - Pathway Construction Fund

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0427 Discussion - Special Revenue Funds (200's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

- Drains Fund (244)

This matter was Set Over to Future Meeting to the City Council Special Meeting.

2008-0432 Discussion of the Water and Sewer Funds (500's) - 2009 Budget

Attachments: [Resolution.pdf](#)
[081808 Budget Discussion Outline.pdf](#)
[082508 Budget Discussion Outline.pdf](#)

WATER & SEWER FUND:
- Sewer - Operating (510)
- Water - Operating (530)
- W&S Capital (593)

This matter was Set Over to Future Meeting to the City Council Special Meeting.

ANY OTHER BUSINESS

None

NEXT MEETING DATE

Special Budget Work Session - Wednesday, September 3, 2008 - 6:00 P.M.

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 11:01 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

*MARY JO WHITBEY
Administrative Secretary
City Clerk's Office*

Approved as presented at the (insert date, or dates) Regular City Council Meeting.