



Rochester Hills

Minutes - Draft

City Council Special Meeting

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
(248) 656-4600
Home Page:
www.rochesterhills.org

*J. Martin Brennan, Greg Hooper, Nathan Klomp, 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 29, 2011

5:30 PM

1000 Rochester Hills Drive

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 Meeting would commence at 5:30 p.m. on Monday, August 29, 2011, to consider a resolution to adjourn to Closed Session immediately following the Special Meeting for the purpose of discussing strategy for the negotiation of collective bargaining agreements; to conduct regular City business; and to discuss the proposed 2012 Budget.

CALL TO ORDER

President Hooper called the Special Rochester Hills City Council Meeting to order at 5:30 p.m. Michigan Time.

ROLL CALL

Present 5 - J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen and Michael Webber

Absent 2 - Nathan Klomp and Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Economic Development
Tracey Balint, Project Engineer
Bryan Barnett, Mayor
Tara Beatty, Chief Assistant
Jim Bradford, Deputy Fire Chief
Alan Buckenmeyer, Parks Operations Manager
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Coordinator
Paul Davis, City Engineer
Kurt Dawson, Director of Assessing/Treasury
Vince Foisy, Supervisor of Communication Services
Pamela Gordon, Director of Human Resources
Bob Grace, Director of MIS
Bruce Halliday, Fleet Manager
Mike Hartner, Director of Parks and Forestry*

*Deborah Hoyle, Financial Analyst
Captain Michael Johnson, Oakland County Sheriff's Office
Bud Leafdale, General Superintendent
Gerry Lee, Forestry Operations Manager
Jane Leslie, City Clerk
Roger Moore, Professional Surveyor
Keith Sawdon, Director of Finance
Allan Schneck, Director of DPS/Engineering
Paul Shumejko, Transportation Engineer
Joe Snyder, Senior Financial Analyst
John Staran, City Attorney
Pam Valentik, Manager of Economic Development*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Aye 5 - Brennan, Hooper, Pixley, Rosen and Webber

Absent 2 - Klomp and Yalamanchi

PUBLIC COMMENT

Adam Kochenderfer, 1140 Kings Cove Drive, expressed his appreciation for the completion of the Walton Boulevard Rehabilitation Project. He stated that he would hope that its completion might reduce some of the traffic congestion problems occurring on Tienken Road.

Sue Barnes, 137 Foxboro Drive, announced that registrations for the October 2nd Brooksie Way Half-Marathon and 5K are running five percent ahead of last year. She commented that this year's sponsors include Health Plus, Oakland University, the Royal Park Hotel and Crittenton Hospital. She mentioned that 30,000 mailers were sent out this year to registered voter households in Rochester Hills and Rochester to provide information on the race activities and road closures.

Peter Quinlan, 1790 School Road, stated that he has a neighbor that attempts to get around the City's Burning Ordinance by burning construction materials in an outdoor fireplace. He questioned whether more than one three-hour burning period can occur in one day, noting that his neighbor will burn multiple times each day. He mentioned that he suffers from respiratory problems and the burning compromises his health.

Linda Davis Kirksey, 1337 North Acre Drive, announced that this year's Brooksie Way event will feature a CEO Challenge, sponsored by the Rochester Regional Chamber of Commerce. She encouraged City officials to assemble teams to participate in the race events.

(Mr. Yalamanchi entered at 5:33 p.m.)

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

Absent 1 - Nathan Klomp

LEGISLATIVE & ADMINISTRATIVE COMMENTS

*In response to Public Comment, **President Hooper** suggested that Ron Crowell, Fire Chief/Emergency Management Director, contact Mr. Quinlan to address his concerns regarding the City's Burning Ordinance.*

***Mr. Brennan** expressed his thanks for everyone's support while he undergoes chemotherapy for Hodgkin's Lymphoma. He mentioned that a recent PET scan revealed that the treatment has knocked 75 percent of the cancer from his system, and stated that he has three more months of treatment.*

***Mr. Rosen** stated that Walton Boulevard is beautiful now that the Rehabilitation Project is complete. He commented that he remembers when Walton was a two-lane road and Tienken Road was still gravel.*

***Mr. Webber** wished everyone a great Labor Day weekend. He announced that the Art and Apples Festival will be held in downtown Rochester on September 9th, 10th, and 11th.*

***Mayor Barnett** commented that the Art and Apples Festival is a great community event. He mentioned that road construction projects throughout the community have approximately 30 to 45 days remaining for the season. He cautioned motorists that school will be starting soon and new traffic patterns will be emerging.*

ATTORNEY MATTERS

2011-0364 Adoption of Resolution to consider to meet in Closed Session immediately following the adjournment of the Special Meeting held Monday, August 29, 2011 at 5:30 p.m. for the purpose of discussing strategy for the negotiation of collective bargaining agreements

Attachments: [Resolution.pdf](#)

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

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

Absent 1 - Klomp

Enactment No: RES0154-2011

Resolved, that the Rochester Hills City Council hereby agrees to meet in Closed Session, as permitted by State Statute MCL 15.268, immediately following the adjournment of the Special Meeting held Monday, August 29, 2011 at 5:30 p.m., Michigan Time, at the Rochester Hills Municipal Offices, 1000 Rochester Hills Drive, Rochester Hills, Oakland County, Michigan. The purpose of the Closed Session is to discuss strategy for the negotiation of collective bargaining agreements.

CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

2011-0350 Approval of Minutes - City Council Regular Meeting - August 8, 2011

Attachments: [CC Min 080811.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0158-2011

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on August 8, 2011 be approved as presented.

2011-0069 Request to Consider Adoption of the Restated Resolution, to replace RES0042-2011, adopted at the March 21, 2011 Regular Meeting, which adds a whereas clause to the approval for the Industrial Facilities Exemption Certificate (IFT) for WABCO Product Development Center, 2770 Research Drive

Attachments: [Agenda Summary.pdf](#)
[032111 Agenda Summary.pdf](#)
[Application.pdf](#)
[2-Year Abatement of PP Calc \(Current\).pdf](#)
[Development Agreement.pdf](#)
[WABCO Presentation.pdf](#)
[022811 Agenda Summary.pdf](#)
[Commitment Letter.pdf](#)
[WABCO TB Analysis 2 Years \(Obsolete\).pdf](#)
[WABCO Depreciation Schedule \(Obsolete\).pdf](#)
[Public Hearing Notice.pdf](#)
[022811 Resolution.pdf](#)
[032111 Resolution.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0159-2011

Whereas, WABCO North America, LLC is located within an Industrial Development District under the Plant Rehabilitation and Industrial Development Districts Act of 1974, as amended; and

Whereas, the Industrial Development District is that property located at 2770 Research Dr., also known as Tax Parcel No. 15-29-352-003, and further described as:

T3N, R11E, SEC 29 & 30 ROCHESTER HILLS EXECUTIVE PARK LOT 29 11-18-87 FR 300-005 & 15-30-476-007; and

Whereas, the Industrial Development District was established on October 18, 2006; and

Whereas, WABCO North America, LLC filed an application for an Industrial Facilities Exemption Certificate on February 18, 2011 for personal property to be acquired and installed at the facility; and

Whereas, a Public Hearing regarding this request was held at the City Council's Regular Meeting of March 21, 2011 in which the taxing authorities, applicant and public were given an opportunity to be heard; and

Whereas, The Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment.
- c. Completion of the facility does not constitute merely the addition of machinery and equipment for the purposes of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of providing a new facility on industrial property.
- d. The construction of the industrial facility meets the objectives of job creation within the established industrial corridor of the City of Rochester Hills; and

Whereas, the following clause (e) was not included in the Resolution passed at the March 21, 2011 meeting and is now being added:

- e. the aggregate SEV of personal property exempt from ad valorem taxes within the City of Rochester Hills, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal property thus exempted.

Resolved, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the Rochester Hills City Council hereby approves the request of WABCO North America, LLC for an Industrial Facilities Exemption Certificate for a period of two (2) years after project completion for personal property only; and

Be It Further Resolved, that the accompanying agreement between WABCO North America, LLC and the City of Rochester Hills is hereby approved and is to be sent to the Department of Treasury and the State Tax Commission along with this Resolution no later

than September 15, 2011; and

Be It Finally Resolved, that the Mayor is authorized to sign the agreement after review by the City Attorney's office as to form.

2011-0353 Request to Adopt a Resolution stating the purpose and question to be placed on the November 8, 2011 General Election ballot

Attachments: [Agenda Summary.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0160-2011

RESOLUTION

WHEREAS, initiatory petitions filed with the City Clerk and signed by at least 5% of the qualified and registered electors of the City propose an amendment to the City Charter to add Section 11.8 - Parks and Open Spaces; and

WHEREAS, the initiatory petitions provide the form of the proposed charter amendment to appear on the election ballot; and

WHEREAS, in accordance with MCL 117.21 and 117.22, the City Clerk has certified the petitions and sent a copy of the proposed charter amendment to the Governor for approval.

THEREFORE, the City Council of the City of Rochester Hills resolves:

1. Pursuant to the initiatory petitions, proposed new Section 11.8 to be added to the City Charter will state:

Section 11.8 - Parks and Open Spaces

City-owned parks and open spaces shall be used only for park and open space purposes and shall not be sold, leased, transferred, exchanged or converted to another use unless approved by a majority of votes cast by the electors at an election.

.1 "Converted to another use" means changing the use of a park or open space, or significant part thereof, from a recreation or conservation use to another use not directly related or incidental to public recreation or conservation.

.2 This section shall apply to all present and future City-owned property designated as park or open space in the City's Parks and Recreation Master Plan. The designation of parks or open space shall not be removed or changed without voter approval. The existing use of a park or open space on the effective date of this section shall be considered to be a lawful use for the particular property.

.3 All land acquired by the City with proceeds from the 2005 Millage Proposal to Provide Funding to Permanently Preserve Green Spaces and Natural Features within the City of Rochester Hills shall remain permanently preserved.

2. The purpose of the proposed Charter amendment shall be stated on the ballot as follows:

A proposal to amend the City Charter by adding the following new Section 11.8 - Parks and Open Spaces. If adopted, this section will provide that City-owned parks and open spaces shall be used only for park and open space purposes and shall not be sold, leased, transferred, exchanged or converted to another use unless approved by voters.

3. The City Clerk, having already transmitted a copy of the proposed amendment to the Governor of the State of Michigan for the Governor's approval, shall transmit a copy of the foregoing statement of purpose of the proposed Charter amendment to the Michigan Attorney General for the Attorney General's approval, as required by law.

4. The proposed Charter amendment shall be submitted to the qualified electors of this City at the general election to be held in the City of Rochester Hills on Tuesday, November 8, 2011. The City Clerk is directed to give notice of the election and notice of registration therefore in the manner prescribed by law and to do all things and to provide all supplies necessary to submit the proposed Charter amendment to a vote of the electors as required by law.

5. The proposed amendment shall be submitted to the electors by a ballot question in the following form:

PROPOSED CHARTER AMENDMENT

A proposal to amend the City Charter by adding the following new Section 11.8 - Parks and Open Spaces. If adopted, this section will provide that City-owned parks and open spaces shall be used only for park and open space purposes and shall not be sold, leased, transferred, exchanged or converted to another use unless approved by voters.

Section 11.8 - Parks and Open Spaces

City-owned parks and open spaces shall be used only for park and open space purposes and shall not be sold, leased, transferred, exchanged or converted to another use unless approved by a majority of votes cast by the electors at an election.

.1 "Converted to another use" means changing the use of a park or open space, or significant part thereof, from a recreation or conservation use to another use not

directly related or incidental to public recreation or conservation.

.2 This section shall apply to all present and future City-owned property designated as park or open space in the City's Parks and Recreation Master Plan. The designation of parks or open space shall not be removed or changed without voter approval. The existing use of a park or open space on the effective date of this section shall be considered to be a lawful use for the particular property.

.3 All land acquired by the City with proceeds from the 2005 Millage Proposal to Provide Funding to Permanently Preserve Green Spaces and Natural Features within the City of Rochester Hills shall remain permanently preserved.

Shall the City Charter be amended to add Section 11.8?

Yes ___

No ___

6. The proposed Charter amendment shall be published in full as part of the election notice not less than 10 days prior to the election.

7. The canvass and determination of the votes on the proposed Charter amendment shall be made in accordance with the laws of the State of Michigan and the City of Rochester Hills Charter.

Passed the Consent Agenda

A motion was made by Yalamanchi, seconded by Brennan, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

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

Absent 1 - Klomp

PUBLIC HEARINGS

2011-0330 Request to Approve the Establishment of an Industrial Development District at 2910 Waterview Drive, Rochester Hills, Michigan

Attachments: [Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[Suppl Sunlogics Presentation.pdf](#)
[080811 Agenda Summary.pdf](#)
[080811 Resolution.pdf](#)
[Resolution.pdf](#)

Mayor Barnett noted that Sunlogics' decision to locate operations in Rochester Hills is a huge win for the community.

Pam Valentik, Manager of Economic Development, stated that Irene Spanos, Senior Business Development Representative for Oakland County, was in attendance, noting that Ms. Spanos was instrumental in bringing Sunlogics to Rochester Hills. She pointed out that the exemption request consists of two parts; an Industrial Development District must first be established for 2910 Waterview Drive in order for the Industrial Facilities Exemption (IFT) to be considered. She explained that the IFT will exempt Sunlogics' Personal Property from tax, and noted that the proposal plans for the creation of 200 jobs and an investment of \$13.2 million in machinery and equipment. She noted that the proposal meets the requirements of PA 198 and per Council's Tax Abatement Policy, the venture is eligible for an eight-year abatement. The investment will result in tax revenues of \$418,182 for all taxing jurisdictions; with \$142,187 of that to the City of Rochester Hills.

Lou Pellatiro, Chief Operating Officer and **Mario Fernandez**, Business Consultant, were in attendance representing Sunlogics.

Mr. Pellatiro gave the following presentation:

Sunlogics: Impact on Rochester Hills

- In process of purchasing 2910 Waterview Drive
- Create 200 Green Tech jobs in Rochester Hills:
 - * Manufacturing
 - * Engineering
 - * Administration
- Solar industry is expected to double in the United States in the next three to five years
- Move \$11M of high tech solar module manufacturing equipment to Rochester Hills

Sunlogics: Overview

- Core business - Design, Construct, Own and Operate Solar Systems
- Solar Module Manufacturing - Rochester Hills, Ontario and Germany
- Holistic Energy Service Provider
- Solar Solutions Financing
- Strategic Relationships with General Motors (GM), Tremco, and Energizer

Photos were displayed of the Green Solar Charging Canopy for the Chevy Volt Vehicle to be manufactured, along with laser systems and sputtering line equipment that will be acquired.

President Hooper Opened the Public Hearing at 5:51 p.m.
Seeing no public input, President Hooper Closed the Public Hearing at 5:52 p.m.

Mr. Rosen disclosed that he is a retiree of GM. He stated that has very little to do with the company and his decision will not be influenced. Unless any member of Council would object, he will not recuse himself from voting on this item.

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

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

Absent 1 - Klomp

Enactment No: RES0161-2011

Whereas, pursuant to PA 198 of 1974, as amended, the Rochester Hills City Council has the authority to establish Industrial Development Districts within the City of Rochester Hills; and

Whereas, Sunlogics, PLC has filed a request for the establishment of an Industrial Development District for property it is purchasing, identified as 2910 Waterview Drive, Rochester Hills, MI 48309 also known as Parcel No. 15-30-451-049, further identified as:

T3N, R11E, SEC 30 ROCHESTER HILLS CORPORATE CENTER SUB LOTS 10 TO 13 INCL, ALSO OF 'AUBURN HIGHLANDS' LOTS 30 TO 33 INCL EXC E 10 FT OF SD LOTS 32 & 33 8-22-01 FR 005, 006, 036 & 045; and

Whereas, construction, acquisition, alteration or installation of a proposed facility has not commenced at the time of filing the request to establish this district; and

Whereas, written notice has been given by mail to all owners of real property located within the district, and to the public by newspaper advertisement in the Rochester Post on the establishment of the proposed district; and

Whereas, the Rochester Hills City Council held a Public Hearing regarding this request at the Special Meeting of August 29, 2011 at 5:30 p.m. in the Council Chambers, at 1000 Rochester Hills Dr., Rochester Hills, Michigan, during which the owner of the property, taxing authorities and all residents and taxpayers of Rochester Hills were given the opportunity to be heard; and

Whereas, the establishment of an Industrial Development District is consistent with the objectives of the City for industrial development and the creation of new employment opportunities.

Resolved, that pursuant to the provisions of PA 198 of 1974, as amended, the above listed legal description is hereby designated as an Industrial Development District.

2011-0331 Request for Approval of an Industrial Facilities Exemption Certificate for Sunlogics, PLC, 2910 Waterview Drive, Rochester Hills, Michigan

Attachments: [Agenda Summary.pdf](#)
[Development Agreement.pdf](#)
[Tax Analysis.pdf](#)
[Public Hearing Notice.pdf](#)
[080811 Agenda Summary.pdf](#)
[Letter and Application.pdf](#)
[080811 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Yalamanchi questioned the following:

- *Who Sunlogics' competitors are.*
- *Whether the company's focus is strictly on automotive applications or if the products produced have commercial and residential uses.*
- *Whether employees will be relocated from other areas or if these will be newly-created positions.*

Mr. Pellatiro responded with the following:

- *The company's competitors are different than most companies. As Sunlogics will cover both aspects of the solar business, few competitors exist that can cover both engineering and manufacturing of solar panels. In lean years, the company will utilize the panels it manufactures; and in better times, it will also purchase panels from other sources.*
- *Sunlogics also has commercial and residential applications; the residential line will be expanded to include a new Energizer Solar product line.*
- *A few positions will be relocated; however, most will be newly-created jobs.*

President Hooper Opened the Public Hearing at 5:55 p.m.

Seeing no public input, President Hooper Closed the Public Hearing at 5:56 p.m.

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

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

Absent 1 - Klomp

Enactment No: RES0162-2011

Whereas, pursuant to PA 198 of 1974, as amended, after a duly noticed Public Hearing held on August 29, 2011, the Rochester Hills City Council by resolution established that Sunlogics PLC is located within an Industrial Development District; and

Whereas, the Industrial Development District is that property located at 2910 Waterview Dr., also known as Tax Parcel No. 15-30-451-049 and further described as:

T3N, R11E, SEC 30 ROCHESTER HILLS CORPORATE CENTER SUB LOTS 10 TO 13 INCL, ALSO OF 'AUBURN HIGHLANDS' LOTS 30 TO 33 INCL EXC E 10 FT OF SD LOTS 32 & 33 8-22-01 FR 005, 006, 036 & 045; and

Whereas, Sunlogics, PLC filed an application for an Industrial Facilities Exemption Certificate on July 29, 2011 for personal property to be acquired and installed at the facility within the Industrial Development District; and

Whereas, installation of new equipment had not begun earlier than six months before July 29, 2011, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

Whereas, before acting on said application, the Rochester Hills City Council held a Public Hearing on August 29, 2011 at 1000 Rochester Hills Drive, Rochester Hills, MI 48309 at 5:30 p.m., for which hearing the applicant, the Assessor and the taxing authorities were given written notice and were afforded an opportunity to be heard and after review of the application, the City Council made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment.
- c. Completion of the facility does not constitute merely the addition of machinery and equipment for the purposes of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of providing a new facility on industrial property.
- d. The construction of the industrial facility meets the objectives of job creation within the established industrial corridor of the City of Rochester Hills.
- e. The aggregate SEV of personal property exempt from ad valorem taxes within the City of Rochester Hills, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal property thus exempted.

Resolved, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the Rochester Hills City Council hereby approves the request of Sunlogics, PLC for an Industrial Facilities Exemption Certificate for a period of eight (8) years after project completion for personal property only; and

Be It Further Resolved, that the accompanying agreement between Sunlogics, PLC and the City of Rochester Hills is hereby approved and is to be sent to the Department of Treasury and the State Tax Commission along with this Resolution no later than October 1, 2011; and

Be It Finally Resolved, that the Mayor is authorized to sign the Agreement after review by the City Attorney's office as to form.

NEW BUSINESS

(President Hooper moved Legislative File 2011-0316 Request to Approve the transfer of all rights to renewal of the escrowed 2010 Class C licensed business located at 1488 N. Rochester Road from Rochester Tienken Investment LLC to Bank of America (Step 1) and to approve the transfer of the escrowed 2010 Class C licensed business from Bank of America to BL Rochester Hills LLC (Step 2) to follow the Recess to accommodate the Applicant.)

2011-0355 Request to Accept the Dance-Entertainment Permit Agreement between the City of Rochester Hills and ConCorde Inns of Michigan, Inc., 1919 Star Batt Drive, Rochester Hills, Michigan

Attachments: [Agenda Summary.pdf](#)
[Dance Entertainment Permit.pdf](#)
[Resolution.pdf](#)

John Carlin, Carlin Edwards Brown PLLC, Attorney representing the applicant,

stated that the application is made on behalf of the ConCorde Inn for a Class C license for the hotel and for a new banquet center presently under construction.

Mr. Yalamanchi pointed out that there is a typographical error in the Agreement under Item Four. In the first sentence, the word "man" should be "mean".

It was noted that the error will be corrected.

A motion was made by Yalamanchi, seconded by Brennan, that this matter be Adopted by Resolution. The motion carried by the following vote:

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

Absent 1 - Klomp

Enactment No: RES0155-2011

Whereas, the Rochester Hills City Council accepts the Dance-Entertainment Permit Agreement between the City of Rochester Hills and Concorde Inns of Michigan, Inc., 1919 Star Batt Drive, Rochester Hills, Michigan.

Now, Therefore, Be It Resolved, that the Mayor and City Clerk are here by authorized to execute and deliver the agreement on behalf of the City.

2011-0356 Request to Transfer ownership of an escrowed 2011 Resort Class C License with Dance-Entertainment Permit from Mt. Maria Lodge, Inc. to ConCorde Inns of Michigan, Inc. located at 1919 Star-Batt, Rochester Hills, Michigan

Attachments: [Agenda Summary.pdf](#)
[Application Packet.pdf](#)
[Resolution.pdf](#)

See also Legislative File 2011-0355.

A motion was made by Yalamanchi, seconded by Brennan, that this matter be Adopted by Resolution. The motion carried by the following vote:

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

Absent 1 - Klomp

Enactment No: RES0156-2011

Resolved, that the request to transfer ownership of escrowed 2011 Resort Class C Licensed business issued under MCL 436.1531(2); Original 550, not at its original location with Dance-Entertainment Permit, located at 575 Nemode, Spruce, MI 48762, Hawes Township, Alcona County, from Mt. Maria Lodge, Inc. to ConCorde Inns of Michigan, Inc.; transfer location (government unit) to 1919 Star-Batt, Rochester Hills, MI 48307, Oakland County; and transfer classification to a Resort B-Hotel License be considered for approval.

2011-0357 Request for Authorization to refund all or part of the outstanding City issued General Obligation Limited Tax Capital Improvement Bonds, Series 2002

Attachments: [Agenda Summary.pdf](#)
[RH - Public Sale Summary Savings.pdf](#)
[RH PrivatePlace Summary Savings.pdf](#)
[Spread Comparison.pdf](#)
[Resolution.pdf](#)

Keith Sawdon, Director of Finance, stated that the Administration has been watchful of interest rate movement, and an opportunity exists at this time to take advantage of the lowered rates. Refunding the bonds in question now will result in a Net Present Value (NPV) savings of five percent, or approximately \$100,000. Council's support will authorize negotiations toward the sale of the bonds.

Mr. Yalamanchi questioned why the entire bond series is not being refunded.

Mr. Sawdon responded that one portion of the bond series is not included in the request as refunding of that portion would not provide enough savings for its inclusion. He stated that the Debt Management Policy requires a minimum of two percent and \$100,000 in savings to undertake refunding. He pointed out that in this instance the savings exceeds the percentage requirement; however, the total savings yielded could result in an amount that falls slightly short of \$100,000. He commented that the Administration would hate to lose the opportunity to refund a bond resulting in a significant percentage of savings and is requesting flexibility in the required dollar amount of savings. He stated that the refunding will not be completed if a NPV of two percent or more cannot be achieved.

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

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

Absent 1 - Klomp

Enactment No: RES0157-2011

Whereas, pursuant to the provisions of Section 517 of Act 34, Public Acts of Michigan, 2001 ("Act 34"), the City of Rochester Hills (the "City") issued its General Obligation Limited Tax Capital Improvement Bonds, Series 2002 (the "2002 Bonds") in the aggregate principal amount of \$4,600,000 for the purpose of paying part of the cost of constructing local road improvements in the following subdivisions in the City: Great Lakes #1 West, Lochmoor Hills, Larchwood, Independence Court, Whispering Willow, Avon Manor, Stratford Knolls #1, 2, 3, 4, 5, 6 and 8, and Spring Hills #3 and 4; and

Whereas, the 2002 Bonds remain outstanding in the aggregate principal amount of \$2,550,000, mature in various principal amounts on August 1 in the years 2012 through 2017 and bear interest at rates per annum which vary from 4.00% to 4.50%; and

Whereas, Part VI of Act 34 authorizes the City to refund all or any part of its outstanding securities; and

Whereas, the Finance Director has recommended that this resolution be adopted in order to effect the refunding of all or part of the outstanding 2002 Bonds and this Council has determined that it is in the best interest of the City that such refunding be undertaken.

Now, Therefore, Be It Resolved:

1. AUTHORIZATION OF BONDS -- PURPOSE. Bonds of the City, aggregating the principal sum of not to exceed Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000) (the "Refunding Bonds") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding all or part

of the 2002 Bonds (the "2002 Bonds To Be Refunded"), as determined by the Finance Director at the time of sale, and paying the costs of issuing the Refunding Bonds. The Finance Director is authorized to determine the principal amount of the Refunding Bonds at the time of sale.

2. BOND DETAILS. The Refunding Bonds shall be designated "General Obligation Limited Tax Refunding Bonds, Series 2011"; shall be dated as of such date as shall be approved by the Finance Director at the time of sale; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 5% per annum to be determined by the Finance Director upon the sale thereof, payable on each August 1 and February 1 as determined by the Finance Director at the time of sale; and shall be issued as serial bonds or term bonds, or both, which shall mature or be subject to mandatory redemption on August 1 in such years and principal amounts as determined by the Finance Director at the time of sale.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Refunding Bonds to the bond registrar and paying agent as they severally mature. Interest shall be paid to the registered owner of each Refunding Bond as shown on the registration books at the close of business on the fifteenth day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address.

4. PRIOR REDEMPTION. (a) Optional Redemption. If so determined by the Finance Director at the time of sale of the Refunding Bonds, the Refunding Bonds shall be subject to redemption prior to maturity at the option of the City, in whole or in part, in such order of maturity as the City shall direct and by lot within a maturity, at any time on and after a date to be determined by the Finance Director at the time of sale of the Refunding Bonds. The redemption price shall be the par value of the Refunding Bond or portion of the Refunding Bond called to be redeemed plus accrued interest to the date fixed for redemption and a premium, if any, not to exceed 3% of the principal amount of the Refunding Bonds being redeemed, as determined by the Finance Director at the time of sale of the Refunding Bonds.

(b) Mandatory Redemption of Term Bonds. Any Refunding Bonds that are designated by the Finance Director at the time of sale as term bonds shall be subject to mandatory redemption prior to maturity on each August 1 at the par value thereof plus accrued interest to the date of redemption in such amounts as shall be determined by the Finance Director at the time of sale. The Refunding Bonds to be so redeemed shall be selected by lot.

(c) General. Refunding Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the Refunding Bonds subject to redemption maturing in any one year are to be redeemed, the Refunding Bonds or portions of Refunding Bonds to be redeemed shall be selected by lot. Not less than thirty days nor more than sixty days' notice of redemption shall be given to the registered owners of Refunding Bonds called to be redeemed by mail to each registered owner at the registered address. Refunding Bonds or portions of Refunding Bonds called for redemption shall not bear interest on and after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

5. BOOK-ENTRY SYSTEM. Initially, one fully-registered bond for each maturity of the Refunding Bonds, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") for the benefit of other parties (the "Participants") in the book-entry-only transfer system of DTC. In the event the City determines that it is in the best interest of the City not to continue the

book-entry system of transfer or that the interests of the holders of the Refunding Bonds might be adversely affected if the book-entry system of transfer is continued, the City may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange bond certificates as requested by DTC and any Participant or "beneficial owner" in appropriate amounts in accordance with this resolution. DTC may determine to discontinue providing its services with respect to the Refunding Bonds at any time by giving notice to the City and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the City may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the City shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the City and the bond registrar and paying agent shall be obligated to deliver bond certificates in accordance with the procedures established by this resolution. In the event bond certificates are issued, the provisions of this resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the bond registrar and paying agent to do so, the City and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the Refunding Bonds to any Participant having Refunding Bonds certificated to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

Notwithstanding any other provision of this resolution to the contrary, so long as any bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on the Refunding Bonds and all notices with respect to the Refunding Bonds shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of Representations previously entered into by the City and DTC, and the Finance Director is authorized to enter into any additional documents with DTC as deemed to be appropriate in order to accomplish the issuance of the Refunding Bonds in accordance with law and this resolution.

6. BOND REGISTRAR AND PAYING AGENT. Huntington Bank is hereby appointed as bond registrar and paying agent for the bonds, and the Finance Director may enter into an agreement with the bond registrar and paying agent. The Finance Director from time to time may designate, and may enter into an agreement with, a new bond registrar and paying agent, which shall be a bank or trust company authorized to do business in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan.

7. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The Refunding Bonds shall be executed in the name of the City by the facsimile signatures of the Mayor and the City Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the City (or a facsimile thereof) shall be impressed or imprinted on the Refunding Bonds. After the Refunding Bonds have been executed and authenticated for delivery to the purchaser thereof, they shall be delivered by the Treasurer to the purchaser upon receipt of the purchase price. Additional Refunding Bonds bearing the facsimile signatures of the Mayor and the City Clerk and upon which the seal of the City (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of the Refunding Bonds. The bond registrar and paying agent shall indicate on each Refunding Bond the date of its authentication.

8. EXCHANGE AND TRANSFER OF BONDS. Any Refunding Bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be

exchanged for Refunding Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bond.

Each Refunding Bond shall be transferable only upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such Refunding Bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any Refunding Bond, the bond registrar and paying agent on behalf of the City shall cancel the surrendered Refunding Bond and shall authenticate and deliver to the transferee a new Refunding Bond or Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bond. If, at the time the bond registrar and paying agent authenticates and delivers a new Refunding Bond pursuant to this section, payment of interest on the Refunding Bonds is in default, the bond registrar and paying agent shall endorse upon the new Refunding Bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____."

The City and the bond registrar and paying agent may deem and treat the person in whose name any Refunding Bond shall be registered upon the books of the City as the absolute owner of such Refunding Bond, whether such Refunding Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Refunding Bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 3 of this resolution shall be valid and effectual to satisfy and discharge the liability upon such Refunding Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of Refunding Bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The bond registrar and paying agent shall not be required to transfer or exchange Refunding Bonds or portions of Refunding Bonds which have been selected for redemption.

9. FORM OF BONDS. The Refunding Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF ROCHESTER HILLS
GENERAL OBLIGATION LIMITED TAX REFUNDING BOND, SERIES 2011

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP
_____, 2011

Registered Owner:

Principal Amount:

The City of Rochester Hills, County of Oakland, State of Michigan (the "City"), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the corporate trust office of Huntington Bank, Grand Rapids, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution identified below, and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount from _____, 2011, or such later date through which interest has been paid until the City's obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on the first days of August and February in each year, commencing on _____, 201_. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds aggregating the principal sum of _____ Dollars (\$_____) issued by the City under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a resolution adopted by the City Council of the City and an order executed by the Finance Director of the City (said resolution and order are herein collectively referred to as the "Resolution") for the purpose of refunding the City's outstanding General Obligation Limited Tax Capital Improvement Bonds, Series 2002 maturing in the years ___ through _____. The full faith and credit of the City have been pledged to the prompt payment of the principal of and interest on this bond. The principal of and interest on the bonds of this series are payable as a first budget obligation of the City from its general funds. The ability of the City to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

This bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

[The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

Bonds maturing prior to August 1, 201_, are not subject to redemption prior to maturity. Bonds maturing on and after August 1, 201_, are subject to redemption prior to maturity at the option of the City, in such order as shall be determined by the City, on any one or more dates on and after _____, _____. Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption and a premium as follows:

___% of the par value if called for redemption on or after _____, _____, but prior to _____, _____;

No premium if called for redemption on or after _____, _____.]

[Bonds maturing on August 1, ___ and ___ are subject to redemption commencing on August 1, ___ and ___, respectively, in accordance with redemption requirements set forth in the Resolution at a redemption price of par, without premium, plus accrued interest to the date of redemption.]

[Not less than thirty nor more than sixty days' notice of redemption shall be given to the registered owners of bonds called to be redeemed by mail to each registered owner at the registered address. Bonds or portions of bonds called for redemption shall not bear interest on and after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the City, including the series of bonds of which this bond is one, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Rochester Hills, County of Oakland, State of Michigan, by its City Council, has caused this bond to be executed in its name by facsimile signatures of the Mayor and City Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

CITY OF ROCHESTER HILLS

(SEAL)

By: _____
City Clerk

By: _____
Mayor

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

Huntington Bank,
Bond Registrar and Paying Agent

By: _____
Authorized Representative

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (please print or type name, address and taxpayer identification number of transferee) the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

END OF BOND FORM

10. SECURITY. The Refunding Bonds shall be limited tax general obligations of the City. The full faith and credit of the City are pledged for the prompt payment of the principal of and interest on the Refunding Bonds as the same shall become due. Each year the City shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the City to raise funds to pay such amounts is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

11. PRINCIPAL AND INTEREST FUND. There shall be established for the Refunding Bonds a Principal and Interest Fund which shall be kept in a separate bank account. From the proceeds of the sale of the Refunding Bonds there shall be set aside in the Principal and Interest Fund any premium and any accrued interest received from the purchaser thereof at the time of delivery of the same. All payments made by the City pursuant to Section 10 of this Bond Resolution are pledged for payment of the principal of and interest on the Refunding Bonds and as made shall be placed in the Principal and Interest Fund.

12. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Refunding Bonds, shall have been deposited in trust, this resolution shall be defeased and the owners of the Refunding Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Refunding Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

13. PAYMENT OF ISSUANCE EXPENSES -- ESCROW FUND. The remainder of the proceeds of the Refunding Bonds shall be used to pay the issuance expenses of the Refunding Bonds and to establish an escrow fund for the 2002 Bonds To Be Refunded. After the issuance expenses have been paid or provided for the remaining proceeds shall be used to establish an escrow fund (the "Escrow Fund") consisting of cash and investments in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing and used to pay the principal of and interest on the 2002 Bonds To Be Refunded. The Escrow Fund shall be held by Huntington Bank, which is hereby appointed as escrow agent (the "Escrow Agent"), in trust pursuant to an escrow agreement (the "Escrow Agreement") which irrevocably shall direct the Escrow Agent

to take all necessary steps to pay the principal of and interest on the 2002 Bonds To Be Refunded when due prior to redemption and to call the 2002 Bonds To Be Refunded for redemption at such time as shall be determined in the Escrow Agreement. The Finance Director shall approve the Escrow Agreement at the time of sale of the Refunding Bonds. The amounts held in the Escrow Fund shall be such that the cash and the investments and the income received thereon will be sufficient without reinvestment to pay the principal of and interest on the 2002 Bonds To Be Refunded when due at maturity or call for redemption as required by the Escrow Agreement.

14. APPROVAL OF DEPARTMENT OF TREASURY. The issuance and sale of the Refunding Bonds shall be subject to permission being granted therefor by the Department of Treasury of the State of Michigan and the Finance Director is authorized and directed, if necessary, to make application to the Department of Treasury for permission to issue and sell the Refunding Bonds as provided by the terms of this resolution and by Act 34.

15. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF REFUNDING BONDS. The Refunding Bonds shall be sold pursuant to a negotiated sale to a purchaser to be selected by the Finance Director (the "Purchaser") in connection with a private placement of the Refunding Bonds or to Fifth Third Securities, Inc., as underwriter (the "Underwriter") in connection with a public offering of the Refunding Bonds, whichever is determined by the Finance Director, following consultation with the City's financial advisor, to be in the best interests of the City. It is hereby determined that such negotiated sale is in the best interests of the City and is calculated to provide the maximum flexibility in pricing the Refunding Bonds. The Finance Director is authorized to enter into a Bond Purchase Agreement with the Purchaser or the Underwriter, as the case may be, such Bond Purchase Agreement to set forth the principal amount, principal maturities and dates, interest rates and interest payment dates, redemption provisions, if any, and purchase price to be paid by the Purchaser or the Underwriter with respect to the Refunding Bonds and compensation to be paid to any placement agent for the Purchaser in connection with a private placement of the Refunding Bonds or to the Underwriter and such other terms and provisions as the Finance Director determines to be necessary or appropriate in connection with the sale of the Refunding Bonds. The approval of the Bond Purchase Agreement, as well as the foregoing provisions with respect to the Refunding Bonds, shall be set forth in an order authorizing the sale of the Refunding Bonds to be executed by the Finance Director. The Mayor, the City Clerk, the Finance Director and the Treasurer are each hereby authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Refunding Bonds in accordance with the provisions of this resolution. In making the determination in the order authorizing the sale of the Refunding Bonds and in the Bond Purchase Agreement with respect to principal maturities and dates, interest rates, redemption provisions, purchase price of the Refunding Bonds and compensation to be paid to any placement agent for the Purchaser or to the Underwriter, the Finance Director shall be limited as follows:

- (a) The interest rate on any Refunding Bond shall not exceed 5.0% per annum.
- (b) The final maturity date of the Refunding Bonds shall not be later than August 1, 2017.
- (c) The present value of the savings (net of issuance costs) to be realized by the issuance of the Refunding Bonds shall be equal to or greater than 2.0% of the principal amount of the 2002 Bonds To Be Refunded.
- (d) The purchase price of the Refunding Bonds shall not be less than 98.0% of the principal amount thereof.
- (e) The Underwriter's discount with respect to the Refunding Bonds or the compensation to be paid to any placement agent or the Underwriter shall not exceed 1.0% of the principal amount of the Refunding Bonds.

16. REPLACEMENT OF BONDS. Upon receipt by the City Clerk of proof of ownership of an unmatured Refunding Bond, of satisfactory evidence that the bond has been lost,

apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the City Clerk, the City Clerk may authorize the bond registrar and paying agent to deliver a new executed Refunding Bond to replace the Refunding Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Refunding Bond is lost, apparently destroyed or wrongfully taken, the City Clerk may authorize the bond registrar and paying agent to pay the Refunding Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Refunding Bond. The bond registrar and paying agent, for each new Refunding Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the City in the premises. Any Refunding Bond delivered pursuant to the provisions of this Section 16 in lieu of any Refunding Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Refunding Bond in substitution for which such Refunding Bond was delivered.

17. TAX COVENANT. The City covenants to comply with all applicable requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the Refunding Bonds will be and will remain excludable from gross income for federal income tax purposes. The Mayor, the City Clerk, the Finance Director, the Treasurer and other appropriate City officials are authorized to do all things necessary (including the making of such covenants of the City as shall be appropriate) to assure that the interest on the Refunding Bonds will be and will remain excludable from gross income for federal income tax purposes.

18. QUALIFIED TAX EXEMPT OBLIGATIONS. The Refunding Bonds are hereby designated as Qualified Tax Exempt Obligations as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

19. OFFICIAL STATEMENT. The Finance Director of the City is authorized to cause the preparation of an official statement for the Refunding Bonds for the purpose of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "Rule") and to do all other things necessary to enable compliance with the Rule. After the award of the Refunding Bonds, the City will provide copies of a "final official statement" (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the purchaser thereof to enable the purchaser to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

20. CONTINUING DISCLOSURE. The Mayor and the City Clerk are hereby authorized to execute a certificate of the City to comply with the continuing disclosure undertaking of the City with respect to the Refunding Bonds pursuant to paragraph (b)(5) of the Rule, and amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

21. PROFESSIONAL SERVICES. The following are appointed to act in the following capacities with respect to the Refunding Bonds:

As financial consultant: Public Financial Management, Inc., Ann Arbor, Michigan

As bond counsel: Dickinson Wright PLLC, Troy, Michigan

As underwriter: Fifth Third Securities, Inc., Southfield, Michigan

22. BOND INSURANCE. The Finance Director is authorized and directed to take any actions that may be necessary or appropriate to purchase a policy or policies of municipal bond insurance with respect to the Refunding Bonds to the extent that the Finance Director determines in the order authorizing the sale of the Refunding Bonds that the purchase of such municipal bond insurance is in the best interests of the City. If the Finance Director makes such a determination, the purchase of a policy or policies and the payment of premiums therefor and the execution by the Finance Director of any necessary

commitments or other documents with respect thereto are hereby authorized.
23. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

PROPOSED 2012 BUDGET DISCUSSION

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- O.P.C. Millage Fund (265)

Marye Miller, Executive Director, Older Persons' Commission (OPC), stated that the OPC is getting ready for its largest fund raiser of the year and will be selling pies at the Spotlights Art Fair in downtown Rochester during the Art and Apples weekend of September 9th, 10th and 11th. She reported that OPC's revenues are projected to be down approximately \$76,000 for FY 2012, and the proposed budget is almost exactly as it was for FY 2010. She noted that expenditures are reduced by deferring the purchase of equipment and other items, and by renegotiating with vendors where possible.

Council Discussion:

President Hooper mentioned that the participating communities each contribute funding in a different manner to the OPC. Rochester Hills contributes through a millage, Rochester contributes a flat rate, and Oakland Township votes each year to approve funding.

Ms. Miller commented that the OPC is already working on FY's 2014 and 2015 and is exploring alternative funding opportunities beyond millages. She expressed her thanks to Council for its input and support over the years.

Discussed.

2011-0348 Discussion - Component Units (800's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[081511 Budget Presentation Schedule.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)

- O.P.C. Operating Fund (820)

See Legislative File 2011-0342.

Discussed.

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- R.A.R.A. Millage Fund (213)

Ron Jewell, Executive Director, Rochester Avon Recreation Authority (RARA), reported that while RARA has taken a good hit to its revenues in recent years, the organization has been very proactive to curtail the impact of decreased funding. He noted that RARA has reduced its staff by reducing the number of part time employees and made line item reductions throughout its budget. He pointed out the following:

- Millage revenues were down 6.1 percent or \$42,000
- Interest earnings are down significantly
- Program revenues decreased slightly

He commented that he has been very busy in his first five months as Executive Director. He mentioned that the office is now open from 7:30 a.m. to 6:30 p.m. to afford residents the opportunity to come in before or after work. The organization's new website, www.rararecreation.org, is updated in-house with up-to-the-minute programming information. Participants can now register online as well as in-house, and the new system has eliminated additional fees. He explained that the registration system also syncs with the website. RARA's phone service has been upgraded to include a queuing system for calls, and channels to a hotline that provides information about cancellations due to inclement weather. He commented that RARA has several new programs, including Floor Hockey, Box Lacrosse, Basketball and T-ball Clinics, and Youth and Adult Kickball leagues. He thanked Council for its continued support.

Council Discussion:

President Hooper requested an update regarding Oakland Township's lack of participation in RARA.

Mr. Jewell responded that Oakland Township residents make up approximately 16 percent of RARA's user fees; however, the Township pays nothing toward its administrative costs. While there has been some movement toward Township participation, there are still a couple of outstanding unresolved issues.

Mr. Yalamanchi questioned why the Older Persons' Commission (OPC) and RARA budgets are included in the City Budget Presentations. He noted that the Rochester Hills Public Library (RHPL) is also an independent entity and its budget is not presented for Council's review.

Mayor Barnett responded that the City provides accounting services for RARA and OPC, while it does not do so for the RHPL. He commented that OPC and RARA budgets are presented to Council for informational purposes.

President Hooper pointed out as that the City appoints citizen representatives and members of Council to serve on OPC and RARA Boards, Council should have the opportunity to review their budgets. He mentioned that no Council member serves on the RHPL Board.

Discussed.

2011-0348 Discussion - Component Units (800's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[081511 Budget Presentation Schedule.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)

- R.A.R.A. Operating Fund (808)

See Legislative File 2011-0342.

Discussed.

(Mr. Klomp entered at 6:22 p.m.)

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

2011-0341 Discussion - General Fund (100's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[081511 Budget Presentation Schedule.pdf](#)
[Suppl Gen Fnd Rev-Transfer Out Presentation.pdf](#)
[Suppl Mayors Department Presentation.pdf](#)
[Suppl Building-Ordinance Presentation.pdf](#)
[Suppl Assessing - Treasury Presentation.pdf](#)
[Suppl Clerks Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)

PARKS

- Parks Department (756)
- Forestry (774)

Mike Hartner, Director of Parks and Forestry, was joined by Alan Buckenmeyer, Parks Operations Manager and Gerry Lee, Forestry Operations Manager, to present the proposed Parks and Forestry budget for FY 2012 and projected budgets for FY 2013 and 2014.

Mr. Buckenmeyer stated that the Rochester Hills Parks system includes 14 parks encompassing over 1,000 acres of parkland, the Museum at Van Hoosen Farm, the Borden Park Sports Complex, a guarded beach at Spencer Park, Michigan's only Velodrome, the Avon Nature Area, Veterans' Memorial Pointe, and the Clinton River Trail. He commented that recreation programming is coordinated through the Rochester Avon Recreation Authority (RARA) and the Older Persons' Commission (OPC).

Mr. Hartner began the Parks Department's presentation:

PARKS DEPARTMENT

Park Attendance 2000-2010:

- *Increase of 21 percent from 2007 to 2010*
- *On track to beat last year's numbers*

Parks Annual Revenue - Actual:

- *Increase of 30 percent from 2006*
- *By the end of July, Parks Revenues surpassed what was budgeted*

He noted that a review of current fees revealed that while the City is at the high end of the range of fees, it remains competitive.

Museum:

- *Attendance continues to be strong with school groups utilizing the Museum programs to meet their Social Studies curriculum*
- *Expanded Rochester Community Schools tours to all Kindergarten to Third Grades; and 1840s one-room schoolhouse*
- *Volunteers are essential for Museum staffing - 8,000 hours were already donated in 2011*
- *Seeking National Accreditation designation to open opportunities for additional private funding*

Mr. Hartner noted that a full schedule of daycamps and school visits are scheduled for the coming year. He reported that over 9,700 volunteer hours were logged in 2010; and over 8,000 volunteer hours have been logged to date in 2011, having an estimated \$350,000 in donated value.

Mayor Barnett noted that the Museum and Parks area is in competition with public safety efforts for City funding. He introduced George and Betty Seiffert, in attendance, who through the George and Betty Seiffert Foundation, have donated almost \$75,000 to the Museum; and helped secure the Stoney Creek Schoolhouse for the City with no tax dollars expended. The Seifferts also helped by funding specific grant writing efforts, funded an intern, and helped by hosting a successful fund raiser which raised over \$25,000. He stated that without their help and influence, the City simply would not have the manpower and resources to accomplish many of these things.

Mr. Hartner highlighted activities at the City's parks:

Spencer Park:

- *The lake is popular year round*
- *Park patrons enjoy a clean, safe and enjoyable park environment close to home*
- *Named the Frederick S. Carter Lake this year*

He noted that Spencer Park has had its highest attendance numbers ever this year and the top two attendance days in its 30 year history. He thanked Council for retaining two lifeguard positions that were originally set to be cut in the FY 2011 Budget.

Bloomer Park:

- Shelter rentals continue to increase as family reunions and company picnics return to favor*
- Expanded RARA camps and programs*
- More community events and fund raisers are being held at Bloomer*
- Velodrome participants and race events draw statewide and growing national attention*

Yates Park:

- The great spring fishing at Yates is drawing more fishermen from surrounding communities in southeast Michigan*

Clinton River:

- Many more kayak and canoe enthusiasts are using an improved Clinton River for recreation*

Borden Park:

- Continued strong soccer and ballfield demand makes a lottery necessary for field usage reservations*
- More tournaments and special events are being held*

Mr. Hartner mentioned that he would like to recognize Jeff Kuretich, Parks Maintenance Supervisor, and his staff for their role in the parks' continued success. He noted that individuals attended the Festival of the Hills in record numbers.

Parks Annual Expenses:

- Seventeen percent reduction since 2008*

He noted that this translates to a reduction in excess of a half-million dollars in annual operating costs. The proposed expenditures are at the same level as 13 years ago, and match that which was requested in 1999.

Environmental Education Program Update:

- New tenant at 1115 West Avon - Clinton River Watershed Council signed an initial five-year lease*
- Ranger/Naturalist and part-time Staff Assistant at Museum and Bloomer Park*
- Relocated the Environmental Education Program utilizing various park sites*

- Continue to provide many of the environmental services currently being offered by the City

FORESTRY DIVISION

Mr. Lee presented the proposed budget for the Forestry Division. He noted that the Division was created in 1985, with a mission to enhance the quality of life and provide for the safety of Rochester Hills residents by protecting and maintaining an estimated tree inventory in excess of \$8 million dollars. He stated that the Division's systematic forestry program, consisting of inventory, inspection and monitoring, and abatement minimizes the City's liability by reducing the potential for accidents. Twice each year, a tree contractor plants street trees in newer subdivisions, with funding obtained from developers. The City's Cooperative Tree Program provides street trees to residents at a shared cost. He mentioned that the National Arbor Day Foundation has named Rochester Hills a Tree City USA annually since 1990; this designation recognizes the City's commitment to a quality urban forestry program.

Mr. Hartner noted that the Division, consisting of Mr. Lee and two Forestry Rangers maintains over 19,000 street trees, two major trailways, over 82 miles of bike paths, and two major rivers and streams.

Forestry Division Duties:

- Pathway clearance
- Clinton River clearance for canoes/kayaks
- Street Tree planting
- Storm damage cleanup
- Arbor Day 2011

2011 Service Level:

- Maintenance of street trees on:
 - * 240 miles of subdivision local roads
 - * 38 miles of Hamlin, Livernois, Adams and Walton Boulevard
- Two field rangers for all tree maintenance and 500 to 700 service requests on right-of-way and City property annually

- Tree Fund (232):

- Transfer out of last year's interest earned into General Fund for forestry operations
- For planting trees on City right-of-way or as match for tree planting grants

He noted that the Division plants over 300 street trees annually.

- Green Space and Natural Features Fund (299):

- Continue seeking grants
- Evaluate and make recommendations on nominated properties

Mr. Hartner mentioned that the recent Oakland University Survey reported that a major reason that residents move to or stay in Rochester Hills are the environmental characteristics of its parks, trails, rivers and trees. He commented that the survey also indicates that three in four residents responded that they have been in a City park or on a trail. He stated that no significant changes are projected for 2012 because the Administration believes that they have a successful formula.

Council Discussion:

Mr. Pixley expressed his appreciation for the efforts of the Parks and Forestry Division. He noted that the Forestry Division's maintenance activities prevent many accidents from happening. He thanked Mr. and Mrs. Seiffert and Frank Cardimen, also in attendance, noting that their efforts and support of the Museum have allowed for a successful partnership with the community.

Mr. Brennan questioned whether there should be a consideration of raising fees.

Mr. Hartner responded that fees were raised in 2010. He stated that economic conditions are tough for many and he does not believe it is the time to consider raising fees.

Mr. Brennan questioned whether there had been any thoughts of expanding or renovating any park properties.

Mr. Hartner responded that he would like to think that could be a possibility for the future.

Mr. Klomp questioned whether last year's decision to extend beach hours has been successful.

Mr. Buckenmeyer responded that many positive comments were received regarding the extension of the beach hours to 8:00 p.m., and individuals are taking advantage of the lengthened hours in record numbers.

Mr. Yalamanchi expressed his thanks to Mr. and Mrs. Seiffert and Mr. Cardimen for their support. He questioned whether the City automatically replaces any diseased trees removed on private property or if the homeowner must approach the City for replacement; and how park attendance data is collected.

Mr. Hartner responded that homeowners contact the City to participate in the Cooperative Tree Planting Program, with a fifty-fifty cost sharing. Funds are expended from the Tree Fund for this program.

Mr. Lee stated that trees are not removed without first contacting the property owner. At that time, the planting program is suggested to them. The program is also promoted in the Hills Herald and on the City's website.

Mr. Buckenmeyer noted that car counts are used to determine park

attendance along with actual numbers attending specific programs. The methodology for estimating attendance through car counts was developed by the State of Michigan's Park Systems for day-use parks; each car equals 3.75 people. He pointed out that attendance for Borden Park was modified from this formula as much of its attendance is for evening adult activities, and each car is counted as two people. He mentioned that Borden is the City's busiest park.

Mayor Barnett acknowledged that Mr. Cardimen has put in a significant amount of time to represent the Museum and gain exposure for the City.

Mr. Rosen expressed his thanks to the Seifferts and Mr. Cardimen. He commented that the Parks Division must strike a balance of affordability versus revenues. He concurred with keeping the current parks hours and stated that fees must reflect the Parks' real value to people. He commented that if lotteries are still required for fields at Borden and Bloomer, there could be additional opportunities for increasing fees for revenues.

President Hooper echoed the thanks expressed to the Seifferts and Mr. Cardimen. He questioned whether trees to be planted along M-59 or near the sound walls were included in the budget.

Mr. Hartner responded that this expense was included in part within the Tree Fund.

President Hooper questioned whether projected staff cuts were made in 2011, noting that it appears that staff reductions anticipated last year do not appear to have been made.

Mayor Barnett responded that it had been his decision, considering the increasing attendance and revenues, that funding continue at last year's levels.

President Hooper questioned whether the Michigan Department of Transportation (MDOT) will be planting additional trees along M-59.

Mayor Barnett responded that the City added trees to City property and right-of-ways where possible, and offered the Cooperative Tree Planting Program to neighborhoods.

Mr. Lee responded that MDOT completed their planting activities; however, many trees were planted late and under adverse conditions and did not survive. He noted that the City's tree contractor agreed to extend the same price that it gives to the City to private property owners along M-59. Several subdivisions have taken advantage of this pricing to add trees to subdivision commons.

Mr. Yalamanchi questioned whether entry fees are the same for all City parks.

Mr. Hartner responded that they are not. He stated, for instance, that residents and non-residents pay \$5.00 to enter Bloomer as dictated in the restrictions mandated when the park was given to the City by the State. He explained that cars are not charged for entry into Borden Park; revenues for that park are received through league rentals and cover field maintenance expenses. He commented

that with two park entrances, it would be difficult and costly to maintain booths for entry into Borden.

Discussed.

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- Tree Fund (232)
- Green Space (299)

See Legislative File 2011-0341.

Discussed.

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

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[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

FIRE DEPARTMENT
- Fire Department Fund (206)

Ron Crowell, Fire Chief/Emergency Management Director, was joined by **Jim Bradford**, Deputy Fire Chief, and **Vince Foisy**, Supervisor of Communications Services, to present the proposed Fire Budget for FY 2012 and projected budgets for FY 2013 and 2014.

Chief Crowell began the presentation:

FIRE DEPARTMENT

Priorities:

- Health, Safety and Welfare of our residents and visitors
- Safety of Fire and Emergency Medical Services (EMS) Personnel

2011 Accomplishments:

- Innovative Transfer Agreement with Crittenton Hospital Medical Center and Crittenton Hospital Cancer Center
- Received Department of Homeland Security Grant for Protective Equipment
 - * Complete replacement of all members' personal protective equipment which meets the latest National Fire Protection Association Standard
- Insurance Services Office (ISO) Evaluation
- Public Opinion Survey - positive remarks

- Customer Service Survey - positive responses

He displayed the Division's organizational chart, noting that Fire Administration is comprised of the Fire Prevention Division; the Fire Operation Division which consists of Fire Suppression, Training and EMS; and the Communications Division.

Fire Prevention Division:

Chief Crowell noted that the Fire Prevention Division pairs with the Rochester Avon Recreation Authority (RARA) to provide a one-week summer mini-fire academy camp. The Division also partners with Leader Dogs for the Blind to introduce and acclimate service dogs to firefighters in gear in who might enter a dwelling to rescue a visually-impaired individual.

Fire Suppression Division:

He noted that two individuals are trained to be technicians to repair and maintain self-contained breathing apparatus, providing a savings of \$25,000 by performing these duties in-house.

Emergency Medical Service (EMS):

He indicated that EMS is the Department's busiest division, with 11 ambulances available to service the community. He pointed out that through cooperative agreements, the City of Rochester and Oakland Township are called to assist in the event that all of the City's units are tied up. He explained that while transfers have been added, 911 calls in the City are a priority. Transfers are refused if a unit is not available. He mentioned that only two transfers were refused since the service began in June of 2010.

Other Services:

He reported that the Department has continued to provide smoke alarms to residents through the Sound the Alarm campaign, provide blood pressure checks at senior citizen developments, and Department members participate in many charitable events.

Total Fire Calls for Service:

- Total call volume up 15 percent
- Call volume for emergencies up 150 calls from last year

Fire Department Staffing Levels:

- Reduced 25 percent since 2006

Significant Changes - Fire Budget:

- Charge for Services - EMS Service increased 21 percent or \$250,000 due to an effective patient transfer system and increased call volume

- Fire Millage increased to Headlee maximum to offset tax value reductions, a 1.6 percent or \$90,890 increase
- Elimination of two positions:
 - * One Fire Inspector
 - * One Fire Prevention Secretary

Chief Crowell mentioned that Accumed's EMS billing fees were reduced from 7.25 percent to 6.5 percent. Economies of scale were realized as the City negotiated with Accumed in conjunction with the City of Southfield to lower the rates.

- Fire Capital Fund (402):

- There are no significant changes proposed for FY 2012.

- Wireless Communications (326)

General Fund - Wireless Communication:

- There are no significant changes proposed for FY 2012.

What We Learned from the 2011 Public Opinion Survey:

- Sixty-four percent of those who dialed 911 were for EMS.
- Only one percent were dissatisfied with Fire Protection and EMS.
- Ninety-five percent of our residents who dialed 911 for assistance were satisfied with the Fire Protection and EMS Services provided by the Rochester Hills Fire Department (RHFD).

Comments from Survey:

- "Great job! Excellent response and terrific people."
- "My thanks to the RHFD for taking such good care of me. They were very reassuring to me."
- "Ryan and Deanna were kind, friendly, personal, careful, and professional. It was a wonderful break from the hospital to ride back and forth from an MRI with these two wonderful people."
- "My husband just passed away. I appreciate the Fire Department's excellent assistance. It was a nightmare they made easier."
- "What a polite and knowledgeable bunch of people. You should be very proud of your crews."

Chief Crowell stated that he has lived in Rochester Hills for over 31 years, and it is his opinion that the City is very well protected with the highest trained quality team.

Council Discussion:

Mr. Webber noted that the 21 percent revenue increase projected helps alleviate budget concerns. He questioned whether the elimination of the position related to Fire Prevention will affect the many programs the Department participates in, such as the Rochester Jaycees Safety Town program.

Chief Crowell that while much focus is on Fire/EMS services, Fire Prevention is important as well. He commented that fires should decline as public education increases. He pointed out that a full-time secretarial position was eliminated and replaced with a part-time staffer who was previously a Dispatcher. He stated that there should not be any noticeable changes due to the elimination of one Fire Inspector and workloads will be divided between the other fire inspectors and the Fire Marshall. He commented that all staff members participate in public education activities.

Mr. Klomp questioned how stations are staffed, whether the response times have increased since Dispatch Services were moved to Oakland County, and how the Department is coping with the construction traffic.

Chief Crowell responded that response times are five minutes on average. He stated that all ambulances are staffed with Paid-On-Call personnel (POCs) and rig locations have been adjusted. He explained that there may be times when Rochester or Oakland Township will be asked to respond as their rigs are closest to a call. He noted that Station #1 has full-time Firefighter/Paramedics and houses Fire Administration. Station #4 has two full-time Firefighter/Paramedics. Station #5 has two full-time EMTs and is covered in the evening with two POC EMT/Firefighters Station #3 has two POCs/EMTs and firefighters 24/7. He stated that Station #2 is the only station that is not currently staffed full-time. He mentioned that alternate routes are taken around construction zones wherever possible and commented that while ambulances can still navigate the bridges at Avon and Livernois Roads, fire engines cut through Mercy Bellbrook's parking lot. He stated that while the change in Dispatch Services presented a struggle at the beginning, operations were adjusted. He reported that the times from the Department's receipt of a call to response have not been affected by the change.

Mr. Foisy mentioned that weekly phone contact was initially necessary with Oakland County Dispatch to coordinate efforts and review concerns; however, that is now down to only every two weeks or so, for routine chatter and to address events as they occur.

Mr. Pixley questioned whether the 20.8 percent increase projected for EMS Revenue is due to the addition of transport services. He inquired whether the Administration could project the number of transports for FY 2012 and if increasing transport services would compromise response times.

Chief Crowell responded that the projected revenue increase is due to both transport services and a general increase in call volume. He noted that transport services are shared with the City of Rochester, Star EMS and Alliance Ambulance and cannot be accurately predicted. He commented that as Fire Chief, he regards 911 services as the highest priority. He stated that he will recommend the elimination of transfers before he allows them to affect 911 services.

Mayor Barnett noted that the City has consistently received \$20,000 to \$25,000 in transfer revenue over the last four to five months.

Mr. Rosen questioned how the move to medium duty truck chassis for ambulances has worked out and if the Open Sky program is fully implemented.

Chief Crowell responded that it has worked out very well and the Department has moved to a Chevy one-ton chassis.

Mr. Foisy responded that Open Sky is now available throughout the entire County.

Chief Crowell stated that the City can now communicate with Auburn Hills, Rochester, and Oakland Township along with other mutual aid municipalities.

Mr. Yalamanchi commented that while change is always challenging, the Department has done very well in the transition of Dispatch Services to Oakland County. He questioned the following:

- Why the EMS budget decreases from \$2.4 million to \$1.2 million; and whether the decrease is due to the elimination of Dispatch Services.
- What comprises "other incidents".
- How the budget for POCs is determined; and how many POCs are employed on average.
- Whether the line item for Dispatch is for the Oakland County contract.

Chief Crowell responded with the following:

- The adjustment of the EMS budget was due to an operational change undertaken this past June. Two individuals now staff an ambulance instead of the prior practice to pay POCs to show up for calls. This allowed the EMS budget to decrease along with allowing a more accurate allocation for EMS costs.
- "Other Incidents" includes any other type of call that the Department is dispatched to including illegal burning, investigation of fire alarms, helping individuals back into bed after a fall, and responding to reports of downed powerlines.
- The number of POCs fluctuates during a year, as individuals may move or take full-time employment elsewhere. Typically, the City hires at least once a year, and the budgeted amount is not exceeded. The City usually has 55 to 60 POCs in the pool at any one time.
- The line item for Dispatch includes the contract with Oakland County along with a percentage of the Supervisor of Communications Systems position.

President Hooper congratulated the Department for its efforts and noted that EMS is breaking even with the addition of transfer services while maintaining response times.

Discussed.

2011-0344 Discussion of the Capital Funds (400's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- Fire Capital Fund (402)

See Legislative File 2011-0342.

Discussed.

2011-0341 Discussion - General Fund (100's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[081511 Budget Presentation Schedule.pdf](#)
[Suppl Gen Fnd Rev-Transfer Out Presentation.pdf](#)
[Suppl Mayors Department Presentation.pdf](#)
[Suppl Building-Ordinance Presentation.pdf](#)
[Suppl Assessing - Treasury Presentation.pdf](#)
[Suppl Clerks Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)

- Wireless Communications (326):

See Legislative File 2011-0342.

Discussed.

(Recess 7:21 p.m. to 7:49 p.m.)

NEW BUSINESS

2011-0316 Request to Approve the transfer of all rights to renewal of the escrowed 2010 Class C licensed business located at 1488 N. Rochester Road from Rochester Tienken Investment, LLC to Bank of America (Step 1) and to approve the transfer of the escrowed 2010 Class C licensed business from Bank of America to BL Rochester Hills, LLC (Step 2)

Attachments: [Agenda Summary.pdf](#)
[Application Packet.pdf](#)
[Application Packet Addition.pdf](#)
[071811 Agenda Summary.pdf](#)
[071811 Resolution.pdf](#)
[Resolution.pdf](#)

Lee Klein, JME Consultants, was in attendance representing the Applicant. He introduced Anthony Marougi, the Applicant, and Paul Aragona, Managing Member for the property owner, City Walk, LLC.

Mr. Klein explained that Bar Louie is an upscale high-end family restaurant that happens to cater to the sports fan. He mentioned that the concept has been very successful in its other locations and is a family restaurant first-and-foremost.

President Hooper noted that the restaurant is proposed to occupy the former Shield's Pizza location on Rochester Road.

Mr. Webber questioned when the restaurant proposes to open.

Mr. Klein responded that the Applicant picked up the permit today for the renovation work estimated at \$700,000 to \$800,000. Underground work was started last week for both the interior and a 2,000 square foot exterior patio that will feature fireplaces and fire pits. He stated that if the underground work is approved this week, personnel training would begin in six weeks.

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

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

Enactment No: RES0163-2011

Resolved, that the request to transfer all rights to renewal of escrowed 2010 Class C licensed business, located at 1488 N. Rochester, Rochester Hills, Michigan 48307, Oakland County, from Rochester Tienken Investments, LLC to Bank of America; with license to be held in escrow (Step 1); and request to transfer ownership of escrowed 2010 Class C licensed business, located at 1488 N. Rochester, Rochester Hills, Michigan 48307, Oakland County, from Bank of America to BL Rochester Hills, LLC (Step 2) be considered for approval.

PROPOSED 2012 BUDGET DISCUSSION

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

SPECIAL POLICE FUND **- Special Police Fund (207)**

Keith Sawdon, Director of Finance, reviewed the proposed budget for the Special Police Fund:

SPECIAL POLICE FUND

In Designing the FY 2012 Proposed Budget:

- Financial Forecast
 - * Millages (I and II) will expire in Tax Year 2013
 - * Sheriff Officer (Contract) pricing adjusts each year
 - * By 2018 General Fund will be providing approximately 60 percent of the funding for police services
- 2011 Public Opinion Survey

He noted that the FY 2012 Budget for Police Services proposes a reduction of one officer to help offset falling taxable values and increasing contract adjustments. Charts were displayed noting the following:

- Citywide Staff and Oakland County Sheriff's Office (OCSO) reductions
- Contract Cost increases relative to Number of Contracted Deputies
- Decreasing False Alarms due to a successful implementation of the City's False Alarm Ordinance
- Decreasing Overtime expenditures over time
- High satisfaction rates for residents for Police Protection Services that are provided by the OCSO
- High satisfaction rates for those residents who dialed 911 for assistance
- Actual calls for service

He reported that while calls for service fluctuate from year to year, the average has remained fairly steady. He pointed out that even with officer reductions, costs are still going up. For FY 2013, the reduction of one more position is proposed.

Captain Michael Johnson, Oakland County Sheriff's Office (OCSO), commented that the OCSO has worked to find new and innovative ways to use its resources. He pointed out that since its inception, the False Alarm Ordinance has reduced false alarms in the City by more than one-third, and provides the OCSO with the ability to deal with repeat offenders. He mentioned that the new speed signs being installed are the result of a COPS Grant received in 2009; and stated that the OCSO looks forward to implementing the data generated to help guide in the assignment of traffic units. He explained that this is the first year that the Rochester Community Schools will pay 25 percent of the costs of the Police School Liaison program, and noted that Rochester Hills' share of the program costs along with Rochester and Oakland Township are determined by the percentage of school population for each community. He reported that overtime continues to trend downward; while actual calls for service in 2010 increased 13 percent over 2009, with 31,135 calls received. He pointed out that there are no significant changes for FY 2012 in the Crossing Guard program.

He noted that OCSO's goals are to continue to interact with local and State agencies to make use of outside resources. He noted the following:

- One detective was assigned in January to the Major Case Assistance Team (MCAT); a cooperative team made up of detectives from surrounding communities that will assist in the investigation of the types of major crimes that could strain local agencies. While the team has not yet been activated, it is an example of shared services.
- The OCSO is the recipient of a Traffic Improvement Association Grant to curb underage drinking, allowing compliance checks on all businesses that sell alcohol.
- The OCSO applies for the Department of Justice COPS Hiring Grant each year. While not selected for 2009 and 2010, the OCSO will continue to apply for these grants. Sheriff Michael Bouchard expressed his disappointment to officials in Washington for what appears to be an inequitable distribution of grant dollars.

- On August 8 he was contacted by one of the Council Members expressing concern over reports of a home in the City where drug sales were taking place. Within a few days, the City's Narcotics Enforcement Team (NET) Investigator was able to obtain probable cause for a raid of the home, curtailing the activity. On October 1st, the City of Rochester will join the NET by sending an officer to participate.
- One of the benefits of creating a three-year budget is that time can be given to perform a complete evaluation of operations.

Captain Johnson stated that the OCSO is at a tipping point when it comes to providing patrol services, and there is a need to keep as many Deputies on the road as possible. He explained one Detective/Patrol Investigator will be eliminated for the FY 2012 budget. The Detective to be eliminated spends approximately one-third of his time dedicated to the Balkans Task Force, and this participation will be eliminated. He commented that Detectives typically investigate 70 to 80 new cases each year. While the position elimination will cause that caseload for the remaining Detectives to increase, it is his opinion that the OCSO will still be able to provide appropriate investigative services to the City.

Council Discussion:

Mr. Webber commented that he is pleased to learn of how well the NET Forfeiture Program is doing. He questioned whether the caseload for the remaining six Detectives will increase beyond what is reasonable once the position is eliminated.

Captain Johnson responded that it is estimated that 20 additional cases will be assigned to each Detective. He commented that while some property crimes may not get the attention they deserve, all cases will be handled on a triage basis.

Mr. Webber stated that while he understands the rationale for the position elimination, he believes that it is not the direction to pursue. He requested that this item be included in Council's Straw Poll.

Mr. Pixley questioned why fines related to Operating While Intoxicated (OWI) are projected to decrease by 25 percent and whether the number could be related to the extensive education programs regarding drinking and driving.

Captain Johnson noted that traffic crashes are also down for last year by 150 and the statistics of crashes and OWI arrests may be related.

Mr. Pixley stated that public safety is key. While he is not excited about a reduction of an officer, he believes that the OCSO is doing things right. He commented that he would leave it up to Captain Johnson's professionalism to make the reduction with the least amount of impact.

Mr. Klomp questioned whether the OCSO gained any economic efficiencies by taking over policing services in Pontiac.

Captain Johnson responded that the contract price for each deputy decreased somewhat as 65 new deputies were hired by the OCSO at a lower pay scale. He mentioned that three OCSO Deputies from the Rochester Hills Substation were selected as new Sergeants and commented that it is important to become mentors to ready individuals to someday become Supervisors.

Mr. Klomp questioned whether all of the traffic speed signs are installed and operational.

Captain Johnson responded that he was unaware if installation is complete; however, data is not yet being collected. He mentioned that the signs do have a positive impact as when motorists realize how fast they are actually driving, they slow down.

Mr. Brennan commended the OCSO, noting that every year more is done with less. He questioned whether there have been any increases in home invasions with current stressed economic conditions or if many outsiders are coming into the city to commit break-ins and robberies.

Captain Johnson responded that 2010 numbers are actually trending down slightly. He commented that home invasion statistics are often those for thefts from garages. He stated that there is not much crime committed by individuals coming in from other areas and mentioned that every once in a while, alarms work efficiently and arrests can be made.

Mr. Brennan questioned whether the number of patrol units will be maintained.

Captain Johnson responded that they will.

Mr. Yalamanchi questioned what portion of revenue from fines or tickets issued in the City is shared with different entities, how much personnel turnover there is, and whether WalMart presents a challenge with frequent runs.

Captain Johnson responded that revenues from fines and tickets are split one third each between the Courts, the City and the State of Michigan. He explained that through Union contract provisions, Officers have the right annually in October to bump to whatever station they wish to work at. He commented that approximately 60 percent of the Officers will spend their entire career in Rochester Hills. He noted that turnover may range from 40 to 60 percent over a five-year period. He mentioned that the number of runs to WalMart are no different than they are for any of the other big-box stores such as the two Meijer's. He commented that OCSO personnel are dispatched to WalMart approximately 150 to 200 times each year.

Mr. Rosen stated that it is obvious that OCSO personnel do a great job. He questioned how the Open Sky program is changing the way that fire and police communicate and whether the advent of advanced Global Positioning (GPS) equipment is also beneficial.

Captain Johnson responded that Open Sky has revolutionized the way that emergency officials in communities can talk to each other. He noted that while patrol cars do not have GPS systems, their locations can be seen by the Dispatch center.

Mr. Rosen commented that the City receives excellent police services for a reasonable price, contributing to enhance the reputation of the City.

Mayor Barnett reported that speed sign installation should be completed in the next sixty days.

President Hooper questioned whether the budget line item for Extra Police Protection includes mini-contracts between the Department and various churches, how rates were established for these services and if the City has any say in adjustment of those rates.

Captain Johnson responded that rates for these extra services are the same as they are when an officer must go to court and are not adjustable.

President Hooper stated that while he could support the removal of an overhead position, he does not wish to begin down a path to cut investigators.

Discussed.

2011-0341 Discussion - General Fund (100's) - 2012 Budget

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[Suppl Assessing - Treasury Presentation.pdf](#)
[Suppl Clerks Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)

- Crossing Guards (315)

See Legislative File 2011-0342.

Discussed.

2011-0346 Discussion - Internal Service Funds (600's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[081511 Budget Presentation Schedule.pdf](#)
[Suppl Facilities Presentation.pdf](#)
[Suppl MIS Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

DEPARTMENT OF PUBLIC SERVICES

Allan Schneck, Director of DPS/Engineering, and **Paul Davis**, City Engineer,

were in attendance to present the proposed Department of Public Services budget for FY 2012.

Mr. Schneck gave the following presentation:

Core Responsibilities:

- Major Roads
- Local Streets
- Pathways
- Water Resources
- Water and Sewer
- Fleet

City Council Goals:

- Infrastructure Management to provide reliable, safe and effective roadways, utilities, etcetera, throughout the City

Department Initiatives:

- Transition from a new construction mode to a maintenance and reconstruction mode
 - * Less water service connections - more manhole repairs, and so forth
- Broad banding of job description
- Continued utilization of an Asset Management Program:
 - * Inventory, condition assessment, maintenance costs, replacement schedules, budgeting
- Work load indicators

Regulatory Challenges and Unfunded Mandates:

- MS-4 (Municipal Separated Storm Sewer Systems)
- ADA (Americans with Disabilities Act)
- Environmental Protection Agency's Stage 2 Disinfection By-Product Rule monitoring
- Michigan Manual of Uniform Traffic Control Devices (MMUTCD)
- And the list goes on

Challenges:

- Aging Infrastructure
 - * Unanticipated failures
- Providing the same level of service with less resources
- Greatly increased regulatory requirements
- Competition for limited General Fund Revenues

Mr. Schneck mentioned that a large portion of the City's 218 paved residential streets are nearing the end of their design life. He reported that the Department has experienced a 13 percent reduction in staffing since 2006. Reductions have stabilized for FY 2012.

- Major Road Fund (202)

He noted that the City owns and operates 38 miles of City Major Roads including Brewster, Old Perch, Hamlin and John R. Major Roads encompass the largest amount of capital projects over the next three years.

Capital Plan:

- MR-03A - Concrete Slab Rehabilitation Program
- MR-03B - Local Development Finance Authority Road Rehabilitation Program
- MR-12 - Major Road Traffic Calming Program
- MR-51 - Rochester Hills Drive Reconstruction
- MR-01E - Crooks Road Reconstruction (Star Batt Drive to Hamlin Road)
- MR-40A - Tienken Road Improvements (Livernois Road to Sheldon Road) - Design is ongoing; Construction in FY 2013
- MR-49D - Avon Road Rehabilitation (Crooks Road to Livernois Road)
- MR-49F - Avon Road Bridge Replacement

He pointed out that the top four projects on the list are exclusive to the City of Rochester Hills Major Road network; while the bottom four on the list are in coordination with the Road Commission for Oakland County (RCOC).

- Local Street Fund (203)

Mr. Schneck stated that the 218 miles of paved and 24 miles of gravel streets encompass the City's largest and most visible asset. The City provides predictive routine and winter maintenance along with addressing traffic concerns for these Local Roads. He mentioned that over 5,700 traffic signs are maintained by the City on its Local Streets.

Local Street Funding:

- There are four significant sources of revenue for the Local Street Fund
 - * 2012 Budgeted Amounts:
 - Local Street Millage (0.3545 mill): \$1,043,490
 - Act 51 Revenue: \$1,087,050
 - Transfer-In Major Road Fund: \$1,361,250
 - Transfer-In General Fund: \$2,961,080

He pointed out that the proposed Transfer-In from General Fund for FY 2012 will address the public's desire for Local Street rehabilitation; noted in the recent Public Opinion Survey.

Local Street Significant Notes:

- Capital Outlay - Local Street Construction proposed to increase to \$2,000,000 in FY 2012
 - * CIP #LS-01 - Asphalt Rehabilitation Program
 - * CIP #LS-03 - Concrete Rehabilitation Program

- Pathway Maintenance Fund (403)

- The purpose of the Pathway Maintenance Fund is to provide for ongoing maintenance of the city-wide pathway system.
- Funded by a millage, the vast network of pathways has expanded. Over 86 miles of pathways are maintained, including pavement repairs, crack sealing, traffic signage, traffic safety railing, trimming of bushes and trees, and other proactive maintenance programs.

- Pathway Construction Fund (403)

- Construction is undertaken in accordance with the Pathway System Master Plan.
- Revenues in excess of maintenance are funneled to construct linkage to existing pathways.
- At this time projected revenues indicate a need to maintain the existing pathways rather than construct new.

Pathway Construction Fund 2012 Project Plan:

- PW-01 - Pathway Rehabilitation Program City Share 100 percent
- PW-49F - Avon Road Pathway (Livernois to 500 feet east), part of the bridge rehabilitation project

- Water Resources Fund (244)

- The biggest change was to develop a sustainable funding plan and bring expenses in line with the City's Financial Forecast.

Water Resources Fund Overview:

- We have 26 Chapter 20 Drains within the City
- Comply with the US EPA National Pollutant Discharge Elimination System (NPDES) Phase II permitting requirements
- Comply with MS-4 (Municipal Separated Storm Sewer System) permit as well as provide guidance and assistance to City Departments
- Monitor and inspect existing storm water facilities within the City for ongoing compliance
- Regulate land development as it relates to storm water drainage and flood plain issues

Water Resources Fund Significant Notes:

- Essentially every line item was reviewed and revised according to necessity as well as priority which resulted in the reduction of expenses by 46.5 percent.
- Maintenance costs performed by the Oakland County Water Resources Commissioner (OCWRC) on Chapter 20 Drains are proposed to remain unchanged due to our request to review maintenance scope of work prior to performing.

Mr. Schneck stated that a proposed 0.1 mil transfer from General Fund will provide long-term sustainability for the Water Resources Fund.

WATER AND SEWER FUND

- Sewer - Operating Division (510)
- Water - Operating Division (530)
- Water & Sewer - Capital Fund (593)

Sewer Overview:

- Provide sanitary sewer to approximately 22,600 residential and business customers
- Over 320 miles of sanitary sewer main
- 7,800 manholes or maintenance access points
- Responsible for replacement of service mains, equipment, improvements, and extensions
- Plan, design, construct, and maintain the sanitary sewer system to provide service

He noted that 205 miles, or approximately 64 percent, of the City's sanitary sewer mains were constructed prior to 1979.

Water Overview:

- Provide municipal water to 22,800 residential and business customers
- Over 420 miles of water mains
- 54 pressure reducing valve (PRV) sites, over 4,500 isolation valves, four master meter facilities, and approximately 33,000 water meters
- Responsible for replacement of service mains, equipment, improvements, and extensions

He mentioned that 169 miles, or approximately 40 percent, of the City's watermain network was constructed prior to 1979.

Capital Project Plan:

- SS-22B - Grant Pump Station Replacement
- WS-01E - Crooks Road Water Main Replacement (Star Batt Drive to Hamlin Road)
- WS-49F - Avon Road Bridge Water Main Replacement

Water and Sewer Conclusion:

- Aging infrastructure
- Increased regulatory environment
- Escalating costs for commodity, transport, and treatment

- Fleet Fund (661)

FLEET FUND

Fleet Overview:

- *The Fleet Division of the Department of Public Services is responsible for providing and maintaining the City-owned fleet of machinery, equipment and vehicles in a safe and proper functioning condition.*
- *The Division performs scheduled preventative maintenance, monitoring of vehicle condition, and criteria for replacement.*

Fleet Equipment Fund:

- *Assets Managed:*
 - * *33 pieces of fire apparatus*
 - * *80 cars, pickup trucks and vans*
 - * *19 dump trucks*
 - * *13 pieces of heavy equipment*
 - * *19 specialty vehicles*
 - * *18 trailers*
 - * *200 pieces of power equipment*

Fleet 2012 Objectives:

- *Continue to right-size the fleet by providing the most efficient vehicles at the lowest life cycle cost to Fleet's customers.*
- *Continue networking with neighboring municipalities to explore sharing resources, training, expand cooperative purchasing, and consider in-sourcing equipment maintenance and repairs.*

He noted that the City has brought in over \$47,000 in revenues by serving the Older Persons' Commission, Rochester Hills Public Library and City of Rochester fire vehicles and other equipment.

In Conclusion:

- *The DPS/Engineering Teams:*
 - * *Commitment*
 - * *Collective years of knowledge and industry experience*
 - * *Taking ownership in work performed*
- *Thanks to City Council and the Administration*
 - * *Supporting previous Budgets*
 - * *Support for this Budget*

Mr. Schneck commented that while he cannot say that he has been with the City for many years, he can say that since he began his time with the City, he has found the DPS and Engineering team to be solid. He stated that everyone he has had the opportunity to work with have been phenomenal, and staff are always looking toward innovative and creative solutions for operational efficiencies.

Council Discussion:

President Hooper commented that the City has a great DPS department.

Mr. Yalamanchi stated that he was very impressed with the incorporation of broadband job descriptions. He questioned whether vehicle replacements can level off from year to year rather than spike in certain years. He noted that several dump trucks are scheduled for replacement in 2013.

Bruce Halliday, Fleet Manager, noted that the City continues to evaluate vehicles and have deferred replacements whenever possible. He noted that deferred replacements continue to roll over and stated that it is difficult to forecast out more than one to two years. No dump trucks are in the FY 2012 Budget while six are scheduled for replacement in 2013. He mentioned that their lifecycle has been extended to 12 years now that the vehicles are kept inside the new DPS Facility. Inside storage prevents damage to tires and hydraulic hoses from sunlight and is easier on starters and batteries due to the constant 50 degree temperatures. He mentioned that the brine solution used on winter roads is very hard on the equipment and these vehicles must be cleaned thoroughly when they come back in.

Mr. Yalamanchi questioned the following:

- The status and scheduling of the Tienken Road Widening Project; and when plans will be available for review.
- What the Hamlin Road project from Livernois to Rochester will encompass.
- What portion of Dequindre will be rehabilitated.
- Whether Avon Road between Crooks and Livernois will be widened to three lanes.

Mr. Davis responded with the following:

- The Tienken Road Widening Project is proceeding, although it has been pushed back to 2013 as the Michigan Department of Transportation (MDOT) will undertake the Main Street Project in downtown Rochester in 2012. The right of way acquisition phase will occur in 2012. Design is still conceptual and final plans have not been completed.
- Hamlin Road will be rehabilitated, resurfaced and restored to three lanes, moving forward as long as the project's Federal funding stays in place. Work will include road realignment at the Rochester Road intersection.
- Resurfacing of Dequindre Road near South Boulevard is being undertaken due to funding limitations of moving forward with a larger project. The condition of the road has deteriorated to the point that the RCOC felt that something had to be done now. A full widening project has been delayed until 2018.
- Avon Road will be resurfaced, rehabilitated and restored. It will not be widened beyond two lanes with this project.

Mr. Yalamanchi thanked DPS crews for their excellent work clearing the City's roads in winter. He expressed his appreciation for the Mayor's planning for Local Road Reconstruction, and questioned what work would be accomplished with the funding allocated. He requested projections for 2013 and 2014 and questioned if allocations were increased to \$2 million for those years as well. He commented that Council should have done more to increase allocations to Local Roads.

Mr. Schneck responded that specific projects have not yet been identified; this will be done once the allocation is approved.

Mr. Davis commented that with 242 miles of Local Roads, \$2 million will not accomplish a great deal.

President Hooper mentioned that the current proposed allocation was for \$2 million in FY 2012, \$1.5 million in FY 2013 and \$1 million in FY 2014.

Mr. Yalamanchi questioned how the projected rates from the Detroit Water and Sewerage Department (DWSD) relate to the proposed rate increase to Rochester Hills customers.

Keith Sawdon, Director of Finance, responded that the Water and Sewer Technical Review Committee proposed to spread the savings gained from the new contract with DWSD to level out rates over a four-year period. He explained that the City increased rates by 3.4 percent this year; and it is the Administration's hope that rates will need to increase from 3.4 to 3.5 percent for each of the next four years.

Mr. Klomp questioned whether additional opportunities exist to broaden shared services with other municipalities.

Mr. Schneck responded while additional opportunities do exist, staff's first priority must be the City's own fleet.

Mr. Halliday added that while the Department insources to cover the peaks and valleys of providing services, the workload is nearing capacity.

Mr. Webber stated that he objects to the notion that Council has not adequately addressed Local Street rehabilitation. He commented that raiding Fund Balance for Local Road Reconstruction is only a short-term solution to a very long-term problem. He stated that those who have voted yes on budgets over the years should be commended for finding the efficiencies to do what has been done. He commented that he appreciates what the Administration is proposing for the next three years. He questioned how decisions are made regarding right-sizing of the City's fleet.

Mr. Halliday responded that vehicle utilization is constantly monitored. Departments with low vehicle utilization are considered for vehicle sharing, reductions in the number of vehicles allocated, and use of City Hall pool vehicles. An online checkout system is under development and the Administration is investigating whether renting or leasing vehicles could be an option. He mentioned that when the City's water meters were being replaced, a large van had to transport 50 to 60 meters each day. Now in a maintenance mode, a smaller vehicle is can be utilized for the few meters that are transported each day.

Mr. Webber questioned whether employees could use their own vehicles.

Mr. Halliday responded that while this is done whenever possible, there is some resistance from vehicle owners.

Mr. Pixley stated that it is his opinion that the Department did a great job in preparing the Budget. He questioned why the road grader to be replaced in FY 2014 is \$10,000 less than the grader being replaced in FY 2012.

Mr. Halliday commented that replacement of the two graders was deferred from FY 2007 as the City now has fewer gravel roads to maintain. He noted that the grader to be purchased in FY 2012 will have a plowing attachment.

President Hooper noted that a transfer was made from the General Fund Fund Balance to the Water Resources Fund in FY 2011 and he stated that he does not support pulling from General Fund. He stated that he would add a suggestion to the Straw Poll to Council of continuing to pull these funds from the Water Resources Fund Fund Balance, as \$900,000 in Water Resources Debt will come off the books in FY 2013, reducing the debt levy and yielding a potential for a millage or appropriation for those funds. He questioned whether a Chapter 20 Drain could be created for operations.

Roger Moore, Professional Surveyor, responded that Chapter 20 Drains are typically created for construction; operations and maintenance would still be assessed through the City.

Mr. Sawdon suggested that Bond Counsel could review that possibility. He explained that Chapter 20 was generated in the Drain Code for construction, not maintenance. The millage that will be rolling off is bond debt, which cannot be repurposed for maintenance.

Mr. Davis stated that the OCWRC owns 26 Chapter 20 Drains. He explained that these drains have been largely paid for by previous construction monies. One option is for the City to take ownership of its drains and then collect monies to maintain them. He mentioned that as some of the drains have been retired, account balances remain at the County. He stated that the City should have this remaining money returned. He commented that one final consideration would be to create a storm water utility to fund ongoing maintenance.

Mr. Yalamanchi questioned whether creating a utility would allow the cost to be passed on to the residents.

Mr. Moore responded that the City of Ann Arbor created a utility; however, the City of Lansing was unsuccessful in creating one. He commented that draft legislation was considered by the Senate; however, it was not successful.

Mr. Yalamanchi requested that the Administration investigate how Ann Arbor's utility works.

President Hooper mentioned that the Master Thoroughfare Plan calls for Hamlin Road to be three-lanes. He questioned whether there were any considerations for creating roundabouts at the intersections of Avon Road and Old Perch or Avon Road and Crooks Road.

Mr. Davis responded that the planned work on Avon encompasses reconstruction, rehabilitation and resurfacing only, and does not include an expansion to address possible roundabouts.

Discussed.

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- Major Road Fund (202)
- Local Street Fund (203)
- Pathway Maintenance Fund (403)

See Legislative File 2011-0346.

Discussed.

2011-0344 Discussion of the Capital Funds (400's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- Pathway Construction Fund (403)

See Legislative File 2011-0346.

Discussed.

2011-0342 Discussion - Special Revenue Funds (200's) - 2012 Budget

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[Suppl Parks & Forestry Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

- Water Resources Fund (244)

See Legislative File 2011-0346.

Discussed.

2011-0345 Discussion of the Water and Sewer Funds (500's) - 2012 Budget

Attachments: [082911 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl DPS Presentation.pdf](#)

- Sewer - Operating Division (510)
- Water - Operating Division (530)

- Water & Sewer Capital Fund (593)

See Legislative File 2011-0346.

Discussed.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, September 19, 2011 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting to Closed Session at 9:19 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.