



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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*Susan M. Bowyer Ph.D., Kevin S. Brown, Dale A. Hetrick, James Kubicina,
Stephanie Morita, Mark A. Tisdell and Thomas W. Wiggins*

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 28, 2017

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

*President Tisdell called the Regular Rochester Hills City Council Meeting to order at
7:01 p.m. Michigan Time.*

ROLL CALL

Present 7 - Susan M. Bowyer, Kevin S. Brown, Dale Hetrick, James Kubicina, Stephanie
Morita, Mark A. Tisdell and Thomas W. Wiggins

Others Present:

*Tina Barton, City Clerk
Sean Canto, Chief of Fire and Emergency Services
Bill Cooke, Assistant Fire Chief/Fire Marshal
Scott Cope, Director of Building/Ordinance Compliance
Pamela Gordon, Director of Human Resources
Allan Schneck, Director of DPS/Engineering
John Staran, City Attorney
Maria Willett, Special Assistant to the Mayor*

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Kubicina's grandsons, Liam and James.

APPROVAL OF AGENDA

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

COUNCIL AND YOUTH COMMITTEE REPORTS

None.

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.

2017-0387 Approval of Minutes - City Council Regular Meeting - August 14, 2017

Attachments: [CC Min 081417.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0256-2017

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on August 14, 2017 be approved as presented.

2017-0373 Request for Purchase Authorization - FACILITIES: Purchase and installation of an air conditioning compressor in the total amount not-to-exceed \$37,500.00; K&S Ventures, Inc., Auburn Hills, MI

Attachments: [082817 Agenda Summary.pdf](#)
[Bid Tabulation.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0257-2017

Resolved, that the Rochester Hills City Council hereby authorizes the purchase and installation of an air conditioning compressor to K&S Ventures, Inc., Auburn Hills, Michigan in the amount not-to-exceed \$37,500.00.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

2017-0378 Request for Purchase Authorization - FACILITIES: Blanket Purchase Order for 2017-2018 Snow Removal Services at City Hall, 52/3rd District Court, Oakland County Sheriff's Office Substation and the five fire stations in the amount not-to-exceed \$75,000.00 through June 30, 2018; Ultra Professional Outdoor Services, LLC., Auburn Hills, MI

Attachments: [082817 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0258-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order 2017-2018 Snow Removal Services at City Hall, 52/3rd District Court, Oakland County Sheriff's Office Substation and the five fire stations to Ultra Professional Outdoor Services, LLC., Auburn Hills, Michigan in the amount not-to-exceed \$75,000.00 through

June 20, 2018 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

Passed the Consent Agenda

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdel and Wiggins

(To accommodate members of the public, President Tisdel moved Public Comment after the Consent Agenda.)

PUBLIC COMMENT for Items not on the Agenda

John Leichtman, 2788 Tallahassee, stated that he was in attendance along with several other individuals to discuss opposition to a potential development proposed for the corner of Tienken and Adams Road. He stated that he lives in Judson Park Subdivision and has traffic zooming through his subdivision every morning. He commented that he tries to avoid the intersection of Tienken and Adams, and he stated that the residents in that area do not want more traffic. He noted that he has children that walk to Brewster School.

Lee Zendel, 1575 Dutton Road, noted that some time ago he questioned whether a stop light was warranted on Old Perch at West Middle School, and he was informed that as there were not many students walking to the Middle School a stop light was not needed for crossing. He stated that the issue should be revisited to determine whether a light or stop sign should be placed at the school.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

*In response to Public Comment, **President Tisdel** noted that a daycare center proposed for the corner of Tienken and Adams Roads will be on the Planning Commission's agenda for tomorrow night's meeting. He mentioned that Vice President Morita is the Council Representative to the Planning Commission, and he would assume that the Department of Public Services will have staff there to provide information. He stated that he lived in the area of Tienken and Grandview for 24 years, and Mr. Brown currently lives in the Tienken/Brewster area. He commented that he is well aware of the amount of traffic at that intersection. He stated that the proposal will be fully examined and discussed by the Planning Commission, and they will provide their recommendations. If recommended for approval of the Conditional Land Use requested, it will come to Council for their review.*

Relative to Public Comment regarding a traffic light at West Middle School, he

stated that he spoke with the School Administration one year ago regarding that subject. At that time, there were approximately 100 to 110 identified walkers. He mentioned that not all 110 actually walked to the school. He stated that at the time, he consulted Mr. Schneck or Mr. Davis regarding the potential for installing a light, and was informed that one of the requirements for its installation would be that Ansal Drive and the school's parking lot entrance would have to be aligned. He noted that the School District was not interested in spending any money to align the entrance to install a light. He stated that he would revisit the idea again.

Mr. Brown noted that if a residents speaks before Council or the Planning Commission on an item, they would receive a notice when that item would appear on a future agenda for either Council or the Planning Commission.

Vice President Morita confirmed that notification would be sent.

Mr. Brown stated that agendas for City Council are issued on the Wednesday afternoon prior to a Council Meeting, and residents could watch the agenda for various topics. He noted that if residents speak at tomorrow's Planning Commission, they will receive future notification.

He reported that he was able to celebrate the 60th Anniversary of Boy Scout Troop 125. The event, held Rochester Municipal Park, was attended by Rochester's Mayor Cathy Daldin. He mentioned that the Troop is up to 145 Eagle Scouts who have done many projects in the Rochester Hills and Shelby Township areas. He commented that he hopes his son will be able to complete his Eagle Scout requirements soon as well.

Dr. Bowyer reported on the following events:

- The 7:39'ers Bicycle Club recently celebrated their 10th anniversary of riding the Clinton River Trail and Paint Creek Trail. The club meets at 7:39 a.m. on Saturday mornings, and have contributed funds toward the trail. She expressed her appreciation for their support and camaraderie.
- The Solar Eclipse Viewing Party was a cool event at the Rochester Hills Library. She mentioned that the next eclipse in North America arrives April 8, 2024.
- The Parks Department's Outdoor Engagement programs are starting up. The Hills Hikers will meet every Wednesday evening in September and October. The cost to participate is \$50. The first hike, led by a Naturalist, will start at Veterans Memorial Pointe.
- For the Birds will be held Saturdays, September 9, October 14, and November 11, at 9:00 a.m. The first birding hike will be at Innovation Hills. The cost is \$15.
- The Paint Creek Trail Labor Day Bridge Walk is set for this coming Monday, September 4. Walkers should meet at the pavilion at the Rochester Municipal Park. A \$5 donation is suggested.
- The Michigan Ovarian Cancer Wheels and Teal 5K is set for September 16, 2017 at the Village of Rochester Hills.
- The Brooksie Way is September 24.
- Scare Away Hunger 5K benefitting the Rochester Area Neighborhood House is October 22.

- *Run the Fairways at Pine Trace Golf Club is set for November 11.*

Vice President Morita noted that she had emailed Mr. Schneck early this morning about a pavement issue that needed to be addressed, and she stated that she received a response that DPS staff reviewed the issue and would be fixing it tomorrow. She commented that it is great to have Mr. Schneck and his staff at the City going above and beyond to serve the city.

Regarding Public Comment on the Premier Academy proposal for the corner of Tienken and Adams Roads, she noted that she has been receiving emails expressing concerns, and has forwarded these emails to the Planning Department so they can be provided to the rest of the Planning Commission prior to tomorrow night's meeting. She commented that many of the emails are against the development because of traffic concerns, and some have included constructive ideas on how to deal with the development. She requested anyone else wanting to submit an email to try to do so as soon as possible, noting that she checks her email early in the morning, and then sometimes not until later afternoon.

President Tisdell announced that he and his wife recently celebrated their Fortieth Wedding Anniversary.

ATTORNEY'S REPORT

City Attorney John Staran had nothing to report.

NEW BUSINESS

- 2017-0374 Request for Purchase Authorization - FACILITIES: Blanket Purchase Order/Contract for construction management services for Fire Station #4 Renovation/Addition Project in the amount not-to-exceed \$4,210,080.88; George W. Auch Company, Pontiac, Michigan

Attachments: [082817 Agenda Summary.pdf](#)
[Suppl Presentation.pdf](#)
[RHFS #4 GMP 081717 With Metal Roof.pdf](#)
[Resolution \(Draft\).pdf](#)

Scott Cope, Director of Building/Ordinance Compliance, introduced **Aaron St. Dennis**, Project Manager for George W. Auch Company, and **Bill Cooke**, Assistant Chief/Fire Marshal. He noted that Mr. St. Dennis and the Auch team put together a Guaranteed Maximum Price for Fire Station #4 of roughly \$4,210,000, which is within the budget set in 2015. He noted that at the suggestion of Joe Snyder, Chief Financial Officer, a projected watermain cost of \$112,000 is proposed to be taken out of excess funds.

Mr. Cope displayed renderings and plans for the proposed Station, noting that the existing building will be kept and renovated inside. A new apparatus bay and small mezzanine will be constructed. The existing area will become a fitness area, bunk rooms, bathrooms, and kitchen. The site plan noted that three different approaches are proposed, one for visitors, one for fire trucks exiting, and one

for the trucks to return around the back of the Station to enter the bay. A retention basin is proposed for the eastern portion of the site.

Mr. St. Dennis reviewed the proposed schedule, noting that groundbreaking is proposed for September. Site work to be completed before winter includes establishing the building pad and foundations, and enclosing the addition to be able to do the interior work in the winter. Next spring personnel will move from the existing building to the apparatus bay and to a temporary trailer similar to the previous Fire Station projects, and the existing building renovation will be completed. Operations will be kept up and functioning. Completion for the project is projected for October 2018.

President Tisdell noted that all funding was completed by Mr. Snyder in 2016. He commented that Council is looking forward to having this completed.

Dr. Bowyer questioned whether the interior design is similar to the other stations.

Mr. St. Dennis responded that it will be as the goal was to be consistent throughout each station.

Dr. Bowyer questioned whether targeting December and January for roofing would be feasible.

Mr. St. Dennis responded that it is hoped that it would be a mild winter like last year.

Mr. Hetrick commented that he was happy to see that any new subcontractors would be put through a serious vetting process to ensure that they would complete their work on time and under budget.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0259-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order/Contract for Construction Management Services for Fire Station #4 Renovation/Addition Project to the George W. Auch Company, Pontiac, Michigan in the amount not-to-exceed \$4,210,080.88 and further authorizes the Mayor to execute the contract on behalf of the City.

2017-0376

Request for Purchase Authorization - FACILITIES: Blanket Purchase Order/Contract for Architectural/Engineering Services for the construction phase of Fire Station #4 Addition/Renovation project in the amount not-to-exceed \$64,068.00; Sidock Architects, A Sidock Group Company, Novi, MI

Attachments: [082817 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Scott Cope, Director of Building/Ordinance Compliance, noted that the final phase of construction administration for Fire Station #4 will require the services

of Sidock Architects to help the City with any changes or challenges encountered during the construction phase.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0260-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order/Contract for Architectural/Engineering Services for the construction phase of Fire Station #4 Addition/Renovation project to Sidock Architects, A Sidock Group Company, Novi, Michigan in the amount not-to-exceed \$64,068.00 and further authorizes the Mayor to execute a contract on behalf of the City.

2017-0377 Request for Purchase Authorization - DPS/ENG: Blanket Purchase Order/Contract for the replacement of Booster Pumping Station #2 in the amount of \$1,716,279.29 with a 10% project contingency in the amount of \$171,627.93 for a total not-to-exceed project amount of \$1,887,907.22; Trojan Development, Oxford, MI

Attachments: [082817 Agenda Summary.pdf](#)
[Proposal Tabulation.pdf](#)
[Recommendation of Award 081717.pdf](#)
[Resolution \(Draft\).pdf](#)

Allan Schneck, Director of DPS/Engineering, stated that the City solicited a request for proposal for the proposed Booster Station #2 replacement. He explained that the proposal included a number of options for the contractors to bid, including just the station, or station and piping gallery, or to partner with a pump manufacturer to provide the gallery with the contractor as the lead. He noted that the Administration undertook a rigorous process vetting the proposals that came in offering the entire package. Subsequently, Trojan Development was invited to interview. He stated that the Department undertook some value engineering which removed \$40,000 from the proposed project, and incorporated some amendments to the building itself. He pointed out that it will be an above-ground station, and the changes that were made to the building will be aesthetically pleasing and more favorable for operations. He mentioned that the first proposal was a long shoebox-shape. Changing the footprint mitigated relocation of an AT&T Fiber Optic line saving more cost. He explained that Trojan was the most responsive responsible bidder.

He pointed out that the project is over budget; however, funds are available to cover the overage through the Section 33 Watermain Project, which came in \$2.1 million under budget. He added that based on the agreement with the developers of Blossom Ridge on the corner of Adams and Dutton, the developers will pay 5.9 percent toward the hard construction cost of the project, or approximately \$100,000. He noted that three valves will be included for replacement that were not a part of the original project, at a cost of \$66,000. He mentioned that the booster station will be fed in two different directions for redundancy in the system.

Public Comment:

Lee Zendel, 1575 Dutton Road, questioned why the project was originally listed in the 2016 Capital Improvement Plan (CIP) at \$1.25 million, in the 2017 CIP at \$1.5 million, and is now up for approval at just under \$1.9 million. He stated that Council has a responsibility to be more interested in the projects and how they are varying from the original estimates in the CIP.

Council Discussion:

President Tisdell questioned the degree of accuracy of the CIP numbers.

Mr. Schneck responded that often average unit prices of previous projects are used. He stated that last year Council directed the Administration to revisit costs in the CIP and not to use static costs from previous years. He noted that the watermain project came in under budget because the contractor used a longer pipe bursting method. He stated that to the best of their ability, reasonable numbers are used based on the industry.

President Tisdell commented that the City was obviously caught off-guard by the Fire Station costs as pre-recovery and pre-recession estimates were used. He noted that another project came in considerably above estimate.

Mr. Wiggins questioned what the cost differential was between a brick facade versus a metal building, and why brick was more favorable.

Mr. Schneck responded that the building will be above ground and was designed to be aesthetically pleasing to match Adams High School. He noted that a metal building option was provided for bidders, the intention was not to have a "steel can" sitting there.

Mr. Wiggins questioned whether the brick option was included in the CIP.

Mr. Schneck responded that he did not have that information and would have to look at the CIP application. He stated that the Administration took what they viewed as the best proposal and value engineered it to remove \$40,000 in cost. He explained that the project is \$536,000 over budget; however, it has a contingency of \$171,625, Blossom Ridge is providing \$100,000, and a cost of \$66,000 for valves was included that was not in the original estimate. He noted that taking those items into consideration, the project is only over budget by 12 percent. He stated that a commitment for the aesthetics of the building was provided to the school district when they provided an easement for the station at no expense to the City. He commented that the City has a very good working relationship with the Rochester Community Schools, and the District is aware that this is a needed asset to the water distribution system. He mentioned that they will have a 10-foot by 12-foot storage room for their use in the building.

Mr. Wiggins commented that Council should have the detail of why there is a cost overrun.

Mr. Schneck responded that he did not have the line item details with him this evening for the exact cost differentials between a steel building and a stick-built construction.

Mr. Wiggins requested Mr. Schneck furnish that information to Council.

President Tisdell questioned whether there is a cost differential between above-ground and below-ground construction of the facility.

Mr. Schneck responded that there is; however, he noted that an above-ground station is much safer. He explained that the below-ground station is considered a confined space, with one way in and one way out, very sizeable motors, and electronics that tend to fail quicker because of the environment. He noted that an above-ground station is not only safer, it will provide for longevity of the equipment. He pointed out that the station will also include a back-up generator, and he stated that a portable generator must be taken out to the current station in the event of a power failure.

President Tisdell mentioned that the redundant line feed was included.

Dr. Bowyer questioned where the building would be located.

Mr. Schneck responded that it would be constructed between the track, football field, and tennis courts, almost at the crest of the existing hill.

Dr. Bowyer noted that while the above-ground station will be safer, she questioned whether it would be cheaper in the long run, and if it would help with low water pressure in the area.

Mr. Schneck responded that based on the modeling for the station, it will help with pressure concerns. He noted that there are four pumps in the existing station, and seven planned for the new station. He stated that the variable frequency drive pumps will fluctuate with demand and operating costs will be less than the existing station.

Mr. Brown commented that costs for projects in the CIP should be updated as there have been some dramatic changes in construction costs over the last three to four years. He questioned whether costs are beginning to stabilize.

Mr. Schneck responded that it depends on the time of the year projects are solicited. He noted that the Administration tries to get projects out for bid in the first quarter of each year as it is more likely to receive favorable pricing before the contractors' schedules fill up. He stated that costs vary from year to year on certain items, and mentioned that two years ago a cement shortage drove prices up. He commented that private sector projects are competing for contractor interest this year, as banks and financial institutions have loosened up funding. He stated that prices are escalating at the cost of living.

Mr. Brown questioned whether there is some method that could be incorporated to ensure that CIP costs are properly projected. He commented that Mr. Zendel made a good point in saying that pricing feedback is necessary each year.

Mr. Schneck stated that last year Mr. Snyder projected that the City's funds

would be \$1.5 million to the good, and at the year end they were \$3 million more favorable. He pointed out that this positive variance assisted funding the Fire Station Projects. He stated that the public service projects came in under budget better than expected as well, and he pointed out that the City works very hard with its contractors to ensure that projects come in on time and under budget.

Mr. Brown commented that the DPS staff do a phenomenal job, and no one has a crystal ball to project the price of concrete or other commodities three to four years away. He suggested that the City has some good estimates from a couple of years ago, and should take these best-guess estimates and begin adding a percentage to get them closer to the market.

Mr. Wiggins concurred, noting that Council was tough on the Administration when the Fire Stations came in over budget. He stated that Council knows that these are important projects; however, they need to be given more information on why they are over budget. He commented that the City needs to be stewards of the taxpayers' dollars.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0261-2017

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order/Contract for the replacement of Booster Pumping Station #2 to Trojan Development, Oxford, Michigan in the amount of \$1,716,279.29 with a 10% project contingency in the amount of \$171,627.93 for a total not-to-exceed project amount of \$1,887,907.22 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

2017-0381 Salary Recommendation for Directors' Equity Adjustment - 2018

Attachments: [082817 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Pamela Gordon, Human Resources Director, noted that the salary recommendations presented this evening are the result of the work of the Human Resources Technical Review Committee (HRTRC). She stated that the HRTRC deferred its final meeting in order for Council to receive the results of the Total Compensation Study that was conducted for the City earlier this year. She explained that Department Directors and the Mayor were a part of the recommendations of the study, with the goal of a unified salary schedule for the City combining the salary scales for all employee groups in order to address issues of internal equity and market competitiveness.

She stated that it was the consensus of the HRTRC to recommend no equity adjustments, as any recommended changes were taken care of as a part of the unified salary schedule.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0262-2017

Whereas, pursuant to Article III, Section 5 of the City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions and authorized by resolution number 2017-0279, the Human Resources Technical Review Committee met to discuss recommendations concerning individual salary equity adjustments for department directors in fiscal year 2018.

Whereas, an executive report presented to City Council on July 17, 2017 included market survey data from comparable communities, as well as an analysis of internal equity and pay compression within the current salary structure.

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation that no additional equity adjustments be authorized by City Council for 2018.

2017-0382 Salary Recommendation for Directors' General Adjustment - 2018

Attachments: [082817 Agenda Summary \(Revised\).pdf](#)
[082817 Agenda Summary.pdf](#)
[2018 Director Salaries \(Revised\).pdf](#)
[2018 Director Salaries.pdf](#)
[2018 Director Schedule.pdf](#)
[Resolution \(Draft\).pdf](#)
[Resolution \(Draft\)\(Revised\).pdf](#)

Pamela Gordon, Director of Human Resources, explained that given a unified salary schedule would be incorporated beginning in 2018 for the City's employees, it would be very important going forward to have consistent recommendations for salary adjustments. She noted that the Administration previously negotiated a two percent wage adjustment with two of the City's bargaining units, which she stated is consistent with the Capital Improvement Project and cost of living-related data. She stated that the HRTRC recommends that a two percent adjustment be applied to directors' salaries for 2018 based on the 2017 salary recommendations from the Compensation Study. She noted that this will bring salaries into line with the year of implementation of the salary schedule.

Council Discussion:

Vice President Morita noted that she had a discussion with Ms. Gordon last Friday regarding the math involved to arrive at the total salaries.

Ms. Gordon responded that the 2017 salary schedule resulted from the Compensation Study. Each director's salary was a part of the study, taking into account market and internal equity. She explained that each director was placed into a recommended pay grade, resulting in the various differences between their current pay of 2017. She noted that two percent was added to the resulting 2017 schedule for the purposes of implementation in 2018. Differences in pay varied depending on the position and their current pay versus their new pay on the schedule.

Vice President Morita summarized, that Director A is currently receiving \$94,000, and is projected on the schedule to receive \$104,000, which is a \$10,000 difference. Their pay is being adjusted per the base on the schedule, and subsequently two percent is added to that amount.

Ms. Gordon concurred, noting that there is a new base for each director, based on the new 2017 schedule, going into effect in 2018.

Vice President Morita commented that the same adjustment occurs for the Mayor as well. The position steps up to meet the new salary schedule for 2017, plus the additional two percent.

Mr. Gordon confirmed that was correct.

Vice President Morita expressed her appreciation to Ms. Gordon for taking the extra time to revise the agenda item details last Friday to make it more understandable for Council.

Dr. Bowyer noted that the Mayor will receive an eight percent raise.

Ms. Gordon responded that it would be from the current salary.

Dr. Bowyer pointed out that some directors will receive eight percent, and some four percent, and so forth. She commented that she thought the implementation of the full schedule would go over several years.

Ms. Gordon responded that most directors are starting the schedule at Step 1.

Dr. Bowyer questioned whether that would result in salaries over market.

Vice President Morita responded that the salary recommendation was for 2017, and this will add the market adjustment for 2018.

Ms. Gordon responded that this will place the directors into the schedule in their range for the market.

Mr. Hetrick expressed his thanks for the efforts to put together the salary schedules. He commented that once the City gets through the first iteration of incorporating the schedule, it will be considerably easier. He stated that it was somewhat confusing incorporating the adjustments to place directors into Step 1, and then add two percent.

Mr. Brown commented that the salary schedule recommended is citywide. He noted that it is similar to the effect across the workforce and is not something that is unique to directors.

Ms. Gordon agreed, noting that the directors are being brought more in line with the rest of the workforce, consistent with the level of responsibilities for the positions they hold. She explained that this is the idea behind internal equity,

noting that the workforce salaries are being realigned across the board. She commented that the City currently has a compression issue in its workforce with salaries for some butting up against the salaries of those that manage them. She pointed out that the directors and the Mayor are at the top of the salary schedule; however, there is a more appropriate distribution amongst the employee groups.

Mr. Brown noted that the citywide employees will also be adjusted into the pay schedule.

Ms. Gordon responded that it will be the same process citywide.

Mr. Brown commented that this is not a unique thing for directors as it is part of the overall Total Compensation Study. He explained that currently there are some directors who make less than the hourly employees, and the schedule fixes some of those overlaps.

President Tisdell pointed out the longevity of the City's workforce, and stated that this is an adjustment and correction.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0263-2017

Whereas, pursuant to Article II, Section 5 of the City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions and authorized by resolution number 2017-0279, the HR Technical Review Committee has met to discuss recommendations concerning the general base pay adjustments for department directors in 2018.

Whereas, a new unified salary schedule has been authorized for inclusion in the proposed 2018 budget; and

Whereas, a 2% base salary general adjustment in 2018 will establish consistency with other City employee groups included in the new schedule;

Resolved, the amount of 2% shall be added to the proposed new 2017 base salary schedule for department directors, in the amount of \$38,695; bringing the total base salary budget for department directors to \$1,063,653 in 2018.

2017-0383 Salary Recommendation for Directors' Variable Performance (Discretionary) Pool - 2018

Attachments: [082817 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Pamela Gordon, Director of Human Resources, explained that annually there is a performance pool at the discretion of the Mayor that can be distributed amongst directors based on their performance during the previous year. She stated that it is proposed to maintain this pool at \$15,000 for 2018.

Public Comment:

Lee Zendel, 1575 Dutton Road, questioned how many communities were studied in the Total Compensation Study and where these communities were located.

Ms. Gordon responded that 26 total communities were identified specifically for salary purposes. Five communities were studied in more detail. The five communities selected for further study are the City's main competitors, including Farmington Hills, Novi and Troy.

Council Discussion:

Mr. Brown requested Ms. Gordon confirm that last year the pool was not distributed equally to directors.

Ms. Gordon confirmed that was correct.

Mr. Brown stated that this was one of the discussions of the Human Resources Technical Review Committee (HRTRC). He noted that the intent was not to take the dollar amount and divide it equally by the number of directors. He commented that the Mayor has distributed it appropriately considering the amount of emphasis on the City's innovative and creative way of doing things. He noted that this is a good way to retain top talent and encourage them to do these things. He stressed that it is also a one-time event, noting that a director may do well and receive a distribution this year; however, they would not automatically receive the same amount next year. He commented that the process forces continued creativity and provides the right type of motivation.

Mr. Wiggins questioned whether the pool would eventually be replaced by the Added Value portion of the salary schedule.

Ms. Gordon responded that the Administration still has work to do on that portion of the proposal by the consultant. She stated that the Added Value portion of the schedule has to do with an individual receiving a certification or credential, or taking on a citywide project beyond the position or their duties. If a manager were to take on a citywide project across departments it might qualify for Added Value pay. She explained that once that piece of the schedule is put into place, the pool would be revisited. She commented that it would not likely be until 2019, and at that time the pool would be revisited to ensure it is not redundant.

Dr. Bowyer stated that it was discussed in the HRTRC that the pool should be kept the same; however, once the Value Added part is incorporated, it would be an item to be considered by the HRTRC.

Ms. Gordon commented that there may be both types of compensation, to ensure that a reward would not be given for the same thing.

Vice President Morita noted that she attended the HRTRC meeting, and it was her understanding that the \$15,000 budget would be proposed for the Mayor's use; however, the Added Value criteria would be developed and he would

suggest who would receive the bonus. She stated that efforts should be undertaken to get the policy up and running. She noted that this is all a part of developing that policy to determine how it will be applied in the future. She commented that the directors will be the guinea pigs for this type of policy.

Ms. Gordon noted that prior to providing anything associated with an Added Value component, Council would have a review of the program to ensure its support.

Vice President Morita commented that the \$15,000 pool will be applied slightly different than last year. She stated that this is reflected in the memo that is attached to the agenda item.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0264-2017

Whereas, pursuant to Article III, Section 5 of the City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions and authorized by resolution number 2017-0279, the Human Resources Technical Review Committee met to discuss recommendations concerning variable performance (discretionary) pay for department directors in fiscal year 2018.

Whereas, a \$5000 increase over the 2016 performance pay budget was authorized to recognize director performance in 2017, bringing the total budget to \$15,000;

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee to maintain \$15,000 in the budget for variable performance pay for department directors in 2018.

2017-0384 Salary Recommendation for Mayor - 2018

Attachments: [082817 Agenda Summary \(Revised\).pdf](#)
[082817 Agenda Summary.pdf](#)
[2018 Director Salaries \(Revised\).pdf](#)
[2018 Director Salaries.pdf](#)
[2018 Director Schedule.pdf](#)
[Resolution \(Draft\).pdf](#)
[Resolution \(Draft\)\(Revised\).pdf](#)

Pamela Gordon, Director of Human Resources, stated that the Human Resources Technical Review Committee's (HRTRC) salary recommendation for the Mayor is also based on the Mayor's position evaluated as a part of the salary schedule proposed for 2017, and adjusted for 2018. She noted that the proposed salary amount reflects a two percent adjustment from the 2017 initial schedule to bring it into 2018 implementation.

Vice President Morita noted that as Council discussed in previous items tonight, this is the same procedure used for director salaries.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0265-2017

Whereas, pursuant to Article IV, Section 3 of the City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions and authorized by resolution number 2017-0279, the HR Technical Review Committee has met to discuss recommendations concerning the Mayor's salary for 2018.

Whereas, a new unified salary schedule that includes the Mayor has been authorized for inclusion in the proposed 2018 budget; and

Whereas, a 2% base salary general adjustment in 2018 will establish consistency with other City employee groups included in the new schedule;

Resolved, that the amount of 2% shall be added to the new 2017 salary for the position of the Mayor, bringing the Mayor's annual base salary to \$125,758 for fiscal year 2018.

2017-0385 Salary Recommendation for Boards and Commissions - 2018

Attachments: [082817 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Pamela Gordon, Director of Human Resources, stated that Board and Commission compensation was adjusted in 2016. She noted that based on the discussion within the Human Resources Technical Review Committee, their recommendation is to keep the same level of compensation for 2018.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0266-2017

Whereas, pursuant to Article VI, Section 3 of the City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions and authorized by resolution number 2017-0279, the Human Resources Technical Review Committee met to discuss recommendations concerning the per diem compensation for members of boards and commissions in Fiscal Year 2017; and

Whereas, compensation for Boards and Commissions was last increased in 2016;

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee to maintain the current per diem compensation of one hundred dollars (\$100) for chairpersons and ninety dollars (\$90) for citizen members of boards and commissions per meeting attended in Fiscal Year 2018 for the following boards and commissions.

Building Authority
Construction/Fire Prevention Code Board of Appeals
Economic Development Corporation
Planning Commission
Zoning Board of Appeals/Sign Board of Appeals
Historic Districts Commission

Further Resolved, that the 2018 per diem for Assessment Board of Review will also remain unchanged at \$100.

2017-0386 Salary Recommendation for City Council - 2018

Attachments: [082817 Agenda Summary.pdf](#)
[Resolution \(Draft\).pdf](#)

Pamela Gordon, Director of Human Resources, stated that the Human Resources Technical Review Committee (HRTRC) had quite a discussion regarding City Council compensation. She pointed out that there has been no change to City Council compensation since 2005. She explained that meeting pay went from \$60 after 50 meetings to \$60 after 32 meetings in 2005, and has not changed since. She stated that the actual compensation amount for base salary has not changed since 2001. She noted that the discussion was that at some point the amount of work, time, and commitment that Council expends must be recognized. After discussion the HRTRC came to a consensus to recommend an increase of \$10 per meeting to \$70 per meeting after 32 meetings. She mentioned that Council's base salary would be unchanged for 2018.

Mr. Brown commented that in general Council Members are not in their positions for the money; however, over the course of time, they are in their positions for less money than before. He noted that the HRTRC compared pay to some of the Boards and Commissions. He pointed out that while Council does have the base pay component, a Council Member serving as representative to Planning Commission receives less than a Planning Commission member for attending a meeting.

Dr. Bowyer noted that the reason someone is a member of Council is that they want to have great things happen for the City, not that they want to be reimbursed. She stated that a smaller amount is fine, and she does not think that anyone is on Council to make money.

President Tisdell commented that Ms. Gordon's job is to ensure that there are credibility in salaries.

Mr. Brown stated that he has been on the HRTRC for four years, and each year she has advised the HRTRC to update Council's salaries.

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

Aye 7 - Bowyer, Brown, Hetrick, Kubicina, Morita, Tisdell and Wiggins

Enactment No: RES0267-2017

Whereas, pursuant to Article III, Section 5 of the City Council Policy for Salaries of Department Directors and Mayor, and Per Diem Fees for City Boards and Commissions and authorized by resolution number 2017-0279, the Human Resources Technical Review Committee met to discuss recommendations concerning the compensation for members of City Council in fiscal year 2018; and

Whereas, no change in Council member base pay has occurred since 2003 and no change in meeting pay has occurred since 2005;

Resolved, that the Rochester Hills City Council hereby concurs with the recommendation of the Human Resources Technical Review Committee to increase meeting pay for City Council in 2018 from \$60 to \$70 after 32 meetings.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, September 11, 2017 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, it was moved by Morita, seconded by Hetrick to adjourn the meeting at 8:29 p.m.

*MARK A. TISDEL, President
Rochester Hills City Council*

*TINA BARTON, MMC, Clerk
City of Rochester Hills*

*MARY JO PACHLA, CMMC
Administrative Secretary
City Clerk's Office*

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