



Rochester Hills

Minutes - Draft

City Council Special Meeting

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

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

Vision Statement: The Community of Choice for Families and Business

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

Monday, August 24, 2009

6:00 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 Work Session would be held at 6:00 P.M. on Monday, August 24, 2009 for the purpose of discussing the 2010 Proposed Budget.

CALL TO ORDER

President Hooper called the Special Rochester Hills City Council Meeting to order at 6:00 p.m. Michigan Time.

ROLL CALL

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

Absent 1 - Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Development
Bryan Barnett, Mayor
Tara Beatty, Executive Assistant
Tracey Balint, Project Engineer
Dan Casey, Manager of Economic Development
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, City Engineer
Kurt Dawson, Director of Assessing/Treasury
Derek Delacourt, Deputy Director of Planning
Susan Galeczka, Deputy City Clerk
Bob Grace, Director of MIS
Bruce Halliday, Fleet Manager
Mike Hartner, Director of Parks and Forestry
Captain Mike Johnson, Oakland County Sheriff's Office
Bud Leafdale, General Superintendent
Pamela M. Lee, Director of Human Resources
Jane Leslie, City Clerk*

*David Levett, Financial Analyst
Pat McKay, Supervisor of Interpretive Services
Kim Murphey, Administrative Coordinator - DPS
Roger Rousse, Director of DPS/Engineering
Keith Sawdon, Director of Finance
Joe Snyder, Senior Financial Analyst
Doug Walther, Deputy Director of Assessing
Bob White, Supervisor of Ordinance Services
Kelly Winters, Deputy Director of Building/Ordinance Compliance*

Mr. Yalamanchi provided prior notice that he would be unable to attend.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

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

Absent 1 - Yalamanchi

PUBLIC COMMENT

***Mike McGlynn**, 3741 Everett, commented that an article in the Rochester Post incorrectly reported that the Michigan Department of Transportation (MDOT) did not find that the ten unfunded sound barriers along M-59 met the criteria for being necessary. He requested Council include Noise Barrier 10 (NB-10) in the 2010 Budget and suggested a Request for Proposal be developed to determine costs. He commented that funding considerations should be investigated without waiting for wall ranking by the Noise Barrier/Sound Wall Technical Review Committee and questioned the committee selection process.*

***Oudayaraj Devaradjy**, 3574 Everett, stated that he was in support of the construction of NB-10, commenting that noise levels are high in that area.*

***Saravanan Peelamedu**, 3442 Everett, stated that NB-10 has more importance than other sound walls. He noted that almost every yard in his subdivision has a sign in support of NB-10 and commented that the Rochester Post article contained erroneous information about the wall. He commented that Country Club Village is a model subdivision, and property owners paid a premium price for their homes.*

***Noelle O'Neill**, 3640 Winter Creek, commented that the Rochester Post erroneously reported that ten noise barriers did not meet MDOT criteria for adverse noise impact. She stated that all barriers met noise criteria and pointed out that the sites did not meet MDOT's reasonability criteria. She commented that she has concerns about other Capital Improvement Projects being considered for 2010 instead of NB-10 and stated that the noise barrier is more crucial than pathway projects, major road work and pond rehabilitation.*

Shawn Rasanen, 1220 Christian Hills Drive, requested Council amend the Blight Ordinance to further restrict residents from using loopholes in the Ordinance to avoid completing projects and noted concerns of noise nuisance, unlicensed vehicles, utility trailers, construction materials left out for months, open fires and Tyvek remaining for long periods without finish materials. She pointed out that the Ordinance allows for a long notification process prior to enforcement. She questioned whether the Burning Ordinance addressed the increasingly-popular fire pits which are constantly burning in her subdivision. She commented that she would have difficulty selling her home as nearby homes affect her value.

Siegrid Stern, 1185 Concord, distributed a proposed amendment to the Tree Ordinance, stating that the City's current Ordinance is not comprehensive enough to address large dead trees. She noted that structures close to hazardous trees could sustain major damage or be demolished completely and stated that falling trees and branches can be lethal. She commented that her neighbor has a 120-foot dead cottonwood tree that is leaning toward her home.

Tonia Hasani, 3434 Connors, commented that she lives in the middle of her subdivision near Auburn Road and she can hear M-59 from her home. She stated that the entire subdivision is affected by M-59 noise and wants funds allocated for a sound barrier. She noted that she was not aware of the widening project for M-59 when she bought her home less than a year ago.

Mark Samano, 2542 Dover, stated that he wished that Council members would have more contact with the community.

Mario Herdell, 3315 Greenspring Lane, stated that roads in Quail Ridge Subdivision have deteriorated to the degree that people cannot use the streets. He noted that Quail Ridge has no sidewalks and road conditions pose serious risks to bicycles. He stated that six to eight of the worst areas have been slated for the 2010 Concrete Slab Replacement Program and requested Council's support.

Mark Van De Keere, 3314 Quail Ridge Circle, commented that the roadway in front of his home has become dangerous and stated that his daughter was injured riding her scooter in the road. He reported that his neighbor has a six-inch wide, four-inch deep hole in the roadway in front of his home. He thanked members of the Administration for meeting with him and commented that road repair should be done for increased safety and to lessen liability.

Syamkumar Kizhakkottayil, 636 Nawakwa, stated that he lives close to M-59 in Country Club Village and is unable to open his windows due to the noise levels. He requested Council support sound wall construction.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper stated that any City resident is eligible to submit a Candidate Questionnaire for the Noise Barrier/Sound Wall Technical Review Committee

by the deadline and explained that nominations will be made at the September 14, 2009 Regular Council Meeting. He noted that if more nominations are made than Citizen Representative positions, the item will return for a vote two weeks following that meeting. He commented that the Committee's charge is to rank the sound walls and is not a funding committee. He stated that any modifications deemed necessary to the Tree Ordinance covering trees on private property would be presented by the Administration to Council for discussion. He explained that the City does not have funding available to address all road repairs and noted that the City has a ranking system to determine which of worst segments of roadways are to be fixed first with the limited funds available. He noted that the Mayor has proposed \$1.1 million for road repairs in the 2010 Budget and noted that no long-term solution exists for funding road repairs.

Mr. Brennan requested Mayor Barnett address the Blight Ordinance concerns.

Mr. Ambrozaitis expressed his hopes for a speedy recovery for Judith Coats, a Rochester Area Youth Assistance Board Member. He stated that he wants to see Noise Barrier 10 funded from the Capital Improvement Plan and the Major Road Budget and an Request for Proposal be solicited for the sound wall, commenting that property values are critical and residents have his support. He stated that the City's Blight Ordinance, while a step in the right direction, does not go far enough to address blight problems in the community and commented that he was notified that a Grass Ordinance will be forthcoming. He commented that residents can always contact him by e-mail or phone to voice concerns. He stated that residents should wear reflective clothing when walking in the streets at night.

Mr. Pixley expressed his thanks to Captain Johnson and OCSO personnel for participating in the crackdown against drunk driving.

Mayor Barnett made the following comments and announcements:

- The City is coordinating donations of socks and undergarments for Neighborhood House.
- City Hall is the location of a Red Cross blood drive on Thursday, August 27, 2009.
- Some entrances off Hamlin Road between Crooks and Livernois will be temporarily closed due to road construction for the next three weeks. Access to Rochelle Park and Whispering Willows Subdivisions should be made via Livernois Road during this closure.

The Mayor stated that he would have Bob White, Supervisor of Ordinance Services contact Ms. Rasanen to address her concerns of blight in her neighborhood and would have Mike Hartner, Director of Parks and Forestry, and Scott Cope, Director of Building/Ordinance Compliance, review information provided by Ms. Stern regarding tree concerns. He invited those in attendance to stay for the Budget discussions, commenting that everything Council does affects property values. He explained that according to the acoustical study performed by the Michigan Department of Transportation's (MDOT) noise consultant, only the affected households will note decreased noise levels from the construction of noise barriers along M-59 and commented that homes in the middle of the subdivision would likely see no difference in noise levels.

NEW BUSINESS

2009-0334 Request for Purchase Authorization - DPS/ENG: Contract for the 2009 Asphalt Rehabilitation Program in the amount of \$423,534.43 with a 10% contingency of \$42,353.44 for a total not-to-exceed amount of \$465,887.87; Pro-Line Asphalt, Inc., Washington, MI

Attachments: [Agenda Summary.pdf](#)
[Bid Tab.pdf](#)
[2009 HMA Program City Wide Map.pdf](#)
[Dorset Map.pdf](#)
[Hampton Blvd Map.pdf](#)
[Hawthorn Sub Speed Hump Location Map.pdf](#)
[Arcadia Park Speed Hump Location Map.pdf](#)
[Resolution.pdf](#)

Roger Rousse, Director of DPS/Engineering, indicated that the Administration has reviewed the bids submitted and recommends the contract be awarded to Pro-Line Asphalt, Inc.

Public Comment:

Tanya Saad, 2686 Tower Hill, expressed her thanks to Council for approving the Capital Improvement Program. She stated that she became active in her subdivision back in 2003, and much progress over the years has been made to improve the safety of their roads. She noted that Hawthorn Subdivision has been approved for ten speed humps with a fifty-fifty match in funding and thanked the Administration for including this in the 2009 Asphalt Rehabilitation Program.

Council Comments:

Mr. Webber stated that he appreciates the efforts of the neighborhood association in working with the City on this project and commented that this is a perfect example of the City partnering with neighborhood associations.

Mr. Brennan questioned why the bid amount is more than the estimate and whether Local Roads will stay over budget.

Mr. Rousse responded that the engineering estimate was lower than the bids received and noted that, if approved, this overage will be included in the Budget Amendment for the Third Quarter. He explained that the amount varies from year to year dependent on project scope and market prices and commented that overall, it appears to balance out. He pointed out that Major Roads came in lower than expected and Local Roads higher than expected.

Mr. Rosen questioned whether work on Dorset and Hampton Circle is rehabilitation or rebuilding and whether the old asphalt is being removed or reused as a base.

Mr. Rousse responded that the asphalt will be reused on Dorset; however, on Hampton Circle, it will be an undercut with an aggregate subgrade. He commented that if any asphalt is left over, it will be salvaged and noted that both roads are considered rehabilitation rather than reconstruction.

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

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

Absent 1 - Yalamanchi

Enactment No: RES0233-2009

Resolved, that the Rochester Hills City Council hereby authorizes a contract for the 2009 Asphalt Rehabilitation Program to Pro-Line Asphalt, Inc., Washington, Michigan in the amount of \$423,534.43 with a 10% contingency of \$42,353.44 for a total not-to-exceed amount of \$465,887.87 and further authorizes the Mayor and Clerk to execute a contract on behalf of the City.

2009-0338 Adoption of Resolution to request that the County Board of Commissioners and the Road Commission for Oakland County continue funding the Tri-Party Program

Attachments: [Agenda Summary.pdf](#)
[Tri Party Funding History.pdf](#)
[Resolution.pdf](#)

Mr. Webber commented that the Administration has been working with the County Commissioners and have been advocating on the City's behalf to continue this program.

Mr. Pixley stated that he has had a chance to speak with several County Commissioners in support of this program.

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

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

Absent 1 - Yalamanchi

Enactment No: RES0234-2009

Whereas, the Road Commission for Oakland County's (RCOC) Tri-Party Program is a road-funding initiative in which project costs are divided evenly between county general government, RCOC and local communities; and

Whereas, due to a serious financial shortfall, Oakland County Administration is recommending to the County Board of Commissioners that the county's participation in the Tri-Party Program be terminated effective October 1, 2009; and

Whereas, the Tri-Party Program has been very successful over the years, because it allows communities to select projects that might otherwise not get funded; and

Whereas, since the program's inception in 1973, Rochester Hills has received 67% funding for 24 road projects as depicted in the attached spreadsheet; and

Whereas, Rochester Hills currently has \$687,619.00 available in Tri-Party funds for yet to be determined projects; and

Whereas, due to the importance of the program to the City of Rochester Hills and its residents, the Rochester Hills City Council strongly recommends that the Oakland County Commissioners continue funding the very valuable program;

Resolved, that the Rochester Hills City Council recommends that the County Board of Commissioners and RCOC continue funding the Tri-Party Program and consider other programs that may be eliminated to balance the County's budget.

2009-0103 Request for Purchase Authorization - DPS/GAR: Blanket Purchase Order for calcium chloride in the amount not-to-exceed \$55,337.36; Liquid Calcium Chloride Sales, Kawkawlin, MI

Attachments: [Agenda Summary.pdf](#)
[031609 Agenda Summary.pdf](#)
[BID Tabulation.pdf](#)
[031609 Resolution.pdf](#)
[Resolution.pdf](#)

Roger Rouse, Director of DPS/Engineering, stated that the City's current vendor is unable to meet the purchasing requirements of the contract; therefore, the Administration is recommending that next lowest vendor, Liquid Calcium Chloride Sales, be awarded the contract. He noted that the City has two applications down and will be using this vendor for the remaining two.

Mr. Brennan questioned whether the Administration foresees a large increase for calcium chloride in 2010.

Mr. Rouse stated that this contract is bid out every year. He commented that the City is able to take advantage of high-volume discounts and is budgeting for approximately a three-percent increase each year.

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

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

Absent 1 - Yalamanchi

Enactment No: RES0235-2009

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Liquid Calcium Chloride Sales, Kawkawlin, Michigan for calcium chloride in the amount not-to-exceed \$55,337.36 through December 31, 2009.

PROPOSED 2010 BUDGET DISCUSSION

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Keith Sawdon, Director of Finance, presented the proposed FY 2010 Budget for the Rochester-Avon Recreation Authority's (RARA) Millage Fund and Operating Fund.

213 / RARA MILLAGE FUND:

- The Mission of the Rochester-Avon Recreational Authority is to provide an extensive and varied recreational program, enhancing personal enrichment, and providing for the community's leisure needs.
- Activities and services shall include, but not be limited to, recreational and enrichment activities for all ages, youth and adult sports programs (non-competitive and competitive), and activities for special populations.
- The RARA Inter-Local agreement provides that both the City of Rochester and the City of Rochester Hills shall participate in funding the Authority by annually contributing an amount equal to at least 1/8 (0.1250) mill of the Taxable Valuation of assessed property in their respective cities. The revenues collected by the City of Rochester Hills are disbursed directly to the Authority. The RARA Board of Directors along with the Rochester Hills City Council annually adopt the RARA budget.
- The voters of Rochester Hills approved the RARA Operating Millage on August 8, 2006 to levy up to 0.1950 mill for ten years through FY 2016 in order to support the programs of the Authority.

Mr. Sawdon noted that City Taxes provided \$713,426 in revenues to the RARA Millage Fund in 2008; and for 2010, these revenues are projected to be \$690,180. He commented that this decrease is the effect of the drop in Taxable Values and will have an impact on their Operating Fund.

808 / RARA OPERATING BUDGET:

Mr. Sawdon stated Rochester Hills is well-represented on the RARA Board of Directors:

Board of Directors:

- Bryan Wright, Rochester Representative, Chairperson
- Tim Brown, Rochester Hills Representative, Secretary
- Erik Ambrozaitis, Rochester Hills City Council, Trustee
- Stuart Bikson, Rochester City Council, Trustee
- Patricia Calvin, Rochester Community Schools, Trustee
- Anthony Harris, Avondale Schools, Trustee
- Nathan Klomp, Rochester Hills Representative, Trustee
- John Anderson, Executive Director
- Scott Van Meter, Assistant Director

John Anderson, Executive Director, Rochester-Avon Recreation Authority, discussed RARA's proposed Operating Budget and stated that with the drops coming in funding, the RARA Operating Budget for FY 2010 has decreased approximately 6.9 percent. He noted RARA's community participation, outlining the larger programs:

- 1,500 children participate in the Dance Program
- 1,000 children participate in the Childrens' Basketball Program
- 1,200 children participate in Baseball and Softball Programs
- A large Daycamp Program
- A Special Needs Program

He explained that Millage revenues are approximately one-third of RARA's budget, with two-thirds generated by fees; and commented that cuts were made to achieve a 6.9 percent decrease for FY 2010.

Council Questions:

Mr. Ambrozaitis commented that Mr. Anderson does a terrific job leading RARA and stated that the proposed RARA Budget is sound.

Mr. Rosen questioned why the proposed FY 2010 RARA Operating Budget is being cut more than the revenue decreases and whether these cuts are in anticipation for a larger drop in 2011.

Mr. Sawdon noted that the revenue drop between 2009 and 2010 is 3.8 percent and for 2011 is projected to be 10 percent.

Mr. Anderson responded that as things will be tight, the RARA Budget is being dropped by 6.9 percent.

Discussed.

2009-0326 Discussion - Component Units (800's) - 2010 Budget

Attachments: [082409 Budget Discussion Outline.pdf](#)

See also Legislative File 2009-0321 for Council discussion.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Mr. Sawdon reviewed the proposed FY 2010 Budget for the OPC Millage Fund and OPC Operating Budget:

265 / OPC MILLAGE FUND:

- The mission of the Older Persons' Commission (OPC) is to address the needs of older persons, 60-years and older, regardless of income, race, religion, nationality, physical or mental disability who live in Rochester Hills, the City of Rochester and Oakland Township.
- The OPC's goal is to provide nutritional meals, services, health and wellness, social and educational activities, transportation, adult day services and community outreach opportunities.
- As provided under the terms of an inter-local agreement, each community participates in funding the Commission on a pro rata basis using a percentage based upon the total Taxable Valuation of all taxable properties within each jurisdiction.
- The voters of Rochester Hills approved the OPC Operating Millage on November 7, 2001 to levy up to 0.2500 mill (limited to 0.2403 mill due to Headlee Rollback) for ten years through FY 2012 in order to support the programs of the OPC.
- The voters of Rochester Hills also approved the OPC Transportation Millage on September 13, 2005 to levy up to 0.0900 mill (limited to 0.0891 mill due to Headlee Rollback) for ten years through FY 2015 in order to support transportation services provided to older and handicapped persons.

Mr. Sawdon noted that OPC's City Tax Revenues for FY 2008 was \$1,208,680 and for FY 2010 it is proposed at \$1,165,860 due to the drop in Taxable Value. He commented that the taxes collected by the City are sent directly to OPC.

820 / OPC OPERATING BUDGET:

Mr. Sawdon reviewed the OPC's Governing Board members:

- Genevieve Burns, Agnes Bochenek, Lucy Strand and John Dalton, Senior Representatives
- Jeff Matis, City of Rochester; James Rosen and Ravi Yalamanchi, City of Rochester Hills; Joan Fogler, Oakland Township
- Marye Miller, Executive Director

Marye Miller, Executive Director, Older Persons Commission, gave a breakdown of OPC's total budget:

- Donations: 10 percent
- Fund Raising Activities: 10 percent
- Fees and Charges: 20 percent
- Grants: 13 percent
- General Fund for Millage and Transportation: 41 percent
- Miscellaneous: 5 percent

She noted that revenues will decrease approximately four percent for 2009, are projected to decrease seven percent for 2010 and almost ten percent for 2011. She stated that OPC's budget is very tight, however, cutbacks were made last year in anticipation. She commented that the Board is aware that they will have to go to the voters in 2010 with a proposal for a renewal, at a minimum, to allow

time for another proposal in 2011 in the event that a 2010 ballot proposal is unsuccessful. She explained that OPC's Transportation Program is their biggest program, servicing not only the community's senior population, but also the handicapped and disadvantaged children in the area. She commented that OPC busses service the Rochester-Avon Recreation Authority's SCAMP Program and Starting Point. She reported that OPC learned today that SMART will be providing two new busses which will defray a cost of approximately \$84,000 to \$85,000 for each bus. She stated that OPC estimates it will provide over 50,000 rides this year, noting that year-to-date the busses have provided 7,100 rides to the OPC facility, 3,081 rides to adult day care, in addition to rides to hospital and medical facilities. She stated that OPC received \$33,000 in Federal Stimulus Funding to be used in the Nutrition Program, noting that this Funding will be used directly for meals, as most staffing for the Nutrition Program is provided by volunteers. Ms. Miller stated that the OPC Board is concerned about delinquent taxes, as delinquencies could affect revenues; and commented that fees are being raised in the Health and Wellness programs and cuts made wherever possible. She announced that OPC will be selling apple pies this year at the Spotlights Market in downtown Rochester on September 11th, 12th and 13th; holding a Flu Shot Clinic on October 12, 2009; and hosting a Senior Day at Bloomer Park on Wednesday, September 16, 2009 from 8:30 a.m. to 2 p.m.

Council Discussion:

Mr. Ambrozaitis thanked Ms. Miller for her efforts with OPC.

Discussed.

2009-0326 Discussion - Component Units (800's) - 2010 Budget

Attachments: [082409 Budget Discussion Outline.pdf](#)

See also Legislative File 2009-0321 for Council discussion.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)
[Suppl Assessing Presentation.pdf](#)
[Suppl Building & Ordinance Presentation.pdf](#)
[Suppl City Council Presentation.pdf](#)
[Suppl Clerk's Presentation.pdf](#)
[Suppl Planning & Development Presentation.pdf](#)

Kurt Dawson, Director of Assessing/Treasury, reviewed the proposed Assessing Department Budget for FY 2010:

ASSESSING/TREASURY:**209 / ASSESSING:**

- The Assessing staff ensures that assessment and tax rolls are lawful, accurate and equitably distribute the property tax burden according to State Law.
- To ensure accurate records, staff maintains real property reappraisal and personal property audit programs.
- The volume of appeals to the Michigan Tax Tribunal have increased significantly the past few years.
- Property records are being converted to an electronic format for access via the Internet.
- The overall budget is up 1.7 percent due primarily to Health and Optical costs and Inter-fund Charges (MIS).

Mr. Dawson reviewed the Department's Organization Chart, noting that full-time staffing numbers were reduced from 11 in 2000 to 9.5 for 2010. He explained that the Department consists of a Director, Deputy Director, Five Property Appraisers, one Personal Property Auditor, two Assessing Aides and the Board of Review.

Council Discussion:

Mr. Webber questioned the timeframe in moving records online.

Mr. Dawson responded that staff is in the process of placing all drawings online, and noted that 6,000 out of approximately 24,000 records are now online. He stated that this conversion is being done in-house, as manpower allows, during slow times and bad weather. He explained that if this work had been hired out, it would have been a Capital Improvement Project.

253 / TREASURY:

Mr. Dawson reviewed the Treasury Department:

- The staff of 3.5 employees plus part-time assistance strive to effectively manage the timely collection, distribution and prudent investment of City funds.
- The City's primary banking services are provided by Bank of America.
- The Treasury Department seeks efficiencies through the research of new banking services and related electronic-based technologies.
- The overall budget for 2010 is down roughly four percent due to decreases in Health and Optical, Office Supplies and Inter-fund Charges. Operating Supplies increased due to increased postage costs.

He noted that Budgeted staff positions have been reduced from seven full-time positions in 2001 to 3.5 for 2010; and explained that the Department consists of a Director, Deputy Director, one Clerk Cashier, one Bookkeeper and two Part-Time Assistants. He commented that at times the Department experiences difficulties in covering lunches, vacations and illness, but the Assessing Department will assist as needed.

247 / BOARD OF REVIEW:

- The Board of Review is required by the General Property Tax Law and the City Charter.
- The City has three three-member boards with a potential for an alternate for each Board.
- March Boards hear current year valuation appeals only.
- July and December Boards correct Clerical Errors and Mutual Mistakes of Fact, and Property Homestead Status.
- There has been a significant increase in the number of appointments before the Board over the past three years.
- The objective is to effectively manage the higher volume of appeals while maintaining petition files that result in fair and equitable decisions by the Boards.

Council Discussion:

Mr. Ambrozaitis stated that when he goes to Bank of America, he is charged an \$8 fee to cash his Council paycheck and questioned whether this fee could be negotiated at the next contract to be waived for City Employees. He noted that he commented on the coming decline in interest rates back in March of 2008 and stated that this drop in rates presents a huge hit to interest income. He questioned what impact the loss of interest revenue will have on the City, noting that dropping interest rates will affect Fund Balance.

Mr. Dawson discussed the rates for various City investments and stated that the future looks very volatile. He commented that the City's projections are for a two percent interest rate and cautioned that the rates could dip below this figure. He pointed out that the City has restrictions on investing that protect the City's investments more than in the private sector. He stated that it is cheaper for the City if employees use direct deposit for paychecks and noted that employees who have an account at Bank of America are not charged check cashing fees.

BUILDING / ORDINANCE:

Scott Cope, Director of Building/Ordinance Compliance, reviewed the proposed Budgets for Building and Ordinance Compliance for FY 2010.

371 / BUILDING:

Mr. Cope stated that the Building Department has downsized, reduced costs, reorganized and adapted to the slow times. He noted the following:

SIGNIFICANT CHANGES:

- Total permits have decreased 41 percent from 2005 actual. He commented that a leveling off of this decline for 2009 and 2010 is noted as signs of recovery are seen. He noted that new house construction inquiries are increasing and several commercial projects are moving forward and coming off of hold.

- Building Department Revenues proposed for FY 2010 are reduced 39 percent from 2005 actual.
- Total Plan Reviews and Inspections have decreased 44 percent from 2005 actual.
- The Building Department has downsized the staffing level by 41 percent from 2005.
 - * 2005 staff was 17.5 full-time positions
 - * 2010 staff is proposed at 10.4 full-time positions
- Staff reductions include:
 - * 2008: Eliminated one Building Inspector position
 - * 2009: Eliminated three positions: Permit Technician, Grade Technician, Ordinance Technician
 - * 2010: Propose to eliminate three full-time and two part-time positions: Supervisor of Inspection Services; two Customer Service Clerks; One part-time Electrical Inspector position; one part-time Plumbing Inspector position
- 703000 / Salaries and Wages for 2010 are decreased 24 percent (\$245,550). He noted that the Department is eliminating all overtime:
 - * 2005: 3,300 hours
 - * 2010: 0 hours
 - * Equal to eliminating 1.5 full-time positions
- 802004 / Interfund Charges - Fleet Vehicles: The Department is holding off on the replacement of one inspection vehicle.
- 802001 / Interfund Charges - MIS: The number of computers, software and file storage have been reduced.
- 860000 / Travel and Seminars: Approval is evaluated and closely monitored by the Department Director and the Mayor. The vast majority of the cost is for maintaining registrations and certifications.
- 740000 / Operating Supplies increased 31 percent (\$4,000) due to purchase of new Codes and Standards resulting from the expected updating of State Codes and Standards in 2010.
- 2009 Second Quarter Budget Amendments:
 - * Operating Supplies reduced \$5,000
 - * Operating Equipment reduced \$1,000
 - * Professional Services reduced \$81,000, due in part to multi-trade inspector certifications

Mr. Cope noted that Department Expenses are reduced 30 percent from 2007 actual expenses and commented that 2009 actual will be lower than budgeted due to staff reductions. He stated that 2010 proposed expenditures are reduced 19.4 percent from the 2009 Amended Budget. He detailed how the Department has taken advantage of available resources to adapt to the current economic times:

- Reorganized Department
 - * Re-evaluated each staff member's workload
 - * Relocated staff for better effectiveness and efficiency
 - * Distributed responsibilities of eliminated positions
- Multi-trade Inspectors
 - * Inspectors are trained, tested and certified in multiple disciplines
 - * Allows reduction in part-time inspectors. Contract services used only in an emergency.

- *Building Department staff serve as project managers on larger Facilities projects*
 - * *Cemetery Chapel*
 - * *Fire Station #1 proposed HVAC system*
- *Building and Trade Inspectors perform repairs and maintenance work at City facilities*
 - * *Cost-savings to the City resulting from hourly rates less than a contractor and no transportation or disposal fee*
 - * *Quicker response to service requests*
- *A Mechanical Inspector designed the new HVAC system for Fire Station #1 and worked with Purchasing to develop a Request for Proposal*
 - * *Contractor estimated \$11,700 to design the system. City Staff completed the design work for less than \$6,000.*
- *Inspectors are training Facilities staff to perform minor electric, plumbing and mechanical repairs*
- *Involved in Energy Efficiency and Conservation Block Grants Program (EECBG) Stimulus package application*
 - * *Provided cost estimates for the application package*
 - * *Provided energy savings computations for the application package*
- *Community Development Block Grant Program (CDBG)*
 - * *Inspectors review the scope of work*
 - * *Review the bids*
 - * *Monitor projects to ensure they are completed properly*
- *Area Water Maintenance Water Meter Usage*
 - * *Water use without sewer charge*
 - * *Plumbing Inspector verifies the proper use of these meters*
- *Sewer Infiltration*
 - * *Working with DPS to identify infiltration*
 - * *This will hopefully reduce the sewage payment to Detroit over time*
- *Pathway Obstructions*
 - * *Building Inspector working with Forestry to enforce the Pathway Ordinance*
 - * *Homeowners required to remove private tree and bush obstructions from pathways*
 - * *70 percent have complied after first notification*
- *Building Department Fees*
 - * *Building permit, plan review and hourly fees were adjusted to reflect current costs of service*
 - * *Mechanical, electrical, plumbing and other fees to be brought to Council soon*
- *A "Partnership Mentality"*
 - * *The Building Department is a key component to attracting businesses and keeping buildings safe*
 - * *Planning and Development focus on economic development*
 - * *Responding to the pace of the business community. He noted that a company approached the City a few months back needing to occupy a building within two weeks or risk the loss of a \$2 million project and commented that the Department helped make this possible. He explained that significant challenges go along with these needs, but the Department is doing what it can to be a partner with the business community.*
- *Only Nationally Accredited Building Department in Michigan. Other communities solicit the City's services*

- *Inter-local Agreement with Oakland County communities to provide and/or receive damage assessment services in an emergency*
- *Inter-local Agreement to share inspection services. Currently working with a community to investigate this possibility.*

372 / ORDINANCE COMPLIANCE:

Mr. Cope reviewed the proposed budget for Ordinance Compliance:

ORDINANCE DIVISION'S PURPOSE:

- *To enhance and preserve the quality of life in our community by developing and effectively enforcing City Ordinances.*

SIGNIFICANT CHANGES:

- *All overtime eliminated*
- *Each account re-evaluated*
- *724000 / Tuition Refund decreased 100 percent (\$2,000)*
- *740000 / Operating Supplies decreased 26 percent (\$500)*
- *802004 / Interfund Charges - Fleet Vehicles decreased 20 percent (\$6,500)*
- *807000 / Contractual Services decreased 9 percent (\$9,220)*
- *860000 / Travel & Seminars decreased 17 percent (\$1,000)*

He noted that the Department is taking a proactive approach regarding home foreclosures:

- *Currently 457 homes in foreclosure*
- *Each foreclosure is inspected monthly to ensure it is being maintained*
- *2,679 inspections have been completed year to date*
- *17 outstanding violations related to foreclosed homes*

He reviewed the Single Solid Waste Hauler and Recycle Bank Programs:

- *Trucks and trash carts once a week saving money, earning points*
- *First quarter update coming to City Council soon*
- *90 percent of all homes are recycling at least once a month*
- *64 percent signed up for Recycle Bank rewards. The normal first-year signup is 30 to 40 percent.*

Proactive/Reactive Ordinance Enforcement:

- *Proactive (Ordinance Inspector initiated): In 2005, 59 percent; in 2009, 81 percent*
- *Reactive: Complaints received and verified*

Mr. Cope stated that Ordinance Compliance is continually working to improve the proactive enforcement percentage.

535 / WEED CONTROL:

- Developed post cards notifying vacant lot owners of Ordinance requirements
- Working to get debris removed from vacant lots to improve the appearance and allow for easier cutting
- Fee increase approved by Council for Weed Control is in effect. Allow one year to realize the impact of this fee change due to the delay in the process of entering fees into the tax base.

Mr. Cope stated that it is his responsibility to make sure that the Building and Ordinance Compliance Department is properly-sized to provide the services that Council desires. He stated that difficult decisions were made, and the Department has downsized and reduced costs, reorganized and adapted to current conditions. He commented that expenses are continually monitored and adjusted as needed and stated that he is confident that the Department is sized the way it needs to be to make sure buildings are safe.

Council Discussion:

President Hooper questioned which fees will be reviewed and presented to Council for revision.

Mr. Cope responded that the Department will be looking at Mechanical, Electrical and Plumbing fees and bringing revisions forward.

Mr. Pixley questioned what revenue might be realized from providing services to other municipalities.

Mr. Cope responded that there were no estimates yet, as they were looking at the possibility of aiding smaller communities that were looking at having these functions taken over by someone else and did not have a substantial amount of revenue generated or work.

Mr. Ambrozaitis stated that he wholeheartedly supported the Ordinance Department in Weed Control efforts and commented that the Blight Ordinance is a step in the right direction. He commented that a 41 percent drop in permits from 2005 is alarming. He questioned whether vacant homes not in foreclosure are also being reviewed.

Mr. Cope responded that Ordinance patrols every area of the City weekly and receives a list of homes in foreclosure from the Assessing Department. He commented that Ordinance Inspectors walk around foreclosed homes.

Mr. Webber stated that he shares concerns over the drop in permits. He questioned whether the need to purchase Code materials is a yearly expense and if enforcement of the Watering Ordinance is proactive or reactive.

Mr. Cope responded that the State generally does not give much notice when the Code is going to be revised, but he has heard that they will be doing this next year. He commented that as the budgets are much tighter now, funds should be allocated to purchase those books. He explained that if Inspectors see an active violation of the Watering Ordinance, they notify residents or leave a tag on the door to let them know of the violation and stated that once residents are made aware, they usually comply.

Mr. Rosen commented that the Building Department has responded very well to the contraction in business by changing its emphasis as the market changes. He noted that it appears that the Department is leading or slightly following the market and will have an interesting position as development activities increase. He commented that it may be cost-effective for the City to increase enforcement of the Watering Ordinance, noting that the Wall Street Journal reported that cities out west are dealing with drought conditions and have substantially increased enforcement efforts.

Mr. Brennan questioned whether personnel charges are currently under budget and will remain so for the rest of FY 2009.

Mr. Cope responded that open positions have not been filled.

President Hooper complimented Bob White, Supervisor of Ordinance Services, for his efforts in the Single Waste Hauler Program.

CLERK'S:

102 / CITY COUNCIL:

Keith Sawdon, Finance Director, reviewed the proposed City Council Budget for FY 2010:

SIGNIFICANT CHANGES:

- 954102 / Miscellaneous Expense - Deer Management Implementation is created (\$25,000) to provide a funding source for the implementation of recommendations brought forth by the Deer Management Advisory Committee (DMAC)

Council Discussion:

President Hooper commented that he would not support the inclusion of funding for the DMAC recommendations, stating there are higher priorities in the community.

Mr. Ambrozaitis questioned whether Mr. Sawdon is advocating use of these funds. He stated that while he appreciated the intention of including the funding, he would not support it without knowing what these funds will go toward.

Mr. Sawdon stated that the funding is included as a placemark in the event any of the Committee's recommendations are put in place and questioned whether Council would rather have a Budget Amendment for any recommendations.

Mr. Webber commented that the DMAC has worked hard since April to come up with recommendations, including non-lethal alternatives such as reflectors and fencing. He stated that he is in support of including these funds.

Mr. Brennan concurred, requesting that Council keep an open mind to keep this funding in the Budget. He commented that one suggestion to be brought forward will be the construction of unique lighted signs during deer season to warn motorists of high deer crossing areas and reduce accidents, noting that these signs were unanimously recommended by the Committee.

Mr. Rosen stated that he would agree with the idea of putting some sort of place mark in the Budget, suggesting \$5,000 as "seed money".

Mr. Webber commented that any actual expenditure would be brought before Council for approval.

Clerk's Office:

Jane Leslie, City Clerk, gave an overview of the Clerk's Department and presented the proposed FY 2010 budgeted amounts for the Clerk's Office, including the areas of Elections, the Clerk's Department, and the Cemetery:

- Clerk's Office is responsible for keeping all City records in a safe and secure manner according to Federal and State Laws as well as the City Charter.
- Conduct of voter registration and elections is charged to the Clerk's Office.
- Cemetery operations and record keeping are also the responsibility of the Clerk's Office.
- Staffing levels have been reduced 28 percent from 2004 in all areas.

SIGNIFICANT CHANGES:

191 / ELECTIONS:

- Overtime reduced \$6,000 per election for work reassigned to Election Workers
- Operating Supplies:
 - * State pays for ballots and precinct kits in 2010, saving \$15,000
 - * Reduced the 2010 Budget overall by 11 percent
 - * Supplies will take an upward spike in 2011 as the City will be required to pay for all supplies for the City Elections

215 / CLERK'S DEPARTMENT:

- 801000 / Professional Services decreased 8 percent (\$2,000) due to a reduction in off-site storage and implementation of the Records Management Program.
- 802001 / Interfund Charges - MIS decreased 26 percent (\$49,690) due to reduced application needs.
- 900000 / Printing & Publishing decreased 28 percent (\$7,000) due to Council eliminating publication of Synopses. To date for June and July 2009, Printing & Publishing has been reduced by approximately \$2,500 from June and July 2008 due to this elimination.
- 940000 / Rental Equipment decreased 49 percent (\$4,800) due to postage equipment now under a maintenance agreement.

Ms. Leslie noted that the Records Management Program is being led by Susan Galeczka, Deputy Clerk and reported that this City-wide program began today

276 / CEMETERY:

- 802005 / Interfund Charges - Facilities decreased 12 percent (\$1,810) due to a reduction in the amount of asset replacement charges.

Ms. Leslie noted that the Cemetery's costs have been contained and held to low levels for many years and commented that Calvin Leach, Cemetery Sexton, is a long-term employee of the City and cares about the Cemetery very much.

211 / STONEY CREEK PERPETUAL CARE:

Ms. Leslie noted that the Cemetery Chapel has had a ground breaking ceremony and is expected to be completed by the end of this year.

Council Discussion:

Mr. Ambrozaitis thanked Ms. Leslie for her work as City Clerk.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

See Legislative File 2009-0320 for Council discussion.

Discussed.

2009-0320 Discussion - General Fund (100's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Parks Presentation.pdf](#)
[Suppl General Fund Presentation.pdf](#)
[Suppl Building Authority Presentation.pdf](#)
[Suppl Crossing Guards.pdf](#)
[Suppl Assessing Presentation.pdf](#)
[Suppl Building & Ordinance Presentation.pdf](#)
[Suppl City Council Presentation.pdf](#)
[Suppl Clerk's Presentation.pdf](#)
[Suppl Planning & Development Presentation.pdf](#)

Ed Anzek, Director of Planning and Development, stated that included under Planning and Development are a broad array of Boards and Commissions; and staff provides support services, compiles reports and takes minutes for these

Boards and Commissions. He provided an overview of Planning and Development activities:

New Investment and Accrued Tax Base occurring in the City since 2006:

- *In 2006, \$125 million was invested*
- *In 2007, \$90 million was invested*

Mr. Anzek stated that although New Investment as been declining, once here, it increases the Accrued Tax Base of the City. He summarized the tax implications of the new investment since 2006:

- *\$313 million in new investment (through June 2009) equates to \$156.5 million in State Equalized Value (SEV)*
- *SEV is the same as Taxable Value used to calculate taxes*
- *One mill equals \$1 paid for every \$1,000 of Taxable Value*
- *\$156.5 million divided by 1,000 equals 156,500 base units*
- *City Taxes are 9.7060 mills or \$9.71 for every \$1,000 of value*
- *\$156,500 times \$9.71 results in the \$313 million in new investment generating about \$1.52 million in Taxes to the City each year*
- *Of this, \$1.52 million, or about \$585,000, goes to the General Fund and the balance to the dedicated millages*

Mr. Anzek stated that investment in the City year-to-date is on track from last year's projections.

Industrial/High Tech Buildings Vacancy Rate:

- *The City's vacancy rate for Industrial and High Tech Buildings has fallen from 15.5 percent in 2005 to 8.0 percent in 2009. This drop can be attributed to the 14 new companies added, while the City only lost three. The City is keeping its buildings filled.*
- *In comparison to other communities, their vacancy rates are:*
 - * *Troy: 18 percent*
 - * *Southfield: 15.5 percent*
 - * *Novi: 22 percent*
 - * *Farmington Hills: 13 percent*

Retained and New Jobs:

- *From 2006 to date in 2009, approximately 5,000 jobs have been retained or added to the community.*
- *The City is currently at an 8.7 percent unemployment rate.*
 - * *Oakland County's unemployment rate is 14.4 percent*
 - * *Michigan's unemployment rate is 15 percent*
- *The source of this information is the State's Department of Labor and Economic Growth (DLEG).*

So Why Do It?

- *New Investment equals expanding tax base and increased tax revenue*

- Low vacancy rates equal productive facilities that maintain property values and can lead to a demand for redevelopment
- Retained/New Jobs equal improved housing demand, keeps schools strong, supports local businesses and services and provides employment opportunities for residents
- Each payroll dollar is re-spent approximately five times
- And finally, because Council said so

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

OBJECTIVES:

- Continue to attract businesses that focus on Research and Development and "High-Tech"
- Continue support and coordination with OUIncubator and SmartZone Initiatives as part of the City's attraction and retention program
- Implement the new Master Land Use Plan and the new Master Thoroughfare Plan
- Implement current systems and processes and develop a seamless system that minimizes time for approvals and eliminates redundancies
- Implement the Brownfield Redevelopment Policy
- Encourage the Mayor's Business Council to provide input and feedback to the City
- Encourage businesses to take an active roll in the local economy
- Continue development of Ordinances for maintenance of existing residential and commercial buildings

City Council's Goal of **Community Trust and Participation**; to promote effective communication between City Council, administration, residents, businesses and visitors so that decisions reflect the community's desires and expectations.

OBJECTIVES:

- Engage residents through outreach in the decision-making process (Planning Commission, Zoning/Sign Board of Appeals, Public Notice requirements)
- Develop a recognition program for resident service on City Boards, Commissions, Committees and other acts of volunteerism

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

OBJECTIVES:

- Implement the new Master Thoroughfare Plan
- Establish and implement a long-term Street Lighting Policy (Planning Commission)

City Council's Goal of **Effective Governance**; to provide clear policy direction to the administration for the execution of City programs and services.

OBJECTIVES:

- Communicate the City's Vision, Mission, Goals and Objectives effectively

City Council's Goal of **Environment**; to promote conservation of water, electricity, etc.

OBJECTIVES:

- To move towards a more green city - not only City Hall and Facilities, but promotion within the community and businesses and which businesses we attract

Mr. Anzek summarized the cost centers within the Planning and Economic Development Department:

SIGNIFICANT CHANGES:

400 / PLANNING COMMISSION:

- Decreased by 19.6 percent as a result of three less meetings in 2010 (15 to 12)

410 / ZONING BOARD OF APPEALS:

- Decreased 7.9 percent
- Ten meetings scheduled, and cannot be arbitrarily reduced as timelines cannot be adjusted

804 / HISTORIC DISTRICTS COMMISSION:

- Decreased 2.4 percent overall due to a reduction in Operating Supplies

843 / BROWNFIELD REDEVELOPMENT:

- Revenue only cost center, no expenditures associated. Ever since the Mark Madison Park Tax Increment Financing (TIF) 381 Work Plan was put in place, there has been a collection of TIF dollars which the owners of the property have never claimed on nor performed any activities that would qualify for reimbursement. (Increase of 8.5 percent).

851 / SMARTZONE:

- Decreases 6.9 percent; these monies are sent directly to the OUIncubator

893 / ECONOMIC DEVELOPMENT CORPORATION:

- No change. Must stay intact until the bonds expire in 2016. One annual

meeting is required.

401 / PLANNING DEPARTMENT:

- Department expenditures:
 - * 2009: \$1.169 million
 - * 2010: \$0.895 million (decrease of 23.3 percent)
 - * 2011: \$0.882 million (decrease of 1.7 percent from 2010)
- 703000 / Salaries and Wages decreased 18 percent (\$96,400) resulting from reorganization of the Department.
- 801000 / Professional Services decreased 63 percent (\$37,600) as staff will now conduct some projects identified in the Capital Improvement Plan (CIP) with limited support of outside consultants.
- 802001 / Interfund Charges - MIS decreased 22 percent (\$37,600) due to a reduction in the amount of applications and hardware units supported.
- 808002 / Consultant Fees - Wetland/Environmental decreased 85 percent (\$83,000) due to anticipated reduction in pass-through environmental services as no money is allocated for Hamlin/Adams oversight.
- Departmental costs down \$272,000 (23.3 percent). Less dependence on the General Fund.

848 / LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA):

- M-59 Corridor study process has begun.
- Technology Drive extension is moved to 2010 primarily due to workload in the Engineering Department and the ability to complete work on the roadway.
- LDFA Infrastructure Master Plan Updated proposed to identify where future revenues will be spent.
- Half of personnel costs for Economic Development Manager will be borne by LDFA fund.
- Concrete slab replacement will continue. These monies are transferred to the Major Roads Fund and are used to replace roads in the city's Technology Parks.
- Entranceway Grant Program is proposed (\$10,000). This is an incentive to encourage industrial parks to make enhancements to entranceways. This experimental program proposes a 50/50 Match with a capped dollar amount.
- Expenditures:
 - * 2009: \$1.183 million
 - * 2010: \$0.511 million (decrease of 56.8 percent from 2009)
 - * 2011: \$0.287 million (decrease of 43.8 percent from 2010)

Mr. Anzek noted the uncertainty of revenues for LDFA, noting that if values drop, Tax Increment Financing (TIF) capture will drop. He commented that the LDFA will be in place until 2025. He summarized the Planning and Development Department staff reorganization:

- Full-time staff reduced from 9 in 2005 to 6.5 in 2010 (28 percent reduction since 2005)

He commented that focus will be directed to economic development noting that although Plan Review remains an important function, there are fewer plans to

review. He noted that the Business Developer 1 position is a reclassification of the Economic Development Position to more of an entry-level position and noted that the Landscape Architect position has been eliminated. He commented that the number of meetings for the various Boards and Commissions would drop slightly for 2010. He reported that the Planning and Development Department received the Chamber of Commerce Pinnacle Award for development efforts; and the Certified Local Government (CLG) designation for Historic Preservation has been received, one of 19 communities in the State to receive this designation, allowing the City to qualify to pursue grant funding. He also reported that the Department received an award from the Michigan Economic Development Commission for the film website marketing piece.

Council Discussion:

Mr. Ambrozaitis stated that the City is fortunate to have a number of "Class A" parcels. He stated that the City should not rest until all retail and commercial vacancies are filled. He cautioned that the City should remain mindful of the commercial and mortgage-backed security market, noting that tightened conditions will not promote development. He requested to be included in any business community luncheons as he may be able to provide some insight.

Mr. Anzek commented that vacancy rates reported include industrial/office buildings and do not include commercial, as more jobs are located in these industrial/office buildings. He stated that the Department is currently working with commercial owners to ascertain if the City can assist in attracting tenants.

Mr. Pixley stated that of all places that the City should consider cutting costs, perhaps Planning and Development should not be cut. He commented that a zero percent vacancy rate, although Utopian, is unrealistic.

Mr. Anzek responded that a three to four percent vacancy rate is healthy and allows for movement and expansion. He commented that Council's continued support of business development is critical.

Mr. Brennan commented that economic development is one of his highest priorities as a Council Member and questioned what the prognosis is for 2010 and whether the Hamlin Road expansion will help spur development.

Mr. Anzek responded that inquiries are up. He noted that developers report concerns over financing, stating that tenants are ready and willing, but cannot obtain bank financing. He reported that the Planning Commission heard presentations for two new developments last week and stated that Hamlin Road, once completed, would help encourage development.

Mr. Webber commented that he was struck by the changes made in the Department's budget, noting that it is reflective of the times. He noted that the City's focus on economic development has helped lessen the blow in comparison to other communities and commented that the City of Rochester recently hired an individual to promote development.

Mr. Anzek commented that he cannot stress enough how important it is to be

able to say that Council and the Administration are pro-business and development.

Mr. Rosen stated that the Department appears to be responding to conditions. He commented that he agrees with the LDFA cutback because of the uncertainty of revenue and noted that an eight percent vacancy rate in southeast Michigan is very good.

Mayor Barnett commented that the Planning and Development Department is similar to the Building Department in its reorganization, reinvestment and resizing and noted that this reorganization has been accomplished with some very difficult decisions. He commented that the Planning and Development Department is one of the best in southeast Michigan.

President Hooper stated that the city is blessed as a community to have a fine Planning and Development Department.

Mr. Anzek commented that the Department, the Mayor's Department and MIS all contributed to the film website and marketing materials. He noted that the Department name will be formally changed to Planning and Economic Development.

Discussed.

2009-0326 Discussion - Component Units (800's) - 2010 Budget

Attachments: [082409 Budget Discussion Outline.pdf](#)

See Legislative File 2009-0320 for Council Discussion.

Discussed.

(RECESS: 8:42 p.m. to 9:00 p.m.)

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Roger Rouse, Director of DPS/Engineering, stated that DPS/Engineering staff members have 275 years of public utility experience and are responsible for \$300 million in City infrastructure; included are Major Roads, Local Roads, Pathways, Drains, Water and Sewer, Facilities and Fleet. He presented the proposed FY 2010 Departmental Budget:

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

DEPARTMENT INITIATIVES:

- Transition from a new construction mode to a maintenance and reconstruction mode (less water service connections - more manhole repairs)
- Broad banding of job descriptions
- Creation of an Asset Management Program: inventory, condition assessment, maintenance costs, replacement schedules and budgeting
- Work load indicators
- Staffing levels are reduced 23 percent between 2003 to 2010 while City infrastructure has increased over this period (2003 - 98 employees; 2010 - 75 employees)

REGULATORY CHALLENGES/UNFUNDED MANDATES:

- MS-4 (Municipal Separated Storm Sewer Systems)
- Capacity, Assurance, Management and Maintenance (CMOM)
- Michigan Public Act 222 limits governmental immunity for sanitary sewer backups
- Americans with Disabilities Act (ADA)
- Environmental Protection Agency's Stage 2 DPBR IDSE Rule (Disinfectants and Disinfection Byproducts Rule - Individual Distribution System)
- Detroit Water and Sewerage Department (DWSD)
- Oakland County Water Resources Commissioner's Office (OCWRC)

Mr. Rousse explained that all these programs have long-range financial implications for the City.

DEPARTMENT CHALLENGES:

- Greatly increased regulatory requirements
- Reduced staffing
- Aging infrastructure, with unanticipated failures

MAJOR ROAD FUND:

202 / MAJOR ROAD - REVENUE:

442 / MAJOR ROAD - TRANSFER OUT:

462 / MAJOR ROAD - ROUTINE MAINTENANCE:

472 / MAJOR ROAD - TRAFFIC SERVICE:

482 / MAJOR ROAD - WINTER MAINTENANCE:

492 / MAJOR ROAD - ADMINISTRATION:

OVERVIEW:

- Own and operate over 37 miles of major roads such as Brewster, Old Perch and Hamlin Road
- Coordinate improvements to County and State roads located within City limits
- Responsible for routine maintenance
 - * Less capital improvements increases maintenance costs

- Winter Maintenance activities (snow and ice removal)
- Responsible for traffic-related issues
 - * Studies and counts
 - * Traffic signal installation coordination
 - * Maintenance of traffic signs, pavement striping and markings
 - * Bridge inspections

SIGNIFICANT CHANGES:

- 801000 / Professional Services increased 173 percent (\$19,000) due to Bridge Inspections (four) which are set to occur every other year.
- 781000 / Material increased 49 percent (\$44,000) due to anticipated increases in road salt costs:
 - * 2008 - \$33.19 per ton
 - * 2009 - \$42.98 per ton
- 802000 / Interfund Charges - Administration decreased 24 percent (\$96,520) reflecting lower Administration costs City-wide.

2010 PROJECT PLAN:

- CIP #MR-03A - Concrete Slab Replacement. Ongoing program. City share 100 percent.
- CIP #MR-03B - LDFA Road Rehabilitation. LDFA share 100 percent.
- CIP #MR-05E - Adams Road Rehabilitation (Auburn to South Boulevard). City share 5 percent.
- CIP #MR-05F - Adams Boulevard Irrigation System (Metro Act Funding).
- CIP #MR-12 - Traffic Calming Program - Major Roads. City share 100 percent.
- CIP #MR-13B - Dequindre Road Reconstruction (Auburn to South Boulevard). In concurrence with the City's Master Thoroughfare Plan and in cooperative effort between four governmental agencies: two Road Commissions and two local governments. City share 2.5 percent.
- CIP #MR-21 - East Nawakwa Road Rehabilitation. PQI Rating - Fair. City share 100 percent.
- CIP #MR-27 - Major Road Bridge Rehabilitation Program for Shagbark, Butler, Rochdale and Sargents Creek Bridges. City share 100 percent.
- CIP #MR-31C and MR-31D - John R Rehabilitation (Hamlin-north 1,000 feet). City share 100 percent. (Originally planned for 2009).
- CIP #MR-40B - Tienken Road at Stoney Creek Bridge Replacement. May be minor costs associated with bridge railing.
- CIP #MR-42C - M-59 Rehabilitation (Adams Road to Crooks Road). City share 2.5 percent.
- CIP #MR-42D - M-59 Sound Barrier Installation. City share 12.5 percent.

See Legislative File 2009-0325 for Council Discussion.**Discussed.**

2009-0323 Discussion of the Capital Funds (400's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Capital Improvement Fund Presentation.pdf](#)

See Legislative Files 2009-0321 and 2009-0325 for Council Discussion.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Mr. Rouse reviewed the Local Street Fund for FY 2010:

LOCAL STREET FUND:

203 / LOCAL STREET - REVENUE:
444 / LOCAL STREET - TRANSFER OUT:
454 / LOCAL STREET - CONSTRUCTION:
464 / LOCAL STREET - ROUTINE MAINTENANCE:
474 / LOCAL STREET - TRAFFIC SERVICE:
484 / LOCAL STREET - WINTER MAINTENANCE:
494 / LOCAL STREET - ADMINISTRATION:

OVERVIEW:

- Own and operate 237 miles of local streets (24 miles are gravel)
- Routine maintenance includes:
 - * Crack sealing, cold patching, street sweeping
 - * Storm sewer/catch basin cleaning
- Maintain 5,700 traffic signs and 150 pavement markings and symbols
- Winter maintenance activities (snow and ice removal)
- Responsible for traffic-related issues:
 - * Studies and counts
 - * Traffic signal installation coordination
 - * Maintenance of traffic signs, pavement striping and markings
 - * Bridge inspections

SIGNIFICANT CHANGES:

- 781000 / Materials (464 / LOCAL STREET - ROUTINE MAINTENANCE) increased 37 percent (\$74,000) due to increased levels of local street preservation activities (concrete repair, crack sealing and cold patching).
- 807000 / Contractual Services (464 / LOCAL STREET - ROUTINE MAINTENANCE) decreased 20 percent (\$51,000) due to reductions in the Catch Basin Cleaning and Sidewalk Replacement Programs. This year, the City hopes to clean 2,000 catch basins, which will take the City up-to-date on cleaning activities. Some yearly cleaning will need to be done. At the same

time that cleaning activities are performed, catch basins are inspected.
- 781000 / Materials (484 - LOCAL STREET- WINTER MAINTENANCE) increased 58 percent (\$40,500) due to the cost of road salt:
* 2008 - \$33.19 per ton
* 2009 - \$42.98 per ton

2010 PROJECT PLAN:

CIP #LS-01 - Asphalt Rehabilitation Program (ongoing program to prolong life of roads)
CIP #LS-03 - Concrete Slab Replacement Program (intersections with major roads, intersections with city streets and within subdivisions, and areas where road collapses are seen due to catch basin failures or drainage issues)
CIP #LS-12 - Traffic Calming (Residential speed hump installation) Program

See Legislative File 2009-0325 for Council Discussion.

Discussed.

2009-0323 Discussion of the Capital Funds (400's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Capital Improvement Fund Presentation.pdf](#)

See Legislative File 2009-0321 and 2009-0325 for Council Discussion.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Mr. Rouse reviewed Pathways for FY 2010:

PATHWAYS:

214 / PATHWAY MAINTENANCE FUND:

OVERVIEW:

- Preserve existing pathways through rehabilitation and construction, including ADA compliance. ADA compliance activities include ramps, truncated domes and other features adapted through design according to ADA regulations.
- Maintain approximately 83 miles of pathways, which includes pavement repair, crack sealing, traffic signage, traffic safety railing, trimming of trees and bushes, along with other proactive maintenance programs.

SIGNIFICANT CHANGES:

- 781000 / Materials increased 100 percent (\$5,000) due to lumber railing replacements.
- 801000 / Professional Services decreased 67 percent (\$20,000) due to the anticipated completion of an ADA Transition Evaluation in FY 2009, offset by an increase in Pedestrian Bridge Inspections in 2010, scheduled for every other year.

403 / PATHWAY CONSTRUCTION FUND:

OVERVIEW:

- To construct new pathway segments, including easement acquisitions, in accordance with the Master Plan and Engineering Standards.

2010 PROJECT PLAN:

- CIP #PW-01 - Pathway Rehabilitation Program. City share 100 percent.
- CIP #PW-08C - Tienken Pathway (Mill Stream to Van Hoosen Road). Assumes Tienken Road Bridge is funded entirely through State of Michigan Local Bridge Fund.
- CIP #PW-31C and PW-31E - John R Pathway (Hamlin Road to Bloomer Park).
- CIP #PW-43 - Rain Tree Drive Pathway (Adams Road to Firewood) Preliminary Engineering.

See Legislative File 2009-0325 for Council Discussion.

Discussed.

2009-0323 Discussion of the Capital Funds (400's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Capital Improvement Fund Presentation.pdf](#)

See Legislative File 2009-0321 and 2009-0325 for Council Discussion.

Discussed.

2009-0321 Discussion - Special Revenue Funds (200's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl Fire Dept Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA and OPC Presentation.pdf](#)
[Suppl DPS Presentation.pdf](#)

Mr. Rousse provided an overview of the Drains Fund:

244 / DRAINS FUND:

OVERVIEW:

- *Twenty-eight Chapter 20 Drains are within the City.*
- *Comply with the US Environmental Protection Agency National Pollution Discharge Elimination System Phase II permitting requirements.*
- *Comply with MS-4 (Municipal Separated Storm Sewer System) Permit. The City is currently contesting some of the requirements of this Permit as they greatly increase costs with questionable benefits. Catch basin cleaning and street sweeping activities are directly related to compliance with this Federally-mandated, unfunded regulation.*
- *Monitor and inspect existing storm water facilities within the City for ongoing compliance. Inspect private facilities for compliance as well.*
- *Regulate land development as it relates to storm water drainage and flood plain issues.*

SIGNIFICANT CHANGES:

- *801000 / Professional Services decreased 27 percent (\$20,000) from the completion of the Woody Debris Management Study, as well as a reduction in Plan Review and Geotechnical Review Services.*
- *802004 / Interfund Charges - Fleet increased 408 percent (\$61,200) due to a reallocation of street sweeping expenditures between Major Roads, Local Street and Drains Funds.*
- *931000 / Maintenance increased 100 percent (\$50,000) due to increased maintenance activity performed by Oakland County Water Resources Commission (OCWRC) on Chapter 20 Drains. OCWRC was questioned in-depth as to what maintenance activities were required in the community, to more accurately budget for these activities.*

CAPITAL PROJECTS:

- *CIP #SW-03A - Karas Creek Bank Stabilization. Project is dependent on obtaining Grant Funding. City share 50 percent.*
- *CIP #SW-08B - Clinton River Channel Restoration. Project is dependent on obtaining Grant Funding. City share 50 percent.*

See Legislative File 2009-0325 for Council Discussion.

Discussed.

2009-0324 Discussion of the Water and Sewer Funds (500's) - 2010 Budget

Attachments: [082409 Budget Discussion Outline.pdf](#)

Mr. Rousse reviewed the Water and Sewer Fund for FY 2010:

WATER AND SEWER FUND:

510 / SEWER - OPERATING:

OVERVIEW:

- *Provide sanitary sewer services to approximately 22,500 residential and*

business customers

- *Over 322 miles of sanitary sewer pipe (205 miles - 64 percent - was constructed before 1979)*
- *7,900 manholes or maintenance access points*
- *Responsible for replacement of service mains, equipment, improvements and extensions*
- *Plan, design, and construct the sanitary sewer system to provide service*

Mr. Rousse stated that the Asset Management Program is critical in determining areas for repair or need for increased capacity.

SIGNIFICANT NOTES:

- *A manhole rehabilitation program has been implemented in-house to improve the City's aging infrastructure.*
- *Smoke testing and metering equipment will be purchased via grant monies to locate areas within the City's sanitary sewer system that are susceptible to inflow/infiltration and illegal connections.*
- *Oakland County Water Resources Commission Office has implemented meter-based billing.*

2010 SEWER PROJECT PLAN:

- *CIP #SS-02B - Sanitary Sewer Rehabilitation Program (ongoing program).*
- *CIP #SS-22B - Grant Pump Station Improvements.*
- *CIP #SS-30 and SS-31 - Easement Machine and Small Vector purchases. CIP-funded (shared with Water). The Easement Machine will help to access hard-to reach areas without damaging or requiring the removal of trees and brush.*
- *CIP #SS-01B - SCADA System Enhancements: Ongoing maintenance to keep the reliability of the program. This is the first call that happens when there is a failure in the system.*

530 / WATER - OPERATING:

OVERVIEW:

- *Provide municipal water to 22,500 residential and business customers*
- *Over 425 miles of water mains (169 miles - 40 percent - of the water main was constructed before 1979)*
- *54 pressure reducing valve (PRV) vaults and 4,450 isolation valves, four master meter facilities and approximately 31,000 water meters*
- *Responsible for replacement of service mains, equipment improvements and extensions*
- *Plan, design and construct the water system to provide service*

SIGNIFICANT NOTES:

- *Finalized 30-year water contract with the Detroit Water and Sewerage Department (DWSD)*
- *Submitted final report to the EPA for Initial Distribution System Evaluation*

(IDSE), water sampling of chlorine by-products

2010 WATER PROJECT PLAN:

- CIP #SS-30 and SS-31 - Easement Machine Purchase and Small Vector Purchase (shared with Sewer)
- CIP #SS-01B - SCADA System Enhancements; on-going maintenance program (shared with Sewer)

CONCLUSION:

- Increased Regulatory Environment
- Reduced Resources
- Aging Resources

See Legislative File 2009-0325 for Council Discussion.

Discussed.

2009-0325 Discussion - Internal Service Funds (600's) - 2010 Budget

Attachments: [081709 Budget Discussion Outline.pdf](#)
[082409 Budget Discussion Outline.pdf](#)
[Suppl MIS Presentation.pdf](#)
[Suppl Mayor's Presentation.pdf](#)
[Suppl Insurance Fund Presentation.pdf](#)

Mr. Rouse reviewed the FY 2010 Budget for Facilities and Fleet:

631 / FACILITIES FUND:

OVERVIEW:

- The Facilities Division of the Department of Public Service (DPS) is responsible for coordinating capital improvements, maintaining facilities and assuring custodial and operational services for City-owned buildings and grounds.
- Assets managed:
 - * Buildings
 - * Grounds
 - * Utilities
 - * Equipment
- Those assets include:
 - * Five Fire Stations
 - * Park Buildings: Spencer Park, Bloomer Park, Borden Park, Van Hoosen Farm, Avondale Park, Veterans Memorial Pointe
 - * Cemetery Office and Garage
 - * OCSO Substation
 - * City Hall
 - * Environmental Education Center
- In all, \$53 million in assets are covered by Facilities.

SIGNIFICANT CHANGES:

- Personnel Services decreased 17 percent (\$110,590) due to the elimination of one position and staffing reallocations.
- 807000 / Contractual Services increased 12 percent (\$43,640) for additional Snow Removal and Janitorial Service.
- 923000 / Electric Utility and 926000 / Gas Utility decreased 10 percent (\$75,000) due to City-wide energy reduction efforts. As a result of the 25 In Two energy conservation program, City Hall has reduced usage by over 100,000 kilowatt hours in one year.
- 929000 / Repairs and Maintenance increased 37 percent (\$71,090) due to additional repair work required to keep aging City infrastructure in serviceable condition. Last year's Spectrum Report evaluated all the City's buildings for a Facilities Condition Index along with a survey of Departments a number of things were identified that could be done to improve this Condition Index.
- 968001 / Depreciation Expense decreased 1.7 percent (\$21,090) due to certain capital assets becoming fully depreciated.

2010 PROJECT PLAN:

- CIP #FA-02E - Communication Center/Telephone Upgrade. (FCC Communication requirement.) City share 100 percent.
- CIP #FA-01G - City Hall LED Light Upgrade. 100 percent Energy Efficiency and Conservation Block Grant Program funded.
- CIP #FA-07 - Three photocopiers scheduled for replacement. The City has made great strides in reducing cost-per-copy by using photocopiers as printers. City share 100 percent.
- CIP #IS-11 - City-wide Radio Changeover, First Phase. Replacement equipment is no longer available. City share 100 percent.

661 / FLEET FUND:**OVERVIEW:**

- The Fleet Division of the Department of Public Services (DPS) 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.
- The Division maintains its own records, files and inventory; and inventories and distributes gasoline and diesel fuel, auto and truck parts, safety gear, clothing, supplies and tools as needed to various departments.
- Funded by user fees, internal City user departments pay a planned monthly replacement charge to ensure that sufficient funds will be available when replacement is due and before there is an increase in cost.

ASSETS MANAGED:

- 35 Pieces of Fire Apparatus
- 81 Cars, Pickup Trucks and Vans
- 19 Dump Trucks
- 10 Pieces of Heavy Equipment

- 18 Specialty Vehicles
- 12 Trailers
- 200 Pieces of Power Equipment

SIGNIFICANT CHANGES:

- 693002 / Gain of Asset: Asset proceeds increased 100 percent (\$60,000) due to anticipated equipment and vehicles sales.
- 748000 / Operating Equipment increased 47 percent (\$6,000) due to the purchase of a paperless shop module and hardware, as well as equipment needed for increased levels of concrete repairs.
- 802000 / Interfund Charges: Administration increased 13 percent (\$17,780). Fleet Fund is a greater proportion of the overall 2010 City Budget.
- 802005 / Interfund Charges: Facilities decreased 16 percent (\$19,180) due to cost reductions associated with the operations of the DPS Facility.
- 968001 / Depreciation Expense increased 2.3 percent (\$15,630) due to the proposed replacement of vehicles and equipment which are currently fully depreciated.

2010 OBJECTIVES:

- Network with neighboring municipalities to explore sharing resources, training, expand cooperative purchasing, and consider insourcing equipment maintenance and repairs.
 - * Started repair work for the City of Rochester Fire Department
- Federally-mandated Diesel Emission Standards require approximately \$9,500 of additional emission control per vehicle.
- Purchase and implement the paperless shop module for the City's computerized Fleet Management Information System (RTA) that will improve the accountability, productivity, life cycle costing and reporting accuracy of Fleet operations.
- Increasing advances in vehicle technologies require additional skill levels of staff.

2010 PROJECT PLAN:

- Purchasing smaller equipment for various departments to use
- Purchasing vehicles scheduled to be replaced:
 - * 3 Pickup Trucks with Plows
 - * 3 Pickup Trucks
 - * 1 Two-yard Dump Truck
 - * 1 Loader
 - * 1 Sign/Guardrail Truck
 - * 1 Tandem Axle Dump Truck

Council Discussion:

President Hooper requested that Council questions and comments be directed by categories, starting with Major and Local Roads.

MAJOR AND LOCAL ROADS:

Mr. Webber commented that focus is shifting toward preservation and maintenance and noted that the City's larger projects have Federal or County funding, with a City contribution. He requested Mr. Rouse address the following questions:

- When should the City budget for the Avon Road Bridge repairs.
- What is the status of the reconstruction of Crooks Road from Star Batt to Hamlin.
- Why is \$300,000 tentatively budgeted for the Tienken Road Project in 2011.
- When will the two funded sound walls be constructed along M-59, as the proposed 2010 Budget includes amounts for these walls.

Mr. Rouse responded with the following:

- The Administration has worked toward identifying the status of all projects, including those that the City is mandated to participate in.
- The Avon Road Bridge is a County bridge, with an estimated preliminary replacement cost of approximately \$2 million to \$2.5 million. He noted that this cost has not been identified in the CIP process or in any preliminary budgeting. The Road Commission for Oakland County (RCOC) is looking at 2012 for funding its replacement at the earliest, unless the City wished to pay for the replacement.
- The RCOC stated that they simply do not have the funding to complete the stretch of Crooks Road from Hamlin to Star Batt and estimated that approximately \$2 million will be needed, noting that this section is the missing link to direct cars from a reconstructed Hamlin Road to M-59.
- \$300,000 is included in the 2011 Projected Budget for engineering for the Tienken Road Widening Project. Funds must be obligated before 2012. The RCOC is waiting for schools to open to complete updated traffic counts for inclusion in the Environmental Assessment (EA) to determine the preferred cross-section required for congestion relief.

Paul Davis, City Engineer, stated that the projected date for sound wall construction is 2011. He commented that the sound walls were pulled out of the M-59 Widening Project as design has not begun and the Public Hearing process has not occurred. Once the notification process is complete, a consultant will be hired for sound wall design and the project will move forward. He noted that an Act 51 Agreement may be required with MDOT and a commitment made in 2010, however, that does not mean the walls will be constructed in 2010.

Mr. Webber stated that it might be prudent to seek accurate pricing for the unfunded sound walls along M-59 and noted that he supports the formation of a Sound Wall Committee to review and rank unfunded walls. He commented that he was in support of a Special Assessment District (SAD) option for sound wall construction.

Mr. Brennan questioned why the 2009 Major Road Fund actual revenues to-date are much lower than budgeted revenue amounts might indicate at this time in the fiscal year.

Joe Snyder, Senior Financial Analyst, responded that the State is typically one to two months behind in distributing revenues and figures through June 2009 reflect approximately four months' of revenues. He commented that projections for State Act 51 Revenues appear to be on target for the year.

Mr. Pixley stated that he supported the SAD concept for funding sound barriers and commented that other construction material options should be investigated. He questioned whether the City was obligated to spend Metro Act Funding on the Adams Boulevard Irrigation Project.

Mr. Rousse responded that Metro Act Fund revenue is received from utilities who pay for the use of the right-of-way and noted that each year the City receives approximately \$200,000 which is earmarked to maintain these right-of-ways. He stated that each year one area is targeted and noted that this year, the Adams Boulevard is targeted.

Mr. Ambrozaitis questioned whether the City was estimating that \$4 million will be needed to address the unfunded mandates of MS-4 requirements.

Mr. Rousse responded that the City is contesting the MS-4 requirements, along with a number of other communities, as these requirements are not expected to improve water quality. He commented that it is projected that a negotiated settlement will reduce costs. He commented that the \$4 million in estimated costs are over the life of the five-year permit to ensure that the City meets these requirements, and encompasses all related activities including report generation, street sweeping, inspection of drainage ponds and catch basin cleaning. He commented that about 400 of the City's catch basins need repair, with approximately 40 to 50 needing immediate attention. He pointed out that any time the City performs concrete slab replacement, necessary catch basin repair is incorporated. He noted that as the Asset Management System data is populated, the City will be able to better estimate necessary activities.

Mr. Ambrozaitis commented that he would like to see the City consider alternative landscaping for medians that would be more environmentally-friendly and not require irrigation.

Mr. Rousse pointed out that the City reviewed alternative landscaping for boulevards and noted that much of this type of landscape design still requires an irrigation system. He commented that an architectural design of the boulevard would be required along with selection of specific plants and drip or spray irrigation.

Mr. Ambrozaitis stated that the Budget should look to fund the sound walls and commented that the RFP process should begin. He stated that he was not in favor of SADs. He pointed out that the City will be out of money in the Local and Major Roads Funds by 2014 and noted that the Budget presentation does not address this fact.

Mr. Rousse stated that the City has 222 miles of paved Local Roads and commented that if the City estimates a twenty-year life cycle on these roads,

1/20th of roads should have maintenance activities performed each year. He pointed out that this is not being done, which leads to a backlog of deferred maintenance. He noted that the City has 15 miles of roadway rated "poor" and stated that these roads should be the focus of increased maintenance activities to keep them passable and safe to travel. He explained that Shadowoods Subdivision's roads deteriorated all at once and commented that at some point, it is more expensive to maintain these roads as paved roads than it would to allow them to turn to gravel. He pointed out that roads rated "fair" will continue to deteriorate as well.

Mr. Rosen questioned what repairs are required for the Kings Cove Drive Bridge, noting that this bridge is only approximately ten years old.

Mr. Rousse stated that this bridge needs some cleanup and painting of metal and repair of erosion around the wing walls. He commented that minor repairs are required so that they do not become large problems.

President Hooper questioned whether funds allocated for the Crooks Road Overlay Project this year would be utilized or deferred.

Joe Snyder, Senior Financial Analyst, stated that these funds would be removed in the Third Quarter Budget Amendment.

President Hooper questioned what would occur to Tri-Party Funding Program funds allocated if the program were eliminated.

Mr. Rousse responded that the County is on a different budget cycle and noted that their fiscal year begins in October. The Crooks Road and Walton Boulevard projects would have occurred after October and have been put on hold. He noted that money has been earmarked for those projects; and should the Tri-Party Program continue and these projects go forward, the City will be able to utilize these funds. He stated that if these projects do not go forward, the City's portion of the funding will still be available.

President Hooper questioned what improvement was planned for the intersection of John R and Hamlin Roads and commented that he was not aware of traffic backing up in that area enough to require a southbound right-turn lane.

Mr. Rousse stated that that area has three coordinated projects, including a signal upgrade, a designated right-turn lane for southbound John R and pathway relocation. He noted that a traffic survey concluded that a right-turn lane is needed.

President Hooper questioned how much concrete road repair has been done, what portion is being done by the City and what portion is subcontracted out.

Mr. Rousse responded that this year, the City is targeting concrete repairs around catch basins.

Bud Leafdale, General Superintendent, stated that the City has laid

approximately 10,000 square feet of concrete to date and hopes to close out the season with approximately 30,000 square feet. He noted that crews have dealt with quite a bit of rainy weather.

Mr. Davis stated that City crews performed about one-quarter of the work that is subcontracted out.

Mr. Pixley commented that every dollar the City spends somewhere other than for Local Streets and Major Roads defers repair and maintenance activities further into the future and noted that the needs for repair and maintenance are growing faster than the capability to repair them.

DRAINS:

Mr. Webber questioned whether the work scheduled on the Karas Drain was critical for this coming year, noting that if the grant applied for is not received, the project will not be done.

Mr. Rousse responded that without this project, property could erode and enter the Clinton River and adjoining streams. He commented that the City has a good chance of receiving the grant for this project.

PATHWAYS:

President Hooper questioned whether any Pathway projects are being deferred this year.

Mr. Rousse responded that they were not.

WATER & SEWER:

Mr. Pixley questioned the Anticipated Legal Fees included in the proposed Water & Sewer Budget.

Mr. Rousse responded that Council had a closed-session to discuss a legal issue regarding the SOCCRA Landfill and stated that these charges relate to that legal issue.

President Hooper questioned whether the only purchases included are for the Easement Machine and the Small Vector Truck.

Mr. Rousse responded that was correct.

FLEET:

President Hooper questioned whether this year's proposed acquisition of snow plows would bring the City's plow inventory up to date. He questioned the number of tandem axle trucks in the City's fleet.

Bruce Halliday, Fleet Manager, responded that Federally-mandated upgrades to diesel emission requirements occurred in 2007 and would most likely happen

again in 2010. He commented that \$9,500 per diesel truck is included for upgrading emissions equipment to meet these requirements. He stated that 11 tandem axle trucks are currently in the City's fleet and pointed out that half the fleet is fairly new. He commented that soon four or five trucks will be slated for replacement and pointed out that the City has moved from an eight-year replacement schedule to a twelve-year schedule.

BUDGET SUMMARY:

President Hooper questioned whether any Council Members had any other Budget comments for Administration prior to the Public Hearing on September 14, 2009.

Mr. Ambrozaitis questioned whether another Budget meeting should be scheduled to address additional Council questions, as Mr. Yalamanchi was not in attendance.

President Hooper stated that Mr. Yalamanchi indicated that he concurred that the Public Hearing on September 14th would be acceptable as the next meeting to address Budget concerns.

Mr. Rosen stated that Council should plan for serious Budget discussions with the potential for significant change on September 14th.

President Hooper commented that the purpose of these two scheduled Special Budget Meetings was to bring up and discuss items of concern. He stated that it is unfair to the directors in attendance to require an additional meeting next week and pointed out that Council has had the opportunity to study the Budget and develop questions for discussion.

Mr. Sawdon commented that he identified only two items of concern that would adjust the proposed Budget, noting Council's desire of a Tree Policy to utilize interest only from the General Fund, and the elimination of funding for implementation of Deer Management Advisory Committee recommendations. He noted that considering the size and complexity of the Budget, he does not see a lot to reconcile between the proposed Budget and Council's concerns.

President Hooper stated that these meetings are the times to bring up any concerns and they should not be reserved for the future.

Mr. Rosen expressed concerns over projections for the revenue streams for the next six or so years. He commented that the City may not be trimming its costs enough in its two-year projections.

Mr. Webber noted that there will be adequate opportunity to request additional information in the next two weeks and commented that in the past, Council has not voted on the Budget on the night of the Public Hearing. He stated that anyone desiring additional cuts should put a plan in writing rather than just repeating that there are not enough cuts.

Mr. Pixley concurred, stating that these Budget Meetings have allowed the

opportunity for Public Comment and having the Public Hearing on September 14th will provide opportunity for additional questions. He commented that he expected much dialogue and discussion on specific Budget items on September 14th.

Mayor Barnett requested Council provide additional questions and suggestions in writing, noting that there have been few project-specific questions.

Discussed.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, September 14, 2009 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 10:30 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.