



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2015-0417 (Version 3)

TO: Mayor and City Council Members
FROM: Joe Snyder, Chief Financial Officer, x2534
DATE: November 14, 2016
SUBJECT: Street Lighting Policy for Subdivisions

REQUEST:

The Public Safety and Infrastructure Committee is requesting that City Council approve the attached Subdivision Street Lighting Policy.

BACKGROUND:

The Public Safety and Infrastructure Committee was asked to review and comment on the process and policy related to subdivision street lighting agreements in an attempt to bring efficiency to the arrangements the City has with those subdivisions wishing to have internal street lights.

The need for the City to be involved in those internal subdivision street lighting arrangements grew out of the fact that DTE would only contract with local units of governments for subdivision street lights. Therefore, subdivision homeowner associations came to the City and requested that the City contract with DTE, on their behalf, so that internal subdivision street lights could be installed. Homeowner associations would then pay all costs related to this request. For a number of years the City has performed this intermediate role and currently has forty eight (48) separate subdivision street lighting arrangements.

Two (2) of the City's current arrangements are billed and collected by using a special assessment process. In this process, the annual amount per parcel is approved by City Council when the City's Millage rates are adopted. These assessments are charged to each household as part of their Winter Tax bill, are collected by the City, and then used to pay the DTE costs.

The remainder of the agreements are billed and collected quarterly by the City from the various homeowner associations for DTE costs plus a City administration fee to cover the cost of billing and collecting.

In discussing and reviewing the street lighting process with Public Safety and Infrastructure Committee, it was determined that the most cost effective way going forward for both for the City and the homeowner associations is to manage these arrangements through a special assessment process and to establish a policy for subdivision street lighting based on that procedure.

The special assessment process benefits both the homeowner association and the City. For the homeowner association there is no quarterly bill to pay and there is no administration fee added since the City is no longer a billing and collecting agent. As well, there is no effort required for the homeowner associations since each property owner in the benefiting area will be paying their street lighting

assessment directly as they pay their City taxes. For the City it will end the quarterly billing and collection process freeing up City staff and resources for higher value activities.

This policy has been reviewed by the City’s Attorney, with no objection or comments on the policy. Also included in the City Council packet is a memo from the City’s Attorney addressing concerns raised when this item was last presented before City Council in October 2015.

The Public Safety and Infrastructure Committee unanimously approved the attached Subdivision Street Lighting Policy at their October 12, 2016 committee meeting.

RECOMMENDATION:

We recommend the City Council adopt the Subdivision Street Lighting Policy as recommended by the City’s Public Safety and Infrastructure Committee.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		