



Rochester Hills

Minutes - Draft

City Council Regular Meeting

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

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

Vision Statement: The Community of Choice for Families and Business

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

Monday, September 26, 2011

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

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

ROLL CALL

Present 6 - Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen, Michael Webber
and Ravi Yalamanchi

Absent 1 - J. Martin Brennan

Others Present:

Ed Anzek, Director of Planning and Economic Development

Bryan Barnett, Mayor

Tara Beatty, Chief Assistant

Scott Cope, Director of Building/Ordinance Compliance

Kurt Dawson, Director of Assessing/Treasury

Jane Leslie, City Clerk

Keith Sawdon, Director of Finance

Allan Schneck, Director of DPS/Engineering

Edward Schodowski, Rochester Hills Government Youth Council Representative

Mr. Brennan provided prior notice that he would be unable to attend the meeting.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

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

Absent 1 - Brennan

PUBLIC COMMENT

Tom Ryan, 3626 Hollenshade Drive, expressed his thanks to Council and the Administration for supporting the process to place the Parks and Open Space Charter Question on the November ballot and encouraged everyone to vote in November. He questioned whether there was anything that Council or the Administration could do to oppose a 284-unit apartment complex proposed for the northwest corner of Adams and Dutton Roads in Oakland Township.

Susan Bowyer, 2145 Cumberland Road, expressed her thanks to Council and the Administration for their efforts in placing the Parks and Open Space Charter Question on the upcoming ballot and encouraged everyone to vote in November.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper expressed his best wishes to Mr. Brennan during his recuperation. In response to the public comment regarding a 284-unit apartment complex proposed for the northwest corner of Adams and Dutton Roads in Oakland Township, he suggested that the Planning Commission and/or City Council could choose to put forward a resolution stating objections and expressing concerns over the impact the development may have on that portion of the City.

Mr. Pixley reported that a kick-off reception was held this morning for the Brooksie Way activities. He concurred in expressing his best wishes to Mr. Brennan.

Mr. Webber commented that he attended the Brooksie Way kick-off reception this morning and noted that the event represents a movement toward individuals taking steps to improve health and wellness. He pointed out that the event has enabled several mini-grants that give back to the community, and mentioned that the Blessings in a Backpack program has been a recipient of one of the mini-grants. He wished Mr. Brennan a speedy recovery. In response to the public comment regarding a proposed development in Oakland Township, he stated that while there is not much the City can do to prevent such a development, it can express its concerns regarding the resulting effect it will have in increased traffic. He mentioned that the proposed development is still in review by Oakland Township's Planning Commission.

Mr. Yalamanchi expressed his wishes to Mr. Brennan for a speedy recovery. He thanked Mr. Ryan and Ms. Bowyer for their work on the Charter Amendment ballot question. He requested that a resolution be drafted for Council's consideration at its next meeting regarding the City's position on the proposed Oakland Township development.

Mayor Barnett stated that he spoke with Mr. Brennan by phone today and that he sounds strong and hopes to be back soon. He made the following announcements:

- The Brooksie Way Half-Marathon will be held on Sunday, October 2nd at 8:00 a.m. This year, over 40,000 flyers were mailed to residents along with 20,000 letters included in water bills over the past month-and-a-half to promote the race and inform residents about the race route and road closures. Interested residents can visit the website at www.brooksieway.com.
- City Hall will host a Flu Clinic on Friday, October 7th from 9:00 a.m. to 11:00 a.m. for all residents. Flu shots will be available for \$25.
- The Rochester Hills Museum at Van Hoosen Farm will host the Stonewall Pumpkin Festival on Saturday, October 8th from 10:00 a.m. to 4:00 p.m. The carved pumpkins will be lit around dusk. Pumpkins can be purchased and carved for \$7.00 each. Last year, over 4,000 people attended.
- Road construction updates:
 - * The Crooks Road and Star-Batt Drive intersection re-opened last Saturday, September 24th.
 - * Adams Road from South Boulevard to Auburn Road is scheduled to re-open to traffic on Friday, September 30th.
 - * The Rain Tree Rehabilitation Project is progressing well, with curbs and approaches in. The project's end date is scheduled to be November 15th.

ATTORNEY MATTERS

None.

PRESENTATIONS

(Mr. Webber exited at 7:47 p.m. and re-entered at 7:49 p.m.)

2011-0423 Presentation of the City's New Performance Dashboard; Keith Sawdon, Finance Director, presenter

Attachments: [Agenda Summary.pdf](#)
[Presentation Part 1.pdf](#)
[Presentation Part 2.pdf](#)

Keith Sawdon, Director of Finance, stated that the City receives both constitutional and statutory State Shared Revenue. He explained that approximately 98 percent of State Shared Revenue is guaranteed by the Constitution of the State of Michigan, and two to three percent of State Shared Revenue is derived from a formula dictated by State Statutes. He stated that the State Legislature can adjust the Statutory portion at any time and pointed out that \$200 million was set aside in 2010 in an Economic Vitality Incentive Pool, with a goal of creating ways for cities to attain certain goals to earn back portions of State Shared Revenue. One goal, achieving accountability and transparency, was demonstrated by the City in its completion of an application that was due October 1st which certified that the City's documents were made available to the public. A second goal of creating a citizens' financial summary report, was achieved by the City for its Fiscal Year ending

in 2009 in the introduction of its Popular Annual Financial Report (PAFR). Another component is the development of a Performance Dashboard. He noted that the mandate to develop a Performance Dashboard has loose guidelines and while there are certain things the State will look for, the guidelines allow a good amount of latitude in its development. He stated that the Administration looked at the Dashboard as a way to portray to the citizens how the City is really performing, and bring together all the information contained in the Certified Annual Financial Report (CAFR) and the Budget documents. He mentioned that the Dashboard contains other components to measure Quality of Life, Economic Vitality, Public Safety and Community Partnerships. He reviewed the City's Performance Dashboard with the following presentation:

PERFORMANCE DASHBOARD - MEASURING THE CITY'S PERFORMANCE

The information provided through this Dashboard is designed to help you gain insight in how the City is performing in the following areas:

- Finance
- Economic Strength
- Public Safety
- Quality of Life, and
- Community Partnerships

He noted that the two-page summary document was devised that in graphic form shows how the City is progressing in certain areas. He mentioned that arrows were selected for graphic purposes with a green upward arrow signifying "Better", a yellow horizontal arrow signifying "Same", and a red downward arrow signifying "Worse".

He displayed Page One of the summary and mentioned that five years of data was used to determine the trends. He pointed out that items scoring worse this year than the year before relate to Property Tax Revenues, down 21 percent overall and Act 51 Gasoline Tax, which continues to decline due to lower gas consumption and a move toward alternative fuel concepts. He mentioned that the Fund Balance Component was rated the same as last year.

SUMMARY OF THE CITY'S PERFORMANCE

Finance:

- Revenues
 - * General Fund Reserves as a percentage of General Fund Revenues - Better
 - * Property Tax Revenues - Worse
 - * State Shared Revenue - Better
 - * Act 51 Gasoline Tax - Worse
 - * Building Permits - Better
- Expenditures
 - * Governmental Operating Revenues - Better
 - * Personnel Services Expenditures - Better

- * *Governmental Revenue and Expenditures per Capita - Better*
- * *Water and Sewer - Statement of Revenues and Expenses - Better*
- *Debt*
 - * *Debt per Capita - Better*
 - * *Legal Debt Limit - Better*
 - * *Ratio of Total Debt to Taxable Value - Better*
 - * *Unfunded Liabilities - Better*
- *Fund Balances/Reserves*
 - * *Governmental Fund Balance by Component - Same*
 - * *General Fund Balance as a percentage of Annual Expenditures - Better*
 - * *Water and Sewer Cash Reserves and Net Capital Assets - Better*

Mr. Sawdon reviewed Page Two of the summary, and noted that an indicator deemed Worse includes the Average Age of Citywide Infrastructure as measured using depreciation. He stated that as the City has not added a significant amount of new capital projects, the infrastructure as a whole is aging. He pointed out a slight uptick in Part C Crimes, and mentioned that this category represents traffic or misdemeanor offenses. He mentioned that Availability of High Speed Internet has not changed as the City has had Internet available for its residents for years.

Economic Strength:

- *Percentage Unemployed - Better*
- *Availability of High Speed Internet - Same*
- *Community Profile - Better*
- *Average age of Citywide Infrastructure - Worse*

Public Safety:

- *Public Safety/Part A Crimes - Same*
- *Public Safety/Part B Crimes - Better*
- *Public Safety/Part C Crimes - Worse*

Quality of Life:

- *Satisfaction Rate - Better*
- *Miles of Pathway - Better*
- *Arts, Culture, and Recreation - Better*
- *Total Acres of Parkland - Same*
- *Tons of Recycled Material - Better*

Community Partnerships - Better

Mr. Sawdon reviewed the individual components of the Dashboard:

FINANCE

REVENUES

General Fund's fund balance compared to General Fund Revenues:

- *It is a sound practice to maintain a positive fund balance. Having a healthy fund balance will allow the City to cope with unforeseen circumstances related to either its revenue and/or expenditure streams. Fund Balance levels below 13 percent are considered not healthy and may not provide the needed resources during fiscal stress.*
- *Indicator Score - Better*
- *Trend Analysis: The City considers having a strong fund balance critical to being able to manage its service delivery during all business cycles. The City has a formal adopted Fund Balance Policy to ensure there is no deviation from that essential concept.*

He stated that since 2009, the City's reserves have been steadily increasing in relationship to revenue sources and noted that for 2010, the City's General Fund Reserves constitute 73.4 percent of revenues. He pointed out that Fund Balance levels below 13 percent are not considered healthy

Governmental Property Tax Revenues:

- *Taxes are levied by the City for the purpose of funding services that are performed for the collective benefit of residents. There are several variables that affect the growth or decline of tax revenues including the addition or loss of taxable value, statutory regulations, and the addition or expiration of dedicated millages.*
- *Indicator Score - Worse*
- *Trend Analysis: Taxable valuations in the City of Rochester Hills increased by approximately 3.2 percent per year, on average, for the period Fiscal Year (FY) 2005 through FY 2009. However, taxable valuations decreased by 3.8 percent in 2010, by 11.3 percent in 2011 and by 6.3 percent for FY 2012. They are also projected to decrease by 5.0 percent for FY 2013 and 5.0 percent for 2014. Over the ten-year period property taxes have represented, on average, 57 percent of total governmental operating revenues.*

State Shared Revenue:

- *State Shared Revenue represents the share of sales tax distributed to the City of Rochester Hills by the State of Michigan.*
- *Indicator Score - Better*
- *Trend Analysis: Sales tax fluctuations vary depending on the strength of the state economy, actual sales tax revenue, and annual appropriation bills for the statutory portion. This is evidenced by the decrease of actual disbursements in State Shared Revenue by nearly \$1.0 million from FY 2002 to the FY 2010. The 2.9 percent increase in revenue is the result of our growth in population from the 2010 Census which helped the City share more in this allocation.*

Act 51 Gasoline Tax:

- *Fluctuation in Act 51 revenues vary depending upon the strength of the state economy, actual gasoline tax revenues, vehicle registrations, and statutory changes. The City of Rochester Hills' major road and local street programs are both very dependent upon this revenue source.*
- *Indicator Score - Worse*

- *Trend Analysis: Gasoline tax revenues represent 76 percent of total major road revenues and 16 percent of total local street revenues. A decline in this revenue source is primarily due to projected declines in state vehicle registrations and the projected number of gallons of gasoline sold based on decreasing statewide population, price volatility, and more fuel efficient vehicles. We see no change for this revenue source in the near term.*

Building Permits:

- *The number of building permits issued within a community provides some indication of the local economy's health. Fluctuations in building permits and construction are generally attributable to the strength or weakness of the local/regional/national economy. Construction activity tends to stagnate or decline in periods of economic uncertainty.*

- *Indicator Score - Better*

- *Trend Analysis: The total number of building permits issued decreased steadily from 2003 to 2009, before beginning to show growth in FY 2010. That growth is estimated to continue in FY 2011.*

EXPENDITURES

Governmental Operating Expenditures:

- *Governmental operating funds are comprised of the General Fund, Special Revenue Funds, and Debt Service Funds. Enterprise Funds, such as Water & Sewer, Internal Service Funds, Trust & Agency Funds, and Component Unit Funds are not considered governmental funds. The allocation of revenue represents the City's expenditure policies and the priorities set by the City related to services and programs. Changes in expenditure policy occur as priorities change from one year to the next.*

- *Indicator Score - Better*

- *Trend Analysis: FY 2011 Governmental Operating Expenditures are currently on pace to be approximately 5.14 percent below FY 2010 actual Governmental Operating Expenditures.*

He pointed out that as revenues fell, the City reduced its general governmental costs, while trying to keep public safety and public works in the forefront.

Personnel Services Expenditures:

- *Total Personnel Services expenditures includes all salary and benefit expenditures including health benefits.*

- *Indicator Score - Better*

- *Trend Analysis: FY 2011 Total Personnel Service Expenditures are currently budgeted at 0.12 percent below FY 2010 Actual. The City continues to bring its expenditures, including personnel costs, in line with available revenue streams.*

Governmental Revenue and Expenditures per Capita:

- *Changes in revenues and expenditures, per capita, reflect changes relative to general governmental functions (police and fire protection, infrastructure*

maintenance, parks and recreation, administration, debt service, capital outlay, etcetera).

- Indicator Score - Better

- Trend Analysis: The City's revenues, per capita, grew every year from FY 2005 to 2008, but have been and are projected to continue to decrease through FY 2014. This is due, in part, to reductions in taxable value. The increase in expenditures from FY 2006 to 2008 was primarily due to a number of major capital expenditures undertaken to upgrade or replace infrastructure including major roads, local streets, pathways, and water resource (drain) projects, as well as increased levels of public safety services. The decrease in FY 2009 to 2011 reflects the reduction in expenditures due to reductions in taxable values as the City moved to bring expenditures in line with revenue sources.

Water & Sewer - Statement of Revenues and Expenses:

- Enterprise Funds such as the Water & Sewer Fund, receive no tax revenue to support their operations or service delivery. The full cost of operating the system is supported by the users of the system. Revenue sources are primarily composed of customer service charges related to the sale of water and sanitary sewage disposal.

- Indicator Score - Better

- Trend Analysis: The Water & Sewer Technical Review Committee established a multi-year approach to establishing rates for the 2010-2011 rate year. Their intent is to operationally break even and contribute adequate funding in order to meet established fund balance levels by fiscal year 2014. It is currently projected that the Water & Sewer System will meet the minimum fund balance requirements by December 31, 2014.

Mr. Sawdon noted that in 2005, 2006, 2008 and 2009, the system was spending more than it was generating in revenue. One of the goals of the Water & Sewer Technical Review Committee was to bring revenues in line with costs, stabilizing rates while achieving the goal for minimum fund balance by 2014.

DEBT

Debt per Capita:

- The City issues debt to fund projects that were either voter-approved, such as the Older Persons Commission's building, or resident-driven requests such as Special Assessment Districts or citywide infrastructure improvements. One indicator relative to debt and its burden is to look at it on a per capita (population-related) basis.

- Indicator Score - Better

- Trend Analysis: The City's debt burden has been falling continually and the City's trend is headed downward in the foreseeable future.

Legal Debt Limit:

- In accordance with Public Act 279, the statutory debt limit of bonded indebtedness shall not exceed 10 percent of a City's State Equalized Valuation (SEV) of taxable property.

- Indicator Score - Better
- Trend Analysis: The SEV for the City of Rochester Hills for FY 2011 is \$3,238,195,190, and the corresponding debt limit for FY 2011 was \$323,819,519 (or 10 percent of the SEV). The City's outstanding General Obligation debt as of December 31, 2010, that is subject to the statutory limitation, was \$30,211,633, or 0.9 percent of the City's SEV and 91 percent below what is allowed by State Law. The City has a small amount of debt when compared with its legally-allowed (debt) limit.

Ratio of Total Debt to Taxable Value:

- Large debt levels, relative to the governments' ability to generate revenue, are one sign of fiscal distress. The graph presented shows the City's general long-term debt divided by its taxable value. Any City with a debt to taxable value ratio above six percent is considered under fiscal distress.
- Indicator Score - Better
- Trend Analysis: As indicated above, the City has never approached having a debt level of six percent or more and the City's trend is downward in the foreseeable future.

Mr. Sawdon pointed out that only once has the City's Ratio of Debt to Taxable Value been over 2.5 percent. He stated that the ratio is currently at 0.9 percent and is heading downward.

Unfunded Liabilities:

- Unfunded liabilities are determined based on actuarial assessments of asset values and long-term liabilities. Even a "fully-funded" community could become underfunded in any given year, depending on investment market conditions.
- Indicator Score - Better
- Trend Analysis: The City has moved toward fully funding its long-term liabilities by making both a large one-time deposit as well as making its yearly Annual Required Contribution (ARC).

He noted that the City moved toward funding a good majority of its liabilities in 2009 and is on the right path to fully fund itself in the near future.

FUND BALANCES / RESERVES

Governmental Fund Balance by Component:

- Fund Balance represents the historically accumulated excess of a fund's assets (revenues) over its liabilities (expenditures). Fund Balances are surpluses from prior fiscal years that can be carried forward and used to fund expenditures in future years, within that fund, or in the case of the General Fund, can be used for programs or services in other funds in future years.
- Indicator Score - Same
- Trend Analysis: Fund balances should be maintained at levels which are sufficient to absorb revenue shortfalls or financial emergencies, to ensure desired cash-flow levels, and/or to accumulate funds for capital purchases without having to issue debt. In addition, inadequate fund balance levels can affect the City's bond rating.

Mr. Sawdon pointed out that the formulas for definition of Fund Balance components were changed in relation to a Government Accounting Standards Board (GASB) pronouncement to include "restricted", "committed" and "unassigned". Restricted Fund Balances cannot be used for other items, such as using Major Road Fund Balance for General Fund items. Committed Fund Balances are those funds that are committed to contracts. Unassigned Fund Balance is mostly General Fund. He stated that the City has adequate fund balances, and its Fund Balance Policy is working.

General Fund Balance as a Percentage of Annual Expenditures:

- To preserve and maintain the City's sound financial system, and to provide a stable financial base, City Council adopted minimum levels which the Unassigned Fund Balance must be maintained at, as a percentage of regular operating revenues.*
- Indicator Score - Better*
- Trend Analysis: Fund balances should be maintained at levels which are sufficient to absorb revenue shortfalls, or financial emergencies, and to ensure desired cash-flow levels. Throughout this period of taxable value reductions, the City has not relied on its fund balance to offset losses in tax revenues. Instead, it chose to bring its expenditures in line with revenue streams, leaving its fund balance strong for the future.*

He commented that the City is considered to have a strong Fund Balance as it comes out of the recession period.

Water & Sewer Cash Reserves and Net Capital Assets:

- Similar to governmental fund balances, "Retained Earnings" in an Enterprise Fund is the historically accumulated difference between fund assets and fund liabilities. Unlike governmental funds, enterprise funds report all related assets, including capital assets, and all liabilities which include debt. Therefore, retained earnings serve as a rough barometer of the economic health of the fund.*
- Indicator Score - Better*
- Trend Analysis: Since FY 2005, the Water & Sewer Fund has transferred its annual depreciation and capital and lateral revenue to its capital fund for future water and sewer system infrastructure improvements. The net Capital Asset amount has, and is projected to continue, to decrease from 2007 to 2011. This is due to greater system-wide depreciation, which is greater than assets being added (or replaced) within the system. In addition, the cash position of the Water & Sewer system is improving as designed by the Water & Sewer Technical Rate Review Committee.*

ECONOMIC STRENGTH

Percentage Unemployed:

- Unemployment figures measure the number of people without jobs who are actively seeking work. These numbers also reflect the success of the economy*

in providing opportunities for residents to support themselves and their families.

- Indicator Score - Better

- Trend Analysis: The City's unemployment rate is favorable when compared to Oakland County, the State of Michigan and the United States, and continues to be the lowest among that group.

Availability of High Speed Internet:

- The availability of internet to the city's population is a good indicator of the ability of the city's population to receive and process useful information, and to be better prepared for the future.

- Indicator Score - Same

- Trend Analysis: The city's residents have had access to internet providers for a number of years, dating back to the mid-1980s. That level does not appear to be falling any time soon.

Community Profile:

- Knowing the age of the city's population available for employment, and their level of education, is an important indicator for businesses wishing to locate to your city. College graduation is also one measure of the success of our post-secondary educational system. High college enrollment, and the number of students receiving degrees, contribute to the quality of the city's workforce.

- Indicator Score - Better

- Trend Analysis: The city has an age appropriate workforce that is becoming younger, with a growing educational level that many employers would find attractive.

Average Age of Citywide Infrastructure:

- Depreciation represents an estimate of the useful life of an asset on a straight-line basis. The estimated useful live(s) for selected City assets range from 50 years for its water and sewer system, to 20 years for its road system.

- Indicator Score - Worse

- Trend Analysis: The average roadway in the city is just over 10 years old, meaning that it is halfway through its useful life of 20 years. The average age of water and sewer infrastructure is just over 20 years old of an estimated 50-year lifespan. The life of the City's assets are about 44 percent used.

PUBLIC SAFETY

Public Safety - Part A Crimes:

- Part A Crimes are typically classified as more serious crimes against persons.

- Indicator Score - Same

- Trend Analysis: The City has trended downward on these types of crimes over the last six years.

Public Safety - Part B Crimes:

- *Part B Crimes are typically classified as crimes against property and less serious crimes against persons.*
- *Indicator Score - Better*
- *Trend Analysis: The City has been trending downward recently on these types of crimes.*

Public Safety - Part C Crimes:

- *Part C Crimes are typically classified as miscellaneous crimes.*
- *Indicator Score - Worse*
- *Trend Analysis: After experiencing a downward movement in 2009, the city experienced an upward movement back toward its more normal or average experience levels.*

QUALITY OF LIFE

Citizen Survey - Quality of Life:

- *There is no better way to gauge the quality of life our residents are enjoying than to ask them in a public survey. Over the last four surveys, residents surveyed were asked, "How satisfied are you with living in Rochester Hills?"*
- *Indicator Score - Better*
- *Survey respondents are happy they selected the City of Rochester Hills as a place to live. We believe this trend will continue.*

Miles of Pathway:

- *The availability of a pathway system is often one of the qualities that future homeowners look for when examining a city to locate to. Approximately 86 miles of the city's planned 120-mile pathway system have been completed through both City funding and/or from private development funding.*
- *Indicator Score - Better*
- *Trend Analysis: The trend suggests that we are headed in the right direction toward completing our planned 120 miles of citywide pathways. If there are any concerns in reaching that goal, it would be funding. Recent reductions in taxable values will put pressure on the funding needed to complete the remainder of the pathway system.*

Arts, Culture and Recreation:

- *The availability of arts, culture and recreational opportunities are often qualities future homeowners look for when examining cities to locate to. Having and investing into a good arts, culture and recreational system has many long-term benefits.*
- *Indicator Score - Better*
- *Trend Analysis: Reductions in revenues has placed pressure on the City's ability to invest in its arts, culture and recreational system, but, over the last year, the City has been able to get back on track in recognizing its commitment to arts, culture and recreation. We see little to no change in continuation of this commitment in the near future.*

Total Acres of Parkland:

- The availability of parkland is a perfect measure of the quality of life residents have to enjoy.
- Indicator Score - Same
- Trend Analysis - For a number of years, the City has placed a large emphasis on providing a quality park system for residents to enjoy. We see little to no change in this focus in the near future.

Mr. Sawdon noted that the City has almost 1,100 acres of parkland available for its residents, not including its green space properties.

Tons of Recycled Material:

- In 2009, the City retained one waste hauler to represent the majority of residential homes. This included recycling as part of the basic service package for all residents to use, at very competitive pricing. To date, the program has been received by residents very positively, with recycling volumes increasing each year.
- Indicator Score - Better
- Providing residents with recycling as part of their basic service improved not only the quality of life for them, but for the region as a whole.

Community Partnerships:

- The City works with many other groups in finding the best way to provide its residents with the best in services, and in improving their quality of life. Below is a partial list of those groups the City works with:
 - * U.S. Department of State
 - * State of Michigan
 - * Oakland County
 - * Oakland County Sheriff's Office (OCSO)
 - * Road Commission for Oakland County
 - * Local Organizations/Agencies
 - Older Persons' Commission (OPC)
 - Rochester Avon Recreational Authority (RARA)
 - Oakland University
 - Rochester Hills Public Library
 - Paint Creek Trailways Commission
 - Clinton River Trail Alliance and the Friends of the Clinton River Trail (FCRT)
 - Clinton River Watershed Council
 - Oakland County Trails Advisory Council
 - Oakland and Macomb Counties (Clinton River Connection)
 - * City Collaborations
 - The Fire Department has local agreements with communities who border our city.
 - The Fire Department has also joined with 48 of the 49 Fire Departments in Oakland County to establish a Mutual Aid Box Alarm Association (MABAS) Group
 - City of Rochester:

* Water meter testing, TVing of sewer lines and Vactor backup support. DPS is currently working on an Inter-local Service Agreement that would incorporate all service areas.

* Fabrication of traffic signs for Rochester, the Paint Creek Trailway and Rochester Community Schools.

* Maintenance and repair of fire apparatus along with calibration and repair of their salt truck spreader and pre-wet systems.

* Election Workers.

- Other City Collaborations:

* City of Troy - When needed, the cities have utilized each others' parts and material inventory. Election Workers.

* City of Ann Arbor - Worked in conjunction to conclude a combination sewer truck Request for Proposal(RFP)/award and entered into a contract with National IPA to market the RFP nationally. May expand on this with additional equipment types and future awards.

* City of Auburn Hills - Rental of their sewer easement machine.

* Oakland Township - Election Workers.

* Other Agencies/Organizations:

- SEMCOG (Southeast Michigan Council of Governments)

- Rochester Regional Chamber of Commerce

- Michigan Intergovernmental Trade Network (MITN) - Since 1990

Links to Documents of Interest:

- City's Three-Year Budget

* http://www.rochesterhills.org/city_services/uploads/RH2010CAFR.pdf

- City's Financial Summary (PAFR)

* http://www.rochesterhills.org/city_services/uploads/2010FinancialSummaryReport.pdf

- City's Comprehensive Annual Financial Report (CAFR)

* http://www.rochesterhills.org/city_services/uploads/RH2010CAFR.pdf

- City Community Partnerships

* <http://www.rochesterhills.org>

Council Discussion:

Mr. Rosen expressed his appreciation for the Administration's efforts in developing the Dashboard. He questioned whether the Government Fund Balance by Component indicator included the Green Space Fund Balance.

Mr. Sawdon responded that it did, noting that the indicator includes everything except Water & Sewer and other Enterprise fund balances such as Fleet.

Mr. Rosen questioned whether the indicator would turn red, signifying a worsening, if the Green Space Fund Balance were expended to purchase properties.

Mr. Sawdon responded that the restricted portion would shrink along with the total Fund Balance.

Mr. Rosen questioned whether the Performance Dashboard document will be available on the City's website.

Mr. Sawdon noted that it will be available in the Clerk's Office and in the City's Reference Library. He stated that two versions will be available soon on the website, one in book-form and one interactive with clickable links.

Mr. Webber commended the Administration, noting the Performance Dashboard is a worthwhile presentation to use to compete for State Shared Revenue dollars. He commented that it is eye-opening to see how the City relies on Act 51 monies as 76 percent of the Major Road Budget is predicated on those funds. He stated that it encourages him to continue to work with our State elected officials to come up with a solution and mentioned that funding problems will have to be tackled at the State level in partnership with local communities and county road commissions.

Mr. Klomp commented that the importance placed on the availability of high speed internet increases the likelihood that the city's populace will be educated and attract employers. He stated that while there are grumblings about the possibility of a double-dip recession, the improvement in unemployment statistics show that the area is on a clear path to rebounding. He questioned whether the number of Part A Crimes was accurate and what types of crime each category represented.

Mr. Sawdon responded that the statistics came from the Oakland County Sheriff's Office and he would request this information from Captain Michael Johnson.

Mayor Barnett stated that he is proud of the team that worked to develop the Performance Dashboard. He mentioned that a six-community group consisting of individuals from Auburn Hills, Rochester, Rochester Hills, Troy, Farmington Hills and Bloomfield Hills met to compare and discuss dashboard development and commented that the first five dashboards that were displayed for discussion were simply Excel spreadsheets.

President Hooper stated that the team did a great job in developing the City's Performance Dashboard.

Presented.

CONSENT AGENDA

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

2011-0411 Approval of Minutes - City Council Special Meeting - September 12, 2011

Attachments: [CC Special Mtg Min 091211.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0193-2011

Resolved, that the Minutes of a Rochester Hills City Council Special Meeting held on September 12, 2011 be approved as presented.

- 2011-0412** Request to schedule a Public Hearing regarding the request to establish an Industrial Development District at 2930 W. Auburn Road; Eagle Ottawa, LLC, Applicant

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0194-2011

Whereas, Eagle Ottawa, LLC has filed a request for the establishment of an Industrial Development District for property it owns at 2930 W. Auburn Rd., also known as Parcel No. 15-29-300-006; and

Whereas, Public Act 198, of 1974, as amended, requires that City Council hold a Public Hearing before considering the request.

Resolved, that the Rochester Hills City Council hereby schedules a Public Hearing for its Regular Meeting of October 17, 2011; and

Be It Further Resolved, to send a certified copy of this Resolution to Eagle Ottawa, LLC, attention Jerry Sumpter, President and CEO, 2930 W. Auburn Rd., Rochester Hills, MI 48309-3505.

- 2011-0413** Request to schedule a Public Hearing regarding the request for an Industrial Facilities Exemption Certificate for Eagle Ottawa, LLC, 2930 W. Auburn Road

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0195-2011

Whereas, Eagle Ottawa, LLC has filed a request for the establishment of an Industrial Development District for property it owns at 2930 W. Auburn, also known as Parcel No. 15-29-300-006; and

Whereas, Eagle Ottawa, LLC filed an application for an Industrial Facilities Exemption Certificate on September 8, 2011; and

Whereas, Public Act 198, of 1974, as amended, requires that City Council hold a Public Hearing before considering the request and must render a decision within 60 days of

receipt of the application.

Resolved, that the Rochester Hills City Council hereby schedules a Public Hearing for the Regular Meeting of October 17, 2011; and

Be It Further Resolved, to authorize the City Clerk's office to publish notice of the Public Hearing in the Rochester Post on Thursday, October 6, 2011; and

Be It Further Resolved, to send a certified copy of the notice to Eagle Ottawa, LLC, attention Jerry Sumpter, 2930 W. Auburn, Rochester Hills, MI 48309-3505 no later than Thursday, October 6, 2011; and

Be It Finally Resolved, to send a certified copy of the notice to all taxing jurisdictions and the City's Assessor no later than Thursday, October 6, 2011.

- 2011-0417** Request for Approval of the Sanitary Sewer Service Agreement between the City of Rochester, the City of Rochester Hills and Crittenton Hospital Medical Center

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0196-2011

Resolved, that the Rochester Hills City Council approves the Sanitary Sewer Agreement between the City of Rochester, the City of Rochester Hills and Crittenton Hospital Medical Center and authorizes the Mayor and City Clerk to execute the agreement on behalf of the City.

- 2011-0418** Request for Purchase Authorization - BLDG/FAC: Blanket Purchase Order for snow removal services for the 2011-2012 winter season at City Hall, Precinct #5, 52/3 District Court and Oakland County Sheriff's Office Substation in the amount not-to-exceed \$75,000.00; Ultra Professional Outdoor Services, LLC, Auburn Hills, MI

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0197-2011

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to Ultra Professional Outdoor Services, LLC, Auburn Hills, Michigan for snow removal services for the 2011-2012 winter season at City Hall, Precinct #5, 52/3 District Court and Oakland County Sheriff's Office Substation in the amount not-to-exceed \$75,000.00 through June 15, 2012 and further authorizes the Mayor to execute a contract on behalf of the City.

Further Resolved, that the City's acceptance of the proposal and approval of the award of

a contract shall be contingent and conditional upon the parties' entry into and execution of a written agreement acceptable to the City.

Passed the Consent Agenda

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

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

Absent 1 - Brennan

The Following Consent Agenda Item was Discussed and Adopted by Separate Motion:

2011-0414 Request for Purchase Authorization - BLDG/FAC: Project Budget for the design, fabrication and installation of a new monument sign for City Hall in the amount not-to-exceed \$40,000.00; Townsend Sign, Rockwood, MI; other required vendors

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

Scott Cope, Director of Building/Ordinance Compliance, stated that subsequent to the Request for Proposal (RFP) the review team invited a local sign contractor to offer insight as to the type and size of a sign that would be most desirable. After multiple meetings with contractors and extensive negotiations regarding price, Townsend Sign is being recommended for contract award. He displayed conceptual designs showing the proposed sign and its location, noting that the three-foot by eight-foot message board will be capable of showing text, graphics, logos and pictures. He stated that the final sign will meet all local Ordinances and will provide a new way to communicate with residents to highlight upcoming events, meetings, Passport Fairs, Blood Drives, water conservation tips, or to warn people about high deer crash hours, eliminating the need for banners by the roadway. He mentioned that a 2010 Oakland County Traffic Study reports that 19,780 cars pass by on Avon Road every day.

Public Comment:

Lee Zendel, 1575 Dutton Road, stated that in light of current 2011 Budget cuts in many departments, the City should not be undertaking a sign project at this time. He mentioned that approving this expenditure of \$40,000 will send a bad message as the proposed Fiscal Year 2012 Budget reduces police protection by \$125,000.

Scot Beaton, 655 Bolinger Street, stated that with governmental budget cuts and lost revenues, the City cannot afford this expense. He commented that the light from the sign will be intrusive to neighboring residential properties. He stated that the current sign should be repaired.

Council Discussion:

Mr. Rosen commented that he finds electronic signs ugly, as they are a distraction to drivers and spur complaints from those residents who live near them. He stated that the City logo is not the City's brand. He stressed that the Rochester Hills brand is what we are, not what we say we are and stated that it is not a wise use of funds.

Mr. Yalamanchi stated that given the list of items he would like to see the City accomplish, a new sign would not be one he would like to see the City undertake at this time. He mentioned that he and Mike Hartner, Director of Parks and Forestry, have been meeting with various subdivisions to discuss ways to make Riverbend Park an active recreational park; however, there is no money available to accomplish this.

Mr. Pixley stated that the sign is a means to display an identity for the City and provide the community with information with an updated look. He commented that based on his experience in securing signage for his business, the project is reasonably priced.

Mayor Barnett stated that the Administration looks at the sign as an opportunity to present a message. He pointed out that many businesses and organizations in the area use electronic message signs as a communication tool, such as Rochester College, Oakland University and many others. He explained that now is the time to undertake such a project, as the front grounds have already been torn up for the Avon Creek Rehabilitation Project. He commented that the project price is reasonable, noting that investigations of various other sign projects yielded prices ranging from \$25,000 to \$75,000.

Edward Schodowski, Rochester Hills Government Youth Council representative, stated that a sign would be distracting to drivers. He mentioned that Facebook could be used as an alternative to convey messages, along with e-mail, the City's website or mailers.

Mayor Barnett noted that the sign will adhere to all City Ordinances with respect to the length a message must be left up without changing to minimize distraction.

Mr. Klomp questioned whether the sign will use much electricity and if it can be visible to cars, but not a distraction to homes.

Mr. Cope responded that the Light Emitting Diode (LED) lighting uses minimal electricity and can be dimmed or brightened.

Mr. Klomp stated that while the use of social media is important, it is also important to have a place for residents to go to find information. He commented that this project will bring attention to the community aspect of Rochester Hills and is long overdue. He mentioned that he has had individuals ask him where City Hall is, as the current sign is very small and easy to overlook.

President Hooper noted that the current sign needs to be replaced and the

monies are allocated in the 2011 Budget. He stated that a monument sign will improve transparency and communication with the motoring public and will provide information on what government is doing. He commented that while the cost is significant, this type of signage is the trend moving forward, and the City is not one of the first to undertake a sign such as this.

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

Aye 4 - Hooper, Klomp, Pixley and Webber

Nay 2 - Rosen and Yalamanchi

Absent 1 - Brennan

Enactment No: RES0198-2011

Resolved, that the Rochester Hills City Council hereby authorizes a project budget in the amount not-to-exceed \$40,000.00 for a new monument sign for City Hall to Townsend Sign, Rockwood, MI and other vendors as required.

NEW BUSINESS

2011-0335 Request to Amend the Proposed Fiscal Year 2012 Budget to increase the Special Police Fund by \$134,000 to fund 57 officers

Attachments: [Agenda Summary.pdf](#)
[Straw Poll Reconciliation Report.pdf](#)
[091911 Agenda Summary.pdf](#)
[2012 Budget City Council Straw Poll Results.pdf](#)
[Public Hearing Notice.pdf](#)
[080811 Agenda Summary.pdf](#)
[Suppl Presentation.pdf](#)
[080811 Resolution.pdf](#)
[Resolution.pdf](#)

Public Comment:

Lorraine McGoldrick, 709 Essex, stated that there was much to be concerned about in the Proposed Budget. She mentioned that Public Education and Government (PEG) funding is not being used to represent the public and Longevity Pay is not sustainable. She commented that the City is not budgeting in the same manner that the County does and requested Council vote no regarding budget adoption.

Council Discussion:

Mr. Webber stated that each year, Council undertakes the same Budget process with presentations, workshops and a Public Hearing. He noted that throughout the process, Council Members continue to talk with residents, and receive e-mails and phone calls. He states that while he understands the results of the Straw Poll, he would appeal to his colleagues to reconsider the proposal to cut the number of Sheriff's Deputies from 57 to 56 officers. He commented that the feedback he is getting from the Police and Road Funding Technical Review Committee and homeowners' associations encourages him to request Council reconsider the decrease.

Keith Sawdon, Director of Finance, stated that should Council opt to not cut one officer, the proposed resolution can be changed to add \$134,000 to both the Special Police Fund and to the General Fund.

Mr. Rosen questioned whether the budget would be increased by \$134,000 or cuts made elsewhere.

Mr. Webber responded that as the results of the Straw Poll were to remove the proposed transfer from the General Fund to the Drain Fund, these funds would roughly cover the difference. He added that the recent settlement of the City's labor contracts will provide significant savings on health care contracts going forward.

Mr. Pixley stated that while he is on record in the Straw Poll as concurring with the reduction of one officer, based on conversations he has had over the past couple of weeks, and after reviewing the Performance Dashboard statistics regarding crime numbers, as well as the savings realized by negotiating the labor contracts, he would concur with not making a reduction at this time.

President Hooper noted that he supported maintaining the officer in the Straw Poll and concurs with Mr. Webber's request to fund this officer.

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

Aye 5 - Hooper, Klomp, Pixley, Webber and Yalamanchi

Nay 1 - Rosen

Absent 1 - Brennan

Enactment No: RES0200-2011

Resolved, that the proposed Fiscal Year 2012 Budget be increased to fund 57 police officers, by increasing the Special Police Fund by \$134,000, with a corresponding increase to the General Fund of \$134,000.

2011-0335 Adoption of the Fiscal Year 2012 Budget

Attachments: [Agenda Summary.pdf](#)
[Straw Poll Reconciliation Report.pdf](#)
[091911 Agenda Summary.pdf](#)
[2012 Budget City Council Straw Poll Results.pdf](#)
[Public Hearing Notice.pdf](#)
[080811 Agenda Summary.pdf](#)
[Suppl Presentation.pdf](#)
[080811 Resolution.pdf](#)
[Resolution.pdf](#)

Mr. Yalamanchi expressed his thanks to Mr. Sawdon for the Performance Dashboard projections presented tonight, along with the Directors and staff involved in preparing the proposed Budget. He commented that the City needs to think differently and should comprehensively plan for the future. He suggested that a Stress Test Budget be prepared, utilizing different variables, which would be a great tool for planning for the future. He stated that he appreciated \$2 million being allocated for road reconstruction for Fiscal Year (FY) 2012, and was disappointed that his colleagues did not wish to keep this level for FY 2013 and 2014. He expressed appreciation for taking interest income levels back to 2011 numbers. He noted that he has always advocated for the privatization of the Museum by 2012 and stated that it is his belief that it could become one of the best regional museums. He commented that while much culture change has been incorporated, the City must still work toward containing rising personnel costs.

President Hooper stated that the proposed Budget is fiscally conservative. He pointed out that questions raised during budget discussions were put to a Straw Poll and the proposed budget was modified to reflect those results.

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

Aye 4 - Hooper, Klomp, Pixley and Webber

Nay 2 - Rosen and Yalamanchi

Absent 1 - Brennan

Enactment No: RES0200-2011

Whereas, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, the Special Appropriations Act pursuant to PA 493 of 2000, and Section III of the Charter for the City of Rochester Hills, the Mayor as the Chief Executive Officer prepared the proposed budget for the ensuing year and submitted it to the Council at its first meeting in August; and

Whereas, at its August 8, 2011 meeting City Council acknowledged receipt from the Mayor of the Proposed 2012 Budget Plan and set a Public Hearing to be held September 19, 2011 at 7:00 p.m. to solicit comments on the proposed budget plan from the public; and

Whereas, at its September 19, 2011 meeting City Council held said Public Hearing on the proposed budget plan and the related millage rates to defray the fiscal year 2012 proposed budget expenditures; and

Whereas, subsequent to the City Council's review and comments, the Mayor adjusted the original proposed budget; and

Resolved, the following list of funds sets forth the general appropriations for the City and adopts the following City Budgets for fiscal year 2012.

Fund 101 - General Fund	\$	22,686,660
Fund 202 - Major Road Fund	\$	4,629,580
Fund 203 - Local Street Fund	\$	6,620,340
Fund 206 - Fire Fund	\$	6,987,250
Fund 207 - Special Police Fund	\$	9,097,770
Fund 211 - Stoney Creek Perpetual Care Fund	\$	0
Fund 213 - RARA Millage Fund	\$	574,020
Fund 214 - Pathway Millage Fund	\$	551,080
Fund 232 - Tree Fund	\$	52,410
Fund 244 - Drain Maintenance Fund	\$	626,400
Fund 265 - OPC Millage Fund	\$	969,640
Fund 299 - Green Space Millage Fund	\$	74,280
Fund 313 - Street Improvement Bond - 2001 Series Fund	\$	252,570
Fund 314 - SAD Street Improvement Bond - 2001 Series Fund	\$	253,630
Fund 325 - Street Improvement Bond - 2002 Series Fund	\$	458,490
Fund 331 - Drain Debt Fund	\$	1,314,370
Fund 369 - Older Persons Building Bond Refunding Fund	\$	739,740
Fund 393 - Municipal Building Refunding Bond - 2010 Series Fund	\$	761,130
Fund 402 - Fire Capital Fund	\$	50,000
Fund 403 - Pathway Construction Fund	\$	150,480
Fund 420 - Capital Improvement Fund	\$	146,690
Fund 510 - Sewer Operations	\$	13,091,490
Fund 530 - Water Operations	\$	16,895,400
Fund 593 - Water & Sewer Capital Fund	\$	5,130,570
Fund 595 - Water & Sewer Debt Fund	\$	825,210
Fund 631 - Facilities Fund	\$	4,813,580
Fund 636 - MIS Fund	\$	1,812,490
Fund 661 - Fleet Fund	\$	3,922,000
Fund 677 - Insurance Fund	\$	466,000
Fund 736 - Retiree Health Care Trust	\$	122,820
Fund 843 - Brownfield Redevelopment Fund	\$	0
Fund 848 - LDFA Fund	\$	289,820
Fund 851 - SmartZone Fund	\$	80,740
Fund 893 - EDC Fund	\$	670
Total	\$	104,447,320

Be It Further Resolved, the Mayor is hereby authorized to administratively adjust the operating budget line items up to \$25,000 per event, but in no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Adjustments from capital accounts and fund balances shall be made only by further action of the City Council.

COUNCIL COMMITTEE REPORTS

None.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, October 3, 2011 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 8:58 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.