



Rochester Hills

Minutes - Draft

City Council Special Meeting

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Home Page:
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David J. Blair, Susan M. Bowyer Ph.D., Ryan Deel, Dale A. Hetrick, Stephanie Morita, Theresa Mungiola, and David Walker

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 17, 2020

5:30 PM

1000 Rochester Hills Drive

In accordance with the provisions of Act 267 of the Public Acts of 1976, as amended, the Open Meetings Act, notice was given that a Special Rochester Hills City Council Meeting would commence at 5:30 p.m. on Monday, August 17, 2020, to discuss the proposed 2021 Budget.

CALL TO ORDER

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

ROLL CALL

Present 7 - David Blair, Susan M. Bowyer, Ryan Deel, Dale Hetrick, Stephanie Morita, Theresa Mungiola and David Walker

Others Present:

*Tracey Balint, Public Utilities Engineering Manager
Bryan Barnett, Mayor
Tina Barton, City Clerk
Sean Canto, Fire Chief/Emergency Services Director
Scott Cope, Building/Ordinance/Facilities Director
Renee Cortright, Older Persons' Commission Executive Director
Ken Elwert, Parks and Natural Resources Director
Jeff Fox, Roads & Pathways Operations Manager
Pam Gordon, Human Resources Director
Lori Hamilton, Administrative Services Supervisor
Tim Hollis, Deputy Director
Ron Jewell, Rochester Avon Recreation Authority Executive Director
Kristen Kapelanski, Planning Manager
Kevin Krajewski, Information Systems Director
Gary Nauts, Facilities Manager
Sara Roediger, Planning & Economic Development Director
Allan Schneck, Public Services Director
Leanne Scott, Deputy Clerk
Joe Snyder, Chief Financial Officer*

*Tim Soave, Older Persons' Commission Finance Director
Karen Somerville, Deputy Assessing Director
Laurie Taylor, Assessing Director
Pam Valentik, Economic Development Manager
Nick Watterson, Fleet Manager
Bob White, Ordinance Manager
Captain Bart Wilson, Oakland County Sheriff's Office*

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Aye 7 - Blair, Bowyer, Deel, Hetrick, Morita, Mungioli and Walker

PUBLIC COMMENT

None.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

None.

PROPOSED 2021 BUDGET DISCUSSIONS

2020-0321 Discussion - Special Revenue Funds (200's) - 2021 Budget

Attachments: [081720 Budget Presentation Schedule.pdf](#)

Joe Snyder, Chief Financial Officer, stated he is here to present before City Council the Older Persons' Commission (OPC), Rochester Avon Recreation Authority (RARA) and City of Rochester Hills Proposed 2021-2023 Three-Year Budget. He stated OPC and RARA will both be presenting on Zoom tonight and that all the other City departments will follow with their presentations at the City Hall Auditorium podium. He stated that after each department presents, there will be an opportunity for questions and answers.

He introduced **Renee Cortright**, OPC Executive Director, and **Tim Soave**, OPC Finance Director.

Ms. Cortright thanked the Rochester Hills community for their 78 percent approval of the OPC Operating Millage renewal. She stated it shows how the seniors and disabled are consistently valued in the Rochester Hills community. She gave a special thanks to OPC Governing Board members Jack Dalton and Micheline Sommers, City Council members Dale Hetrick, David Walker, along with previous members Stephanie Morita and Jim Kubicina for their combined efforts on this millage renewal process. She expressed appreciation for their commitment and vision. She summarized OPC's 2020 achievements,

highlighting the following:

- *On March 13, 2020 the COVID-19 pandemic forced the closure of OPC, but while its doors might have been closed, the work to provide essential services and critical care to the at-risk seniors kicked into high gear.*
- *Meals on Wheels production was increased to meet the demand and hot meals continued to be delivered.*
- *Transportation services continued to take seniors to medical appointments or grocery shopping.*
- *Numerous phone calls were made to seniors who are served by OPC's supportive services.*
- *The Commodity Foods Program provided boxed foods and non-perishable meals. Shelf-stable meals were also provided by the State Office of Service to the Aging. To date, over 15,000 pounds of shelf-stable meals and produce boxes have been delivered to homebound seniors. These meals are easily prepared and nutritionally complete.*
- *Senior Resource Staff continued to make phone calls, provide resources and referrals, and give comfort to seniors.*
- *Many thanks to OPC's community partners who were vital in aiding OPC in providing critical services to seniors. Seniors are the most vulnerable population in this pandemic and the need to provide for their care and security is immense.*
- *Current Executive Order 110 does not allow OPC to reopen at this time for full service, but essential services are being provided. In addition, a wide variety of virtual programming is available and in-person activities are being conducted underneath the garden patio tent and front portico. All participants have their temperatures taken, are screened, are required to sign in and must adhere to the revised Code of Conduct and written guidelines addressing social distancing and sanitizing before and after the activity.*

She commented that the budget is being kept mostly status quo, but there was an addition of a budget stabilization account this year. She stated that OPC staff will take advantage of the building closure by completing capitalization projects that are very difficult to do when the building is fully occupied.

Mr. Soave *reported that the budget for 2021 assumes a slow roll out. He explained that when OPC is able to reopen by October 1, 2020, there will be a very detailed plan in place addressing how many people can be in the facility at one time. He explained that income is shown to be way down in the budget and that is because class sizes are restricted and a lower number of classes are being offered. He stated that should class size increase, revenue and expense should increase too.*

He mentioned that employment is stable but to accomplish this almost all of the 100 part-time employees had to be furloughed in March. He stated that the only part-time employees working are those handling essential services in the kitchen and transportation areas and that salaried people are running everything else. He noted the furloughed people will not be brought back until there is work for them to do.

President Deel *thanked OPC for their very valuable role in continuing to*

provide services to the seniors during COVID.

Council Discussion:

Vice President Bowyer offered congratulations to both Ms. Cortright and Mr. Soave on getting the OPC Millage passed and for maintaining service to in-need seniors during the pandemic. She shared her appreciation of the virtual activities being offered to keep seniors active and involved while they are stuck at home.

Mr. Hetrick stated that having a fund balance that is maintained at the minimum level during the pandemic is an indication that OPC will be financially sustainable for the foreseeable future. He thanked Ms. Cortright and Mr. Soave for all their hard work in serving the senior population.

President Deel pronounced that a Public Hearing will be held on this Agenda item Monday, September 14, 2020.

Discussed: O.P.C. Millage Fund.

- 2020-0308** 2021 OPC Proposed Budget and the 2022-2023 Projected Budgets
a. Presentation
b. Adoption of Resolution acknowledging receipt of the 2021 Proposed Budget and establishing a Budget Public Hearing for September 14, 2020

Attachments: [09212020 Agenda Summary.pdf](#)
[09142020 Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[08172020 Budget Presentation Schedule.pdf](#)
[08102020 Agenda Summary.pdf](#)
[FY 2021-23 - OPC Budget Package.pdf](#)
[08102020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

See Legislative File 2020-0321 for Discussion.

Discussed: O.P.C. Operating Fund.

Enactment No: RES0249-2020

Whereas, at the August 10, 2020 City Council Meeting the OPC 2021 Proposed Budget was delivered for the Fiscal Year beginning October 1, 2021.

Whereas, at the August 10, 2020 City Council Meeting the City Council set the Budget Public Hearing date for September 14, 2020.

Resolved, that the Rochester Hills City Council acknowledges receipt of the OPC 2021 Proposed Budget for the Fiscal Year beginning October 1, 2021 and hereby gives notice of Public Hearing to be held at 7:00 p.m. on Monday, September 14, 2020 at the Rochester Hills City Hall, 1000 Rochester Hills Drive, for the purpose of discussing the OPC 2021 Budget and providing opportunity to all interested parties to present comments thereon prior to formal adoption by the Rochester Hills City Council.

Be It Further Resolved, that the publication of the Notice of Public Hearing is hereby

authorized.

2020-0321 Discussion - Special Revenue Funds (200's) - 2021 Budget

Attachments: [081720 Budget Presentation Schedule.pdf](#)

Joe Snyder, Chief Financial Officer, introduced **Ron Jewell**, Rochester Avon Recreation Authority (RARA) Executive Director.

Mr. Jewell stated that at the time this Fiscal Budget was submitted, RARA was largely shut down per Executive Order 2020-110. He stated that programs and services represented in this Budget Plan are conservatively projected in anticipation of the Executive Order lifting before 2021 commences. He noted that all RARA services have been impacted in some way due to social distancing and that this has forced a change in how the programs will be implemented.

He stated that revenues have been significantly reduced due to COVID and that expenditures have also been significantly reduced as a result of the anticipated program revenue. He stated that all capital improvements have been deferred for two (2) to three (3) years. He noted that personnel services have been reduced in both administrative costs and program costs in order to reflect the balanced budget. He pointed out that supervisors will undertake more responsibility, most notably in Registration, as staffing in the main office has been reduced significantly. He stated that RARA Administration recognizes that they will take on additional responsibilities due to the consolidation of services and is in the process of reviewing new software programs to assist them.

Mr. Snyder provided the following updates:

- The Grand Total of the 2021 RARA Expenditure Budget is \$1.765 million and this represents a 32 percent reduction from FY2020.
- The Grand Total proposed for the FY2021 RARA Revenue Budget is \$1.769 million and this represents a 36 percent reduction from FY2020.
- In summary, it is proposed for RARA expenditures to exceed RARA revenues by about \$3000. The balanced Budget represents a proposed contribution into the RARA Fund Balance of approximately \$3000 at year's end.
- RARA ended FY2019 with \$365,000 in Fund Balance. RARA's Administration and the City have been continually monitoring the current FY2020 Budget. RARA Administration has been very aggressive in reducing FY2020 expenditures to minimal levels in order to balance out the anticipated reduction from program revenue this year. At this point it is projected, that at year's end, there will be very little impact on RARA's Fund Balance as the expenditures are anticipated to be reduced to the levels of revenue that are still anticipated this year.
- RARA's Fund Balance Policy calls for a fund balance to be maintained at a minimum of 20 percent of annual operating expenditures. For FY2021, the proposed Budget is \$1.7 million in expenditures, the corresponding Fund Balance minimum to maintain it is approximately \$350,000. It is anticipated RARA will be at its minimum Fund Balance target at the end of 2020 and will continue to operate with the structural surplus enabled to maintain that minimum

target balance moving forward.

- Many thanks to Mr. Jewell and the rest of the RARA staff who took the initiative very early on and did what they needed to do to maintain RARA's operation for the next few years. It is anticipated that RARA will be back up to full speed as soon as we get through the pandemic.

President Deel commended Mr. Jewell and staff for doing such a great job, especially since RARA receives the majority of its operating revenue from its programs and activities which had to be severely reduced because of COVID restrictions.

Council Discussion:

Ms. Mungoli stated that while the numbers are great on paper, the impact that this had on the community and users is significant. She stated she is grateful that they were able to balance the Budget, and she is aware that some painful cuts had to be made to do it. She pointed out RARA staff is being cross-trained for different roles and they are ready for RARA to open back up. She thanked Mr. Jewell for his leadership and creativity in adjusting to the current situation. She encouraged those interested to check RARA's Facebook page. She thanked Mr. Snyder for his work in helping to make sure the Budget was balanced going into 2021.

Vice President Bowyer thanked Mr. Jewell for his hard work, implementing new ideas and his dedication in keeping things going in these challenging times.

Mr. Jewell responded that RARA is ready to bring everything back inside the building when things return to normal. He stated they had to think outside the box and adapt programs so they could be conducted outside in the parking lot and in tents. He mentioned that many new programs will be available within the next few weeks. He stated he hopes to be back in the building by December, 2020.

President Deel encouraged all to check out RARA's gym when it reopens. He stated it is budget-friendly, well-equipped, and a great way to get back into shape after being stuck at home.

Discussed: R.A.R.A. Millage Fund.

2020-0309

2021 RARA Proposed Budget and the 2022-2023 Projected Budgets

a. Presentation

b. Adoption of Resolution acknowledging receipt of the 2021 Proposed Budget and establishing a Budget Public Hearing for September 14, 2020.

Attachments: [09212020 Agenda Summary.pdf](#)
[09142020 Agenda Summary.pdf](#)
[Public Hearing Notice.pdf](#)
[08172020 Budget Presentation Schedule.pdf](#)
[08102020 Agenda Summary.pdf](#)
[2021-2023 RARA Budget Package.pdf](#)
[08102020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

See Legislative File 2020-0321 for Discussion.

Discussed: R.A.R.A. Operating Fund.

Enactment No: RES0250-2020

Whereas, at the August 10, 2020 City Council Meeting the RARA 2021 Proposed Budget was delivered for the Fiscal Year beginning January 1, 2020.

Whereas, at the August 11, 2020 City Council Meeting the City Council set the Budget Public Hearing date for September 14, 2020.

Resolved, that the Rochester Hills City Council acknowledges receipt of the RARA 2021 Proposed Budget for the Fiscal Year beginning January 1, 2020 and hereby gives notice of Public Hearing to be held at 7:00 p.m. on Monday, September 14, 202 at the Rochester Hills City Hall, 1000 Rochester Hills Drive, for the purpose of discussing the OPC 2021 Budget and providing opportunity to all interested parties to present comments thereon prior to formal adoption by the Rochester Hills City Council.

Be It Further Resolved, that the publication of the Notice of Public Hearing is hereby authorized.

2020-0299

Mayor's 2021 Proposed Budget and the 2022-2023 Projected Budgets

- a. Presentation
- b. Adoption of Resolution acknowledging receipt of the 2021 Proposed Budget and the 2022-2023 Projected Budgets and establishing a Budget Public Hearing for September 14, 2020

Attachments: [09212020 Agenda Summary.pdf](#)
[09142020 Agenda Summary.pdf](#)
[Budget Questions-Responses.pdf](#)
[Public Hearing Notice.pdf](#)
[08172020 Agenda Summary.pdf](#)
[08172020 Budget Presentation Schedule.pdf](#)
[08102020 Agenda Summary.pdf](#)
[08102020 Resolution.pdf](#)
[Resolution \(Draft\).pdf](#)

Joe Snyder, Chief Financial Officer, presented an overview of the City of Rochester Hills Proposed 2021-2023 Budget Plan.

He noted that key components in budget development included the following:

- The Budget Plan Includes FY2020, FY2021 and FY2022. FY2021 and FY2022 of the current Budget Plan helped to set the foundation for the 2021-2023 Three-year Budget Plan.
- The Capital Improvement Plan identifies and prioritizes the capital needs City-wide over the upcoming six (6) years
- The Seven-Year Financial Forecast was first presented in early May, 2020 with some initial projections of the impact of COVID for this year and into the future. It was presented again in July, 2020 with updated and largely improved projections.
- The Strategic Planning and Technical Review Committee's FY2021 Goals and Objectives.

- *The Governmental Fund Balance Reserve Policy.*

An overview of the proposed Budget included the following:

- *Based on the most up-to-date estimates and assumptions.*
- *Continuing to budget conservatively which means that revenues and expenditures are realistic. This continues to ensure that we can responsibly deliver what is proposed in this Three-year Budget Plan. It also helps to mitigate some of the financial impact of COVID.*

Proposed Expenditures include:

- *A total of \$159 million in expenditures, representing a reduction of eight percent as compared to the current FY2020 Budget. It is comprised of:*
- *Public Services is 29 percent of the Budget expenditures, or \$46 million.*
- *Public Safety is 17 percent of the Budget expenditures, or \$27 million.*
- *Capital Outlay is 18 percent of the Budget expenditures, or \$29 million.*
- *The above three (3) categories comprise 64 percent or over \$102 million of this \$159 million Budget Proposal.*

He noted this represents the City's commitment towards public safety (City Council's Goal #1), fiscal management (City Council's Goal #2) and infrastructure management (City Council's Goal #3).

He pointed out that over \$10 million of the \$29 million for the proposed Capital Projects for next year is for water and sewer infrastructure, including water main replacements at Tienken Manor Estates, the Grosse Pines subdivision and an Oakland-Macomb Interceptor District Sanitary Sewer Assessment. This is a trend that will continue over the next ten (10) to 20 years as the current water and sewer infrastructures are replaced.

Mr. Snyder stated that \$6 million of major road work is proposed including Hamlin Road Reconstruction from Adams to Crooks, Butler Road Rehabilitation and the Avon/Dequindre/23 Mile Road Relocation Project. He stated that \$5 million of local street work is the Local Street Rehabilitation Program.

He stated that \$5 million is proposed for facilities improvements, including the playground construction at Innovation Hills. He noted that next year's budget includes the construction of the South Loop Boardwalk at Innovation Hills and an equipment maintenance barn. He stated that the reconstruction of the Borden Park office to a more centrally located area of the park is also proposed.

He mentioned that approximately \$1 million is allocated to replace 17 City fleet vehicles and equipment and \$700,000 to fire capital for turn-out gear replacement, heart monitors and four (4) administrative vehicles.

Mr. Snyder pointed out that the FY2021 City-wide Budget proposes \$133 million in revenue which represents a three percent reduction compared to the revenue budget for FY2020 as the City is trying to be very conservative in revenue estimates. He noted that some of the major proposed revenues include service charges such as water and sewer charges and building department fees.

He stated that the City is proposing a slight millage increase for next year to 10.5501 on the December 2021 tax levy for FY2021. He pointed out that this is a slight increase of 0.0905 mill and this is due to the recent passage of the OPC Millage in August, 2020.

He mentioned that Intergovernmental Revenue, such as State Shared Revenue and Act 51 gasoline tax for the roads, are projected to be down slightly this year because of COVID and the City will be very conservative on the projected growth of these two (2) items. He noted that other revenue items, such as investment earnings, will be low for some time because of the very low interest rates that are in place currently.

Mr. Snyder pointed out that the overall annual operating revenue is proposed to exceed annual operating expenditures by the difference of the amount from Fund Balance (\$26 million) versus the amount of Capital Outlay (\$29 million). He noted that this equates to a \$3 million operating surplus proposed for FY2021. He stated again that the City will continue to budget conservatively.

Mr. Snyder reviewed the various funds, noting the following:

- The General Fund Budget for FY2021 is proposed at \$25 million and any funding above 80 percent of annual expenditures is transferred out to the Capital Improvement Fund. Over the past ten (10) years, from 2010-2019, the General Fund exceeded the City's original budget revenue estimate by an average of four percent which equates to approximately \$1 million of extra revenue. The City has also come in under budget on expenses by an average of five percent which equates to approximately \$1 million that is unspent. More revenue, less expense is called a Positive Budget Variance and yields over \$2 million per year to the General Fund.
- The Capital Improvement Fund for FY2021 is \$4.4 million with the structural surplus in excess of 80 percent transferred in from the General Fund. Some significant capital projects for FY2021 include the Innovation Hills playground, South Loop Boardwalk and maintenance barn, the Borden Park office and scheduled HVAC system replacements.
- A specific minimum fund balance target is not set for the Capital Improvement Fund, but the goal is to make sure the Fund does not go below \$2 million. If the forecast ever shows the balance dropping below that, the City will not proceed with projects until the minimum level can be secured. Several Parks and Facilities projects are projected for 2022 and beyond, but they will be continually reviewed and planned for based on projects included in the Capital Improvement Plan (CIP) as well as the Capital Improvement Fund projected funding levels.
- The Major Road Fund for FY2021 is proposed at \$9.6 million. Some of the significant projects scheduled for 2021 include Hamlin Road reconstruction from Adams to Crooks, the rehabilitation of Butler Road and the Avon/Dequindre/23 Mile Relocation Project. On the radar for 2026 is the widening of Adams Road between Hamlin and Walton.
- The Local Street Fund for FY2021 is proposed at \$10.3 million. Some of the proposed capital projects scheduled include the \$5 million annual Local Street Rehabilitation Program. The annual transfer-in from the General Fund is 25 percent of annual expenditures. The Local Street revenues and expenditures

are budgeted conservatively.

- The Fire Operating Budget for FY2021 is proposed at \$13 million. The Fire Millage is proposed to be kept status quo at 2.70 mill throughout the forecast. The annual transfer from the Fire Operating Fund to the Fire Capital Fund is an amount to maintain the Fire Operating Fund balance at 25 percent of annual expenditures. Fire revenues and expenditures are budgeted conservatively.

- The Fire Capital Fund comes from the Fire Operating Fund balance in surplus of 25 percent of its fund balance level. The Fire Capital Fund budget for FY2021 is proposed at \$1.9 million. Some of the significant projects proposed include turn-out gear replacement, heart monitors and four (4) administrative vehicle replacements.

- The Special Police Fund for FY2021 is at \$10 million. The Police Millage is proposed to be slightly reduced over 2019-2023 to gradually set the Special Police Fund balance to 25 percent of its annual operating expenditures over the next three (3) years per Fund Balance Policy. Once that threshold is hit, the Special Police Millage will be set each year to maintain the Special Police Fund balance at 25 percent of annual operating expenditures.

He stated that included in the FY2021 projections just presented is one (1) full-time position request for a Grounds Maintenance Specialist. This position will be charged to the new Grounds Maintenance Division of the Parks Department within the General Fund. This position will maintain the existing City landscape including City facility entrances, pocket parks, roundabouts, and the landscaping along Auburn Road Corridor and at Innovation Hills. This position will help to enhance the landscaping appearance throughout the City at a level beyond which the City was able to maintain.

He stated there is little change in the FY2021-FY2023 Proposed Budget with the exception of the Building Authority Cost Center (279) in the General Fund and the City Hall Building Debt Fund (393). He noted that the City Hall Debt Service will be completely paid off by April 1, 2021.

Mr. Snyder commented that he feels confident that the projects and the service levels as proposed in this Three-Year Budget Plan are financially realistic, will enhance the quality of life for residents and guests of the City, and not hinder the City's financial future flexibility by reducing the Fund Balance to low levels. He stated the Fund Balance Policy helps the fund balances to be secure by defining parameters on how they should be maintained and managed moving forward. He acknowledged the hard work of his team and thanked City Council for their support of the City's Budget. He stated this Budget Plan is reflective of City Council's goals, objectives and vision. He stated that the Budget builds upon the City's success and is proactive and conservative.

President Deel expressed his appreciation to Mr. Snyder and his team for all their hard work in putting this Budget together.

Council Discussion:

Vice President Bowyer announced that because of the times being so uncertain on account of COVID, City Council will be flexible on the Budget. She asked if Council should re-ask the questions they asked earlier or if, for the

record, the Directors would just give answers to those questions already asked.

Mr. Snyder replied that the same 14-page document provided to City Council will be made part of the Legislative File. He stated that anything over \$25,000 will be coming to City Council for approval even if it was already approved in the Budget presented tonight.

Mr. Hetrick stated that the Fund Balance Policy tells both City Council and the residents that the City is doing everything possible to ensure that the City runs in a very financially stable way. He asked what the City can expect from Act 51.

Mr. Snyder stated that there are more cars on the road now than there were during shut down and that is a positive sign. He stated that June, 2020 was actually right where June, 2019 was and, while that is very encouraging, the numbers for the 2021 Budget are still ten (10) percent below what the City received in 2019. He pointed out that ultimately it depends on how many people are filling up at the pump.

Ms. Mungoli inquired about the City tax increase.

Mr. Snyder responded that the overall millage rate was increased because of the OPC Operating Levy. He noted that the tax value of the City has grown and that is why the dollar amount increase has grown.

Ms. Mungoli questioned if the dollar amount increase was referring to the OPC Millage increase or an increase in taxable value.

Mr. Snyder explained it was referring to both. He stated voters approved the OPC Millage increase from 10.4605 to 10.55. He noted that, additionally, the taxable value of the City has grown so tax values will rise proportionately.

Ms. Mungoli commented that when voters voted for the OPC Building Bond they did so expecting it to expire at the end of 2021. She expressed concern that this money will be rolled into the General Operating Fund when the Bond has expired. She stated that this could be seen as a tax increase.

Discussed.

Enactment No: RES0248-2020

Whereas, the City of Rochester Hills City Council has worked to develop City Goals for the Fiscal Year 2021; and

Whereas, based on those City Goals, the 2021 Proposed Budget and the 2022-2023 Projected Budget was developed; and

Whereas, at the August 10, 2020 City Council Meeting, the Mayor delivered the 2021 Proposed Budget and the 2022-2023 Projected Budget Plan for the Fiscal Year beginning January 1, 2021; and

Whereas, at the August 10, 2020 City Council Meeting, the City Council set the Budget Public Hearing date for September 14, 2020.

Resolved, that the Rochester Hills City Council acknowledges receipt of the 2021 Proposed Budget and the 2022-2023 Projected Budget and hereby gives notice of Public Hearing to be held at 7:00 p.m. on Monday, September 14, 2020, at the Rochester Hills City Hall, 1000 Rochester Hills Drive, for the purpose of discussing the 2021 Budget and providing opportunity to all interested parties to present comments thereon prior to formal adoption by the Rochester Hills City Council.

Be It Further Resolved, that the publication of the Notice of Public Hearing is hereby authorized.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0299 for Discussion.

Discussed: GENERAL FUND REVENUE; MAYOR'S DEPARTMENT: Mayor's Department, Accounting, Legal Services, Treasury, Media Division, Building Authority, Street Lighting, Community Development Block Grant, Community Events; GENERAL FUND TRANSFER OUT.

2020-0322 Discussion - Debt Services Funds (300's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0299 for Discussion.

Discussed: DEBT FUNDS.

2020-0323 Discussion - Capital Funds (400's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0299 for Discussion.

Discussed: Capital Improvement Fund.

2020-0324 Discussion - Water and Sewer Funds (500's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0299 for Discussion.

Discussed: Solid Waste Fund.

2020-0325 Discussion - Internal Service Funds (600's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0299 for Discussion

Discussed: Insurance Fund.

2020-0326 Discussion - Trust and Agency Funds (700's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0299 for Discussion

Discussed: Retiree Healthcare Trust Fund.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

Mr. Snyder introduced **Laurie Taylor**, Assessing Director, and **Karen Somerville**, Deputy Assessing Director.

Ms. Taylor reported that after four (4) years of negative adjustments to the taxable value, the City has seen eight (8) years of positive increases. She stated that the City saw a taxable increase of 4.2 percent, up from the 3 percent taxable increase budgeted for FY2021. She stated that an increase of 2.5 percent for FY2022 and FY2023 is anticipated and that this helps fund all the budgets supported by a millage. She reported that in 2008 both taxable and assessed values reached a pre-recession peak and in 2020, the City has exceeded those numbers.

Ms. Somerville announced that Rochester Hills continues to experience a strong real estate market and if the market takes a downturn, the City has a cushion before it will be negatively impacted. She mentioned that because of the strong real estate market, the City has experienced a 5.6 percent annual increase in the average residential sales price since 2010. She noted that the Auburn Road Corridor has seen an even greater return at eight (8) percent over the last 24 months. She stated there has been a dramatic decline in the number of Board of Review appeals which are down 94 percent from 2009. She stated foreclosure numbers have also dramatically declined from 364 in 2010 to two (2) this year, showing a 99 percent decrease.

Ms. Taylor stated that she and Ms. Somerville are proud to represent the City's Assessing Department. She mentioned the Department is a five (5) member team with 130 years of experience between them. She pointed out that all of the members are certified with the State of Michigan.

President Deel commented it is fantastic to see both a strong real estate market and taxable and assessed values that provide the City with a cushion.

Vice President Bowyer expressed how great it was for the Auburn Road Corridor homeowners to see such a huge increase in their property values.

PLANNING DEPARTMENT

Sara Roediger, Planning & Economic Development Director, introduced **Pam**

Valentik, Economic Development Manager, and Kristen Kapelanski, Planning Manager.

Ms. Kapelanski, reported the Planning Department is working with existing businesses like Target, the Rochester Hills Plaza Shopping Center and Johnny Blacks on enhancements to their establishments. She stated a range of housing options were finalized in the past year including over 200 multi-family units and 82 single-family homes. She mentioned that one positive outcome of COVID is that it has jump-started the development of full electronic plan reviews and the implementation and continued development of the BS&A traffic system. She mentioned the Department is also working on a number of zoning ordinance amendments to increase public awareness of proposed projects, to incorporate more open space into development, to focus development on targeted corridors, and to address implementation issues existing in the current zoning ordinance.

Ms. Valentik announced that this year marked by the pandemic has been a difficult year for the City's businesses as they are requiring many different needs and services from the City. She stated that the City quickly responded to community businesses and rolled out a number of programs, including working with multiple departments and City Council to adopt a COVID-19 Business Special Permit Program which allowed businesses flexibility in their operations during this difficult time. She noted that the Economic Development Team is focused on bringing quick responses for economic stability. She noted the City also distributed Personal Protection Equipment (PPE) kits and Stability and Recovery Grants to many small businesses. She mentioned that the City has held virtual meetings and webinars and worked with businesses to donate support and supplies to the First Responders. She stated the City has strengthened its partnership with the Michigan Economic Development Corporation (MEDC), Oakland County and the Rochester Regional Chamber of Commerce (RRCC).

Ms. Roediger reported that they have received their Redevelopment Ready Communities (RRC) certification from the MEDC and are very excited to begin work with them. She announced that for the second year in a row, Planning has received an award from the Michigan Association of Planning and that this year it was to acknowledge the great work in the Brooklyns District and on receiving the Urban Design Award. She stated that both public and private investment continues in the Brooklyns. She shared that the Brooklyns has seen an eight (8) percent annual increase in property values which is an increase of almost 40 percent more than the City has experienced in the last two (2) years. She stated that plans for the future include enhanced gateways, streetscapes and the City's overall transportation system. She stated that Planning looks forward to working with City Council to support quality development and quality of life in Rochester Hills for many years to come.

President Deel commented that it is great to see how quickly the City is reaping the benefits of investing in the Auburn Road Corridor.

Council Discussion:

Ms. Mungoli questioned whether the Brooklyns/Auburn Road Corridor residents will see their property taxes increase since the value of their home has increased eight (8) percent.

Joe Snyder, Chief Financial Officer, responded that if a resident remains in the same house, their property taxes would not go up any higher than the rate of inflation. He noted that when the property is sold, it will then be recapped at the higher taxable value. He stated that while the property values for the residents of the Brooklyns/Auburn Hills Corridor district have gone up eight (8) percent last year, the amount they will pay in taxes will only rise about two (2) percent.

Ms. Mungoli commented that while all the new construction occurring in the Brooklyns district is great, it is important that the residents continue to feel comfortable in their home and community.

Discussed: ASSESSING: Assessing, Board of Review; PLANNING DEPARTMENT: Planning Commission, Planning Department, Zoning Board of Appeals.

2020-0327 Discussion - Component Units (800's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0320 for Discussion.

Discussed: Historic Districts Commission, Brownfield Redevelopment / Legacy, Local Development Finance Authority.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

BUILDING/ORDINANCE/FACILITIES

Tim Hollis, Deputy Director, introduced **Scott Cope**, Building/Ordinance/Facilities Director, **Gary Nauts**, Facilities Manager and **Bob White**, Ordinance Manager.

Mr. Hollis stated that when the Governor issued the Stay-at-Home order in March, 2020, the Building Division worked from home answering phone calls and emails and reviewing building plans to prepare them for permit issuance. He mentioned the Division also implemented on-line services for customers such as virtual inspections. He pointed out that these on-line services allow the customers to do most business on-line without the need for in-person contact.

Mr. Nauts shared that as the Facilities Manager, he was here every day with the Facilities team to ensure the buildings were maintained, safe and inspected. He noted they tirelessly worked with the Purchasing Department to secure Personal Protection Equipment (PPE), sanitizer, masks, gloves and all protective supplies. He mentioned the Return to Work video was formed with representation from all City departments.

Mr. White shared that during the initial Stay at Home order, the Ordinance staff

worked from home and stayed in touch with residents and businesses by monitoring voice mail and email and responding to questions and concerns. He pointed out that inspections and licensing were completed for all the City waste haulers to ensure their safe operation in the neighborhoods. He noted that the spring Home Owners Association (HOA) Forum was held virtually in May, 2020; and the next one is scheduled for October 22, 2020 at 6:30 p.m.

Mr. Hollis reported that on May 7, 2020 the construction industry returned to work after a six (6) week shutdown which amounts to approximately 25 percent of the first six (6) months of the year. He stated that due to the shutdown, the total number of permits issued for the first six (6) months of the year is 30 percent less than in 2019, with inspections being down 25 percent as well. He mentioned that the number of phone calls and counter visits are also lower but this is partly due to people getting more information on-line. He stated that revenues are only seven (7) percent lower and the Department expects to meet the revenue projection for this year. He noted that new house permits are up by 28 percent compared to this time last year.

Mr. Nauts reported that Facilities has installed sneeze guards at customer counters and they disinfect the building restrooms and touch points three (3) times daily. He stated that signage has been installed to maintain safe social distancing and that sanitation stations have been provided at all building exit points and department counters. He noted that Clorox sanitizing machines have been purchased to disinfect all departments after business hours and that waste baskets have been strategically positioned for disposal of masks. He stated that protective sneeze guards have been installed at the Council dais.

Mr. White reported that when staff returned to work in June, 2020 they were greeted with a pile of complaints that had accumulated during the Stay at Home order and in just one (1) week his staff checked through all of them. He stated that temporary sign permits were waived and only those issues that presented a definite safety hazard were addressed. He mentioned the Ordinance staff, along with Planning and Engineering and the Fire Department, processed Special Event Permits in 48 hours.

Mr. Hollis stated that there are several larger projects that will begin or resume construction this year including Rochester Hills Trio, Von Maur, Legacy Apartments and Redwood Apartments. These places along with the many new homes that are being built will continue to make Rochester Hills the preeminent place to live, work and raise a family. They have accelerated their electronic plan review process and are working to be as paperless as possible by the end of this year.

Mr. Nauts commented that the Facilities staff is hard at work with things like replacing a balcony, putting up scaffolding, removing snow, directing visitors where to go, setting up tables, running cable, responding to emergencies with a sense of urgency, replacing a light, locking up for the night, setting up for elections, and building inspections.

Mr. Cope remarked that he is proud of the team and what they have accomplished the past six (6) months. He stated that the proposed

FY2021-2023 Building Department Budget reflects a conservative approach to revenues and expenses that will provide the City with the tools needed to continue to provide the best possible service to residents and customers.

***President Deel** expressed appreciation to the team for their ingenuity in devising virtual inspections. He thanked them for installing the PPE on the City Council dais.*

Council Discussion:

***Vice President Bowyer** thanked them for their dedication and hard work.*

***Mr. Cope** commented that Purchasing shares in these commendations as they worked tirelessly with his team to get all the COVID safety measures in place.*

***Mr. Blair** stated the word “customer” was used several times in their presentation to refer to residents and contractors who are calling on the City for a service. He commented that “customer” was a very appropriate word to use because it is a reminder to City staff that residents and contractors are customers and to keep the quality of customer service offered to them outstanding.*

***Ms. Mungiola** thanked Mr. Cope and his staff for ensuring that Rochester Hills was one of the communities that did not shut down but could remain open and continue to provide services to its residents and businesses in an innovative way.*

CLERKS

***Tina Barton**, City Clerk, stated that less than two (2) weeks ago in the midst of many unknowns and unforeseens, the Clerk’s office administered an unprecedented Primary Election safely, securely and accurately. She commented that how and when people vote has forever changed and the Clerk’s Office is prepared to provide safe, fair and accessible elections.*

She explained that currently the Clerk’s Office has hundreds of boxes that are stored off-site for which a fee is charged for storage, retrieval and to return back to storage. She noted that on-site storage has caused the files to be full and overflowing. She stated that the proposed document management scanning and hosting service will make many processes more efficient, transparent, accessible and beneficial to both the public and the City. She explained that fewer staff hours will have to be spent searching for files and that once the documents are scanned in, they can be easily searched by topic, name, parcel identification numbers and many other fields. She noted this equipment will deliver a direct cost savings in document storage, retrieval and distribution, as well as have a ripple effect from operations to customer service. She remarked that many communities have been using this equipment for years and, as a community that prides itself on innovation and accessibility, Rochester Hills needs to move forward with this technology.

***President Deel** expressed appreciation to Ms. Barton and her staff for their*

great work covering elections and helping City Council do its job.

Public Comment:

Lee Zendel, 1575 Dutton Road, questioned when the City stopped microfilming records put into storage.

Clerk Barton responded that Clerk's Office records are stored in the vault, file cabinets or off-site; none are microfilmed.

Council Discussion:

Vice President Bowyer concurred that the City is very behind on file storage and that it is time to get this technology up and running. She thanked Clerk Barton for doing a great job running the election in the middle of a pandemic. She encouraged people to sign up to be election workers.

Mr. Hetrick stated it is great news that the Clerk's Office will be digitizing so it can produce information for residents in a very swift and efficient way.

Clerk Barton commented that this was something Former City Council President Hooper really wanted to see the City implement and she sent him a message informing him that it was finally being proposed in the Budget.

President Deel stated that the initial scanning to digitize records is a lot of work, but it will be well worth the effort. He inquired what the cemeteries were doing during the pandemic.

Clerk Barton responded that the cemetery workers were considered essential workers so they were working all through the shutdown, but only performing essential services. She noted that in March, April and May when there was a rise in burials, the biggest challenge the cemetery workers experienced was having no or very few family members present at the burial. She stated that at this time they are not using the chapel but are holding small services.

Discussed: BUILDING / ORDINANCE / FACILITIES: Building Department, Ordinance Compliance, Weed Control, Facilities Fund; **CLERKS:** City Council, Elections, Clerk's Department, Cemetery.

2020-0326 Discussion - Trust and Agency Funds (700's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0320 for Discussion:

Discussed: VHJSC Cemetery Perpetual Care Trust.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

HUMAN RESOURCES

Pamela Gordon, Human Resources Director, stated she has a very hard-working and dedicated team of HR professionals. Ms. Gordon recognized **Helen Sultana-Kelly**, Human Resources Program Coordinator, **Leslie Quarrington-Turnbull**, Human Resources Advisor, **Courtney Coyle**, Human Resources Management Analyst, **Shannon Smith**, Department Associate, and **Charlotte Howell**, Human Resources Associate.

She stated that one of the most impactful things learned from this pandemic is that we can operate remotely and still get things accomplished. She reported that Human Resources (HR) has provided on-going guidance and support to the workforce on COVID-related issues. She stated they have developed policies and processes for Federal COVID mandates, coordinated temporary furloughs and unemployment claims, and expedited implementing the Learn System in order to deliver COVID and other training to staff while working remotely. She stressed HR has played a key role in the City's Return to Work Taskforce and in preparing the City's State-mandated Response and Preparedness Plan allowing employees to return to work safely. She reported that since March, 2020 HR has managed over 45 employee exposure incidents which has helped to limit positive COVID-19 cases in the City's work force. She reported there were a handful of firefighters, but only one (1) general employee who tested positive despite the recent increase in cases. She stressed City employees are wearing masks and social distancing which helps to keep us all safe at work. She stated that with City Council's established work force objectives and HR's vision and effective service delivery, the City can maintain and support a talented and engaged work force. She reported that in 2021, HR will review the City's compensation philosophy and update the salary schedule which was first implemented in 2017. She mentioned that next year the focus will be on supervisor training and development with courses delivered on-line through HR's Learn System. She stated that HR will work with Administration to refine the employer brand and promote Rochester Hills as an employer of choice both on our new website and across social media platforms. She stressed that even with limited workplace access due to COVID, Rochester Hills employees are resilient and resourceful and can utilize technology to support remote work and maintain City operations even during a state of emergency.

President Deel expressed appreciation to Ms. Gordon and her staff for their work in keeping the City work force safe and informed during the pandemic

Council Discussion:

Ms. Mungoli remarked that the pandemic has taught us that working from home can be done. She stated HR and MIS should work together and put in place enablers so more employees have to option to work from home. She emphasized this would aid the City in hiring future employees, some of whom are from a different generation and have a different dynamic about what they expect in the work place. She stressed that if the City of Rochester Hills is to remain a workplace of choice, it needs to offer a flexible work environment with the option to work at home at least one day a week.

Ms. Gordon responded that she is turning in the After Action Reports to the Mayor and that information will be compiled and made available to Council.

Discussed: HUMAN RESOURCES: Human Resources Department.

2020-0325 Discussion - Internal Service Funds (600's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

MIS

Kevin Krajewski, Information Systems Director, introduced **Rochelle Lyon**, Deputy Information Systems Director, who was in attendance to present the MIS Budget.

Mr. Krajewski reported that this year has presented many challenges which could not have been foreseen and he is extremely proud of the way his team quickly reacted to these the challenges in this unprecedented situation. He stated that overnight MIS enabled almost the entire City workforce to work from home which was no small task considering the wide assortment of equipment involved, the different home environments and the tech support challenges that created. He pointed out cyber attacks have increased greatly and with all the increased security risks, his team was able to keep the City's systems safe and secure. He stated that they did not do this alone and he thanked City staff for participating in the Security Awareness Program. He pointed out that while other cities were having problems with virtual meetings, Rochester Hills was able to conduct them smoothly and securely which was critical for the continued operation of the City government. He stated he appreciates the trust shown to MIS over the years and they are ready to take on the challenges that next year may bring.

Council Discussion:

President Deel thanked Mr. Krajewski and staff for all their hard work, especially during the pandemic. He questioned when the new website would be available on-line.

Mr. Krajewski responded that it would be up and running shortly after Labor Day.

Mr. Blair stated that the MIS Department's job is getting consistently more difficult as the prevalence and severity of cyber threats increase daily. He stated that the challenge this presents has been greatly met by Mr. Krajewski and his team of experts.

Discussed: MIS: MIS Fund.

2020-0321 Discussion - Special Revenue Funds (200's) - 2021 Budget

Attachments: [081720 Budget Presentation Schedule.pdf](#)

SPECIAL POLICE FUND

Captain Bart Wilson, Oakland County Sheriff's Office, mentioned that he has been in law enforcement 31 years. He recognized **Lieutenant Jose Tovar**, Patrol Services Lieutenant, and **Lieutenant Russel Yeiser**, Detective Lieutenant. He reviewed the statistics for 2019 police activities:

- Sixty (60) personnel are assigned to Rochester Hills in various positions at the Sheriff's Office.
- There are over 34,000 calls yearly which, when broken down, is approximately 90 calls in one 24-hour shift.
- False alarm calls have gone down and are at a record low.
- Crimes are broken up into two (2) classes - Part A and Part B. Part A crimes are more serious crimes like felonies and serious assaults and they are down. Part B crimes are less serious crimes like larceny or simple assaults and they are also down.

He noted the Budget and the Substation are both on solid ground.

He mentioned the Sheriff's Office is consistently preaching community service and public relations. He gave accolades both to the officers who patrol the City streets and to the citizens for making Rochester Hills the Safest City in Michigan. He thanked the City of Rochester Hills for its above par work ethic, professionalism and competence.

Council Discussion:

President Deel noted the Substation is very responsive to residents and City Council. He thanked Captain Wilson and the officers for all their fine work.

Vice President Bowyer welcomed Captain Wilson and thanked him and his staff for their dedication and commitment in keeping the City's streets safe.

Ms. Morita commended Captain Wilson and his staff for giving perspective and assistance to Avondale Youth Assistance. She mentioned that police dog, Taser, is a hit and well-loved by all.

Discussed: SPECIAL POLICE FUND: Special Police Fund.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0321 for Discussion:

Discussed: Crossing Guards.

2020-0321 Discussion - Special Revenue Funds (200's) - 2021 Budget

Attachments: [081720 Budget Presentation Schedule.pdf](#)

FIRE DEPARTMENT

- Fire Department Fund (206)

Chief Sean Canto, Fire Chief/Emergency Services Director, reported that the Rochester Hills Fire Department does all it can to ensure the best possible service to residents through smart, well-trained, dedicated and hard-working members. He emphasized the Department values the public's trust and is committed to honest and ethical behavior. He recognized all the members who are out there each and every day serving the community. He stated the Department's decisions are based on three (3) things: 1) What is best for the community; 2) What is best for the Department; and 3) What is best for the members of the Department.

He noted the following highlights:

- As of August 12, 2020 the response time to priority incidences is five minutes and six seconds.
- The Rochester Hills Fire Department is a leader in the Oakland County Fire Service.
- Although there was a slight decrease in service calls, the seriousness of the call was on the rise.

Chief Canto listed the Department's goals, noting the following:

- Adoption of the updated Fire Code.
- Continue to evaluate and improve the Fire Life Safety Education Programs.
- Continue to implement the Pre-Plan Program and to develop a second plan within the Division.
- Health and safety training of personnel through innovative training, new modern protective gear, and a continued comprehensive occupational medical program.
- Provide the highest level of service to the community such as aggressive firefighting, emergency medical services, and community risk reduction.
- For this year, working through the pandemic.
- Improve the residents' quality of life.
- Continued focus on the evaluation of the deployment model, resources and service delivery.

He noted one of the challenges for the future is taking on new responsibilities such as technical rescue, hazard materials and active shooter training. He noted that fire service is not only to respond to emergency incidents, but also to proactively prevent or mitigate the impact of such incidents within the community. He stated that community risk reduction provides a more focused approach to reducing specific risks and that a comprehensive community risk reduction program allows the firefighters to partner with the community to create an organizational culture that recognizes the importance of reducing risks.

Chief Canto thanked City Council for their support and for prioritizing public safety.

Council Discussion:

President Deel thanked Chief Canto and the fire fighters for their dedication and

commitment.

Mr. Hetrick stated that Chief Canto's leadership over his tenure at the Rochester Hills Fire Department is outstanding.

Ms. Mungoli inquired if those in his Department who had COVID are back to work and healthy.

Chief Canto responded there is still one (1) individual who has not returned to work yet.

Ms. Mungoli remarked that she received an invitation along with President Deel to participate in Fire OPS 101 with the Rochester Hills Fire Department in October. Fire OPS 101 is an all-day event developed by the International Association of Fire Fighters (IAFF). It is designed to give elected officials an opportunity to experience firsthand what it is like to be a firefighter. She thanked Chief Canto and the firefighters for putting themselves on the front lines.

Vice President Bowyer stated that Ms. Mungoli and President Deel will love taking part in Fire OPS 101. She stated that with the new updated equipment the firefighters will be able to continue to keep the community safe.

President Deel stated that he is looking forward to participating in Fire OPS 101. He thanked Chief Canto for being forward-thinking in terms of technology that can cut response time and save a life.

Discussed: FIRE DEPARTMENT: Fire Department Fund.

2020-0323 Discussion - Capital Funds (400's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0321 for Discussion:

Discussed: Fire Capital Fund.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

D.P.S.

Allan Schneck, Public Services Director, Tracey **Balint**, Public Utilities Engineering Manager, **Jeff Fox**, Roads and Pathways Operations Manager, **Nick Watterson**, Fleet Manager, **Lori Hamilton**, Administrative Services Supervisor were in attendance to present the DPS Budget.

Mr. Schneck announced that Public Services is the combination of personnel, predicted preventative maintenance, asset management, and the capital investment necessary to fulfill its mission to provide essential services that protect public safety, health and welfare, and deliver a high quality of life to the City's residents. He stated that routine and preventative maintenance, along

with smart investment, maximizes the longevity and design-life of the City's infrastructure. He noted that the City invested almost \$30 million in reconstruction, rehabilitation and improvements, as well as \$5 million in this year's water main project. He stated that significant improvements were made City-wide including concrete street improvements on Rosewood in District 1, water main replacement on Tienken Court in District 2, the Crooks Pathway Project in District 3 and John R resurfacing in District 4. He mentioned Constant Contact, a communication app that allows DPS to proactively communicate the status of a construction project on a weekly basis by providing what was completed that week and to take a look at what is planned for the week ahead. He stated that developing people and watching them grow is the best part of his job. He noted that they are an industry-leading team that has award-winning talent and the wherewithal to deliver award-winning projects. He cited Bruce Halliday who was inducted into the Fleet Hall of Fame. He stressed DPS has had an incredible year and has remained in line with City Council's goals and objectives.

Council Discussion:

President Deel questioned which portion of the work in the Avon/Dequindre/23 Mile Road Project is Rochester Hills specifically responsible for.

Mr. Schneck responded that there are two (2) phases to this project. He stated that the first phase will be the roundabout at Dequindre and Avon. He mentioned the Road Commission for Oakland County (RCOC) has secured Federal funds for this project and will pay matching participatory shares with the City. He noted the City will be responsible for any part of the infrastructure that belongs to it such as water main replacement, landscaping or street lighting. He stated that Great Lakes Water Authority will not begin construction on the 96 inch water main that comes down through the City until 2023-2024.

Vice President Bowyer inquired if, based on how revenues come out, DPS has the flexibility to push back any Capital Improvement projects planned for 2021 until a later date.

Mr. Schneck responded that his Department does have that flexibility. He asserted that any projects will be brought before City Council for consideration and approval.

Mr. Hetrick thanked Mr. Schneck for quickly responding to his emails. He stated his quick response helps City Council know how to move forward in this time of uncertainty.

Ms. Mungoli remarked that she has heard several positive comments from neighbors. She stated one neighbor in particular mentioned that when her water pipe broke DPS was very prompt in coming out and identifying the problem. She mentioned that although the issue was a homeowner and not a City issue, Mr. Schneck's staff talked to her neighbor and offered direction on how to get the problem fixed.

Ms. Morita asked for clarification as to why \$545,350 of General Fund money is

being transferred into the Water Resources Fund when it already has \$1,876,660 in it. She stated that upon asking Mr. Snyder that question, he responded that the Water Resources Fund only needs to maintain a \$175,000 balance.

Joe Snyder, Chief Financial Officer, responded that the \$545,350 is the amount of funding from the General Fund needed to break even so the fund balance stays consistent. He stated that per the Fund Balance Policy, the minimum balance to be maintained is approximately \$180,000. He reported that this is a carryover from a few years ago when storm water funding was a big priority. He stated that the idea behind this was to have a funding source ready if a storm water utility was set up.

Ms. Morita asked for further clarification as to why there is \$1,876,660 held in an account that only needs \$175,000 in reserve, yet \$545,350 from the General Fund is being transferred into this account. She inquired why the \$175,000 dollars in reserve cannot be used instead of transferring in \$545,350 from the General Fund. She stated that this money could be used somewhere else.

Mr. Snyder responded that that could be done, but the net impact would be \$545,350 not going to the Water Resources Fund but essentially being redirected to the Capital Improvement Fund.

Ms. Morita noted that that would still leave \$1.3 million in the Water Resources Fund.

Mr. Snyder stated that it would take two (2) to three (3) years to draw down closer to the minimum target established.

Ms. Morita asked that City Council take a straw poll on this issue.

President Deel agreed to include this issue in the straw poll.

Mr. Snyder stated that he would draw something up for Council's consideration.

Discussed: D.P.S.: Major Road Fund, Local Street Fund, Pathway Maintenance Fund.

2020-0323 Discussion - Capital Funds (400's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0321 for Discussion:

Discussed: Pathway Construction Fund.

2020-0321 Discussion - Special Revenue Funds (200's) - 2021 Budget

Attachments: [081720 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0321 for Discussion:

Discussed: Water Resources Fund.

2020-0324 Discussion - Water and Sewer Funds (500's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0321 for Discussion:

Discussed: Sewer - Operating Division, Water - Operating Division, Water & Sewer - Capital Fund, Water & Sewer - Debt Fund.

2020-0325 Discussion - Internal Service Funds (600's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0321 for Discussion:

Discussed: Fleet Fund.

2020-0320 Discussion - General Fund (100's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

PARKS & NATURAL RESOURCES

Ken Elwert, Parks and Natural Resources Director, announced that the City's parks have never been more needed than in this period of the pandemic. He pointed out that the residents have been using the community's parks in record numbers. He stated this year's budget request focuses on investment in the City's outdoor infrastructure for future generations. He stated that they are requesting one (1) full-time laborer for a new Grounds Maintenance Division. He pointed out that this new Division would combine landscaping responsibilities, which previously came under Facilities in the Building Department, along with responsibilities that previously came under Parks in the Parks & Natural Resources Department. He stated this new Division would be responsible for all City-wide roundabouts, landscaping and the traditional parks grounds needs. He pointed out that this new full-time position would address the huge additional landscaping responsibilities at Innovation Hills, Auburn Road Corridor, Emmons Plaza and the soon-to-be new roundabout near Yates Park. He noted the new Division would also provide support maintenance for the Clinton River Trail and Paint Creek Trail, as well as assisting Museum grounds as needed. He stated that Museum grounds are being used more and that outdoor connections are continually happening throughout the park infrastructure. He mentioned that Green Space is also seeing increased usage. He remarked that City residents are very much in favor of the City's commitment to the tree canopy, including the 350 year old Bebb Oak tree. He stated that Forestry maintains 4,000 trees annually and plants several hundred more. He reported that the boardwalks at Innovation Hills are being used by the majority of the 20,000 monthly summer visitors. He noted that plans for Innovation Hills in 2021 include construction of the final boardwalk system and a

three (3) acre tree house playground with a multi-level tree house. He reported that in March park visits rose 300 percent from the previous year. He pointed out that overall park visits are up 25 percent.

President Deel thanked Mr. Elwert and Parks & Natural Resources for their hard work and commitment.

Public Comment:

Lee Zendel, 1575 Dutton Road, questioned why the estimated cost of the Borden Park office relocation rose from \$1,125,000 to \$1,470,000, an increase of 30 percent. He inquired what the square footage of the building would be and how much of that was to be office space and how much was to be used for other purposes. He questioned if it would not be prudent to defer or downsize this project.

Mr. Elwert stated that staff is currently working in an old farmhouse on the east side of the property and that soon that building will require significant investment and repairs. He reported that the new building has been stripped down as much as possible allowing for only what is truly needed. He reported that this building will be approximately 2,000 square feet. He stated it will have office space, a small meeting space, locker space with one (1) small shower for staff and two (2) public bathrooms that will be heated year-round. He pointed out that the roof will have a wider than normal overhang that will give baseball and field players a place to keep dry during a downpour. He stated that Borden Park is the City's largest volume park and brings in the most revenue. He noted that the location of the new building is centrally located in between the fields so staff can monitor the batting cages and fields. He stated that various iterations were looked at before mandating this one. He pointed out that he worked with Building, Purchasing and Auch Construction going over detailed estimates to come up with what is believed to be an accurate cost.

President Deel qualified that this item still has to come before City Council and there are four (4) quarterly Budget Amendments a year. He stressed that if Council finds it is not affordable, they have the option of deferring it.

Council Discussion:

President Deel inquired if the cost of razing the current building is included in the Budget for the construction of the new building.

Mr. Elwert replied that it is not.

President Deel stated that then Mr. Elwert would be coming back to Council to ask for funding to raze the building.

Vice President Bowyer questioned if the bathrooms that are currently there will be removed once the new building is built. She inquired if the new building would be located near the current bathroom area.

Mr. Elwert responded that the current bathrooms will be removed but that

components of the structures will be kept and used for storage. He noted that the new building would sit in front of the current bathroom area.

Vice President Bowyer affirmed that, while the cost of the new building is high, it will be cheaper in the long run than making on-going costly repairs to an old building.

President Deel questioned if the current structure is compliant with the Americans with Disabilities Act (ADA).

Mr. Elwert stated that the current building has a ramp that meets the ADA requirements, but the bottom floor is not ADA-compliant. He maintained that while it is safe for staff, there are a variety of areas that could cause issues of safety.

Ms. Mungoli inquired why it is so much more expensive to build a commercial building than it is to build a house.

Mr. Elwert responded that commercial standards are much different than residential standards. He pointed out that it comes down to money and that builders have much more interest in building a neighborhood of houses or a large building where they can make more money. He mentioned that bids are very limited if there is only one (1) small building being constructed.

Scott Cope, Building/Ordinance/Facilities Director, stated Administration has been through several iterations and cost evaluations for this project. He explained that the cost has to do with economies of scale. He stated that while this project is small, the cost is still the same for getting contractors. He pointed out that the longer this project is delayed, the more construction costs and the price of materials will rise.

Ms. Mungoli remarked that Rochester Hills has a very limited number of places to hold a community event. She pointed out that the cost of the new building might be defrayed if the City could recoup the money by renting out the facility for different community events. She inquired if the new building could be a for-profit center.

Mr. Elwert responded that originally the plans included a meeting room area but that with the added square footage the cost was too high. He noted the Museum has a room groups can rent that holds up to 125 people. He stated that the new building does not have a commercial kitchen as the cost of installing one is prohibitive and the City could not make up the additional cost in rent.

Ms. Mungoli asked for further explanation on the addition of another Grounds Maintenance position.

Mr. Elwert responded that Facilities is in the process of transferring landscaping to the Grounds Maintenance crew. He stated that park maintenance, roundabouts, road right-of-ways and medians all have to be maintained and that they use contractors to do much of the mowing. He explained that there are many components to mowing and that different departments manage this. He stated

that meetings have been held and parcels have been identified and prepared for mowing to avoid possible code violations. He reported that approximately 4,000 pieces of landscaping have been added in the last several years with the Auburn Road Corridor, Innovation Hills, Eddington Boulevard and the roundabouts. He stated that problems come up similar to the Tienken roundabout which was overtaken by an invasive plant species. He noted it took two (2) years for the City crew to clean it out and replant new, non-invasive plants. He stated that some contractors do some basic landscaping, but that for anything specialized the City needs to have its own staff.

Ms. Mungoli asked if the Grounds Maintenance position would be a job with a career path, or just a laborer position.

Mr. Elwert responded that he has been working with Grounds to develop a career track for this new position. He explained that currently the Grounds crew consists of a laborer, a grounds specialist and an Operations Leader. He stated that while they are keeping up with the current work load, the added work makes it necessary to submit a request for another laborer. He noted that additionally a substantial number of seasonal laborers are needed during the summer.

Ms. Mungoli questioned if any specialized equipment was needed.

Mr. Elwert responded that there is a request in this year's Budget for a compact mower which is a smaller tractor used to move materials and equipment. He pointed out the large tractors cannot be taken out on the roundabout or Auburn Road. He stated it is difficult to rent this equipment and that it is not anticipated that a large volume of equipment will need to be purchased.

Mr. Hetrick inquired about the added cost of the building if it is delayed any further.

Mr. Elwert replied that while he does not know the exact number, the cost has been increasing above the rate of inflation or approximately ten percent annually.

President Deel questioned if Eddington Boulevard is included in the landscaping duties.

Mr. Elwert explained that primarily just the landscaping is included at present. He stated that mowing is still being worked out.

Mayor Barnett congratulated all on the hard work, commitment and dedication they give to their jobs. He affirmed that the Budget presented is traditionally conservative and projects revenue greater than expenses. He noted that the Directors are managing their teams, resources and projects well and conservatively. He noted that some debts will be paid off this year and some next year and that Rochester Hills is one of the communities that is least in debt in Southeast Michigan. He pointed out the good news that the taxable value of

the City has reached an all-time high and the assessed value is increasing. He commended the City team for their innovation in the face of COVID. He thanked City Council for their partnership.

Joe Snyder, Chief Financial Officer, thanked City Council for their participation in the Budget process. He stated a straw poll would be sent out via email regarding the General Fund funding for the storm water. He noted a public Hearing would be held on the 2021-2023 Budget Plan at the September 14, 2020 City Council Meeting. He expressed appreciation to all for their efforts in putting together this budget presentation.

Ms. Morita inquired why there is an increase of almost 27 percent for deer management. She stated that there was never more than \$13,000 spent on deer management and now more than \$26,000 is being requested in the proposed Budget.

Mr. Snyder responded that the cost increase is for more signage along the major roads during the high deer accident season.

Mr. Elwert stated that the Deer Committee has been asking for more signage for a while and that the cost of signage has gone up.

Ms. Morita asked if the City's own Sign Shop could make these signs.

Mr. Elwert responded that many signs are needed and the City's Sign Shop cannot do such a large volume. He explained that the signs must be large and lit.

Ms. Morita asked that City Council be provided with estimates.

Mr. Elwert explained that the signs go out for bid and that only one (1) company has been interested. He pointed out that companies are not very interested in putting up signs in one (1) location and then a short time later having to move them to another.

Vice President Bowyer stated that when she was on the Deer Management Advisory Committee (DMAC) they talked about actually purchasing the signs but it was not cost-effective. She remarked that maybe they should reconsider.

Ms. Mungoli stated that the DMAC looked at the signs to assess how well they are performing and to ensure they are getting proper maintenance so they display properly. She stated DMAC will be coming back to Council with a recommendation and further discussion.

Ms. Mungoli requested a report from Haven concerning the \$5,000 redirected from a Community Development Block Grant (CDBG) grant to Haven. She inquired if a figure could be provided for the number of people Haven has helped in our community through this contribution.

She asked for a count of the number of millage renewals the City will have in 2026.

Ms. Morita noted that personnel services line items for City Council have been underestimated and she requested they be brought more in line with the historicals.

Mr. Snyder replied that the calculations could be gone over and adjustments made.

Discussed: PARKS & NATURAL RESOURCES: Parks Department, Grounds Maintenance Division, Natural Resources Division.

2020-0327 Discussion - Component Units (800's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0320 for Discussion:

Discussed: Museum Division.

2020-0321 Discussion - Special Revenue Funds (200's) - 2021 Budget

Attachments: [081720 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0320 for Discussion:

Discussed: Tree Fund, Green Space.

2020-0326 Discussion - Trust and Agency Funds (700's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0320 for Discussion:

Discussed: Green Space Perpetual Care Trust.

2020-0327 Discussion - Component Units (800's) - 2021 Budget

Attachments: [08172020 Budget Presentation Schedule.pdf](#)

See Legislative File 2020-0320 for Discussion:

President Deel thanked all for their preparation, informative presentation and challenging questions.

Discussed: RH Museum Foundation Trust Fund.

NEXT MEETING DATE

Regular Meeting - Monday, August 24, 2020 - 7:00 p.m.

ADJOURNMENT

There being no further business before Council, it was moved by Mungioli and seconded by Blair to adjourn the meeting at 8:52 p.m.

*RYAN DEEL, President
Rochester Hills City Council*

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

*MARY FRONCZAK
Administrative Coordinator - City Council
City Clerk's Office*

Approved as presented at the December 7, 2020 Regular City Council Meeting.