



# Rochester Hills

## Minutes

### City Council Regular Meeting

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

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

*Vision Statement: The Community of Choice for Families and Business*

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

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Monday, June 1, 2009

7:00 PM

1000 Rochester Hills Drive

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## CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order  
at 7:04 p.m. Michigan Time.*

## ROLL CALL

**Present** 7 - Erik Ambrozaitis, J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen,  
Michael Webber and Ravi Yalamanchi

## Others Present:

*Bryan Barnett, Mayor  
Ed Anzek, Director of Planning and Development  
Dan Casey, Manager of Economic Development  
Scott Cope, Director of Building/Ordinance Compliance  
Ron Crowell, Fire Chief/Emergency Management Director  
Kurt Dawson, Director of Assessing/Treasury  
Derek Delacourt, Deputy Director of Planning  
Bob Grace, Director of MIS  
Mike Hartner, Director of Parks and Forestry  
Captain Mike Johnson, Oakland County Sheriff's Department  
Pamela Lee, Director of Human Resources  
Jane Leslie, City Clerk  
Ishan Patel, Rochester Hills Government Youth Council Representative  
Roger Rouse, Director of DPS/Engineering  
Keith Sawdon, Director of Finance  
John Staran, City Attorney*

## PLEDGE OF ALLEGIANCE

## APPROVAL OF AGENDA

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

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

## **PUBLIC COMMENT**

**Melinda Hill**, 1481 Mill Race Road, stated that while the April 20, 2009 meeting of the Road Commission of Oakland County (RCOC) held at City Hall focused on proposed widening for the Tienken Road corridor, relatively few comments were made regarding the Stony Creek Bridge replacement portion of the project. She commented that RCOC made no mention of a Tienken Road Needs Study, while an article in the May 28, 2009 Rochester Eccentric contained an article indicating RCOCs request to divide the cost for a Study between RCOC, the City of Rochester Hills and the City of Rochester. She noted that the Study is underway even though Rochester declined to participate; and expressed concern over the lack of public information on this study.

**Joseph Luginski**, 985 E. Tienken Road, expressed his disappointment with Council's decision at the May 18, 2009 Council Meeting to postpone a resolution against five-lane roads in the City. He indicated that he, David Tripp and Dan Kiefer met with Tom Blust and Bill McEntee of RCOC regarding the proposed Tienken Road Corridor projects. He requested that City Staff work with RCOC in designing a three-lane road alternative and design for the Stony Creek Bridge.

**Harper West**, 155 Arizona Avenue, commented that Council members should follow Robert's Rules of Order in regard to decorum and debate during meetings; specifically, to confine comments to the question before the assembly and help, not hinder or delay the business of the assembly. She commented that President Hooper has done an excellent job of balancing the need for opinions and free speech with running the meeting efficiently and should be commended. She further requested that Council Members be encouraged to limit their speech-making and keep comments concise.

**Alice Benbow**, 1582 Northumberland Drive, questioned the Water and Sewer billing process and how bills are computed for the various utility customers. She suggested that all citizens attend the next meeting of the Oakland County Historical Commission scheduled for June 2, 2009 in the County Commissioner's Auditorium Conference Room D and voice their concerns about the Historic District in Rochester Hills. She further commented that there was a high rate of foreclosure in Rochester Hills.

**William Black**, 2408 Jackson Drive, commented on the events of the day, including General Motors' (GM) filing for bankruptcy. He stated that GM's bankruptcy, along with Chrysler's bankruptcy, translates to 7,000 lost jobs, and will affect the City's budget. He commented that the City should incentivize businesses to come to Rochester Hills and cut taxes to residents, to keep Rochester Hills one of the top communities in the country to live in; and further noted that the City currently has a healthy tax reserve.

**Noelle O'Neill**, 3640 Winter Creek, urged the City to construct Noise Barrier 10

(NB-10) as a part of the M-59 Widening Project; and further commented that funds for the Tienken Road Widening Project and the Hamlin Road Roundabout should be committed toward funding the noise barriers. She stated that the City should contact the Michigan Department of Transportation (MDOT), State Senator Mike Bishop, State Representative Tom McMillin, U.S. Representative Gary Peters, Oakland County Executive Brooks Patterson and Governor Jennifer Granholm to request their assistance and support in getting a NB-10 funded and built.

**Lynnette Nitsche**, 3753 Everett Drive, expressed her support for the construction of NB-10. She expressed frustration with MDOT's lack of response to resident's questions submitted at the May 28, 2009 RCOC public meeting. She questioned whether the City was aware of proposed M-59 expansion plans when Country Club Village Subdivision site plans were approved.

**Michael McGlynn**, 3741 Everett, expressed concern over the lack of progress toward the construction of NB-10 along M-59. He stated that if MDOT will not fund NB-10, the City should fund the construction.

**David Tripp**, 960 E. Tienken Road, announced the Friends of the Tienken Road Corridor will be hosting a panel discussion on Wednesday, June 3, 2009, from 7:00 p.m. to 9:00 p.m. in the Rochester High School Auditorium. He thanked Mayor Barnett and City Staff for their participation with RCOC, and commented that he remained optimistic that the meeting will produce constructive dialogue and public input. He stated that during the recent meeting between himself, Mr. Luginski, Mr. McEntee and Mr. Blusk, RCOC Representatives commented that a three-lane option would present difficult design challenges, and RCOC had limited design experience for this option.

**James Huber**, 1367 E. Horseshoe Bend, questioned why Mayor Somerville requested the Federal Earmark for Tienken Road in 2003 and whether it coincided with encouraging business development at the corner of Tienken and Rochester Roads. He noted that the proposed widening project was not consistent with the Master Thoroughfare Plan at the time the Earmark was requested; and questioned whether the Earmark could be used for M-59 sound barriers.

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

**President Hooper** thanked Melissa Luginski for her work on coordinating the scheduling of a public visioning meeting in the Stoney Creek Historic District on Saturday, May 30, 2009, and commented that it was very informative and very helpful to the City for long-term planning. He stated that a meeting held prior to the May 28, 2009 public meeting with elected officials and Michigan Department of Transportation (MDOT) officials was specifically requested by a Regional Manager for MDOT, and noted that nothing of substance was discussed at this meeting that was not repeated at the public forum. He thanked Ms. Nitsche for her powerpoint presentation illustrating the case of the residents and stated that the City has given MDOT a list of comments and questions and are awaiting MDOT's response. He stated that he wished to assure residents that he is working diligently to achieve a reasonable solution to Tienken Road for all parties involved.

**Mr. Brennan** stated that he appreciated Mr. Black's comments on current economic situations in the City and State. He noted that this City has one of the lowest tax millages in Oakland County, and stated that he was very proud that this tradition will continue. He stated that he was very proud of the City's Memorial Day festivities and encouraged that so many individuals participated. He reported that Rochester Hills Government Youth Council (RHGYC) Representative Sam Kilberg was recognized by Don Shane of WXYZ-TV as Student Athlete of the Week, and commented that Mr. Kilberg has been very active in this community.

A video of the WXYZ-TV interview of Sam Kilberg as Student Athlete of the Week was played/shared.

**Mr. Pixley** expressed his appreciation for the hard work and effort Mr. Kilberg has put into the RHGYC and Youth in Government groups.

**Sam Kilberg** thanked Council, and reported on RHGYC activities and announced their 5k Run/Walk to benefit Veterans with Traumatic Brain Injury will be held on June 27, 2009, at Bloomer Park in Rochester Hills.

**Mr. Ambrozaitis** expressed his appreciation to all the Veterans who have served through the years. He commented that he was concerned for all the men and women in the automotive industry during this time of economic crisis. He stated that the City should find funding within its budget to fund M-59 sound wall construction. He encouraged residents to attend the meeting of the Friends of the Tienken Road Corridor on June 3, 2009 at 7:00 p.m. at Rochester High School. He commented that he would like to see Mayor Barnett speak publicly against widening Tienken to more than three lanes.

**Mr. Pixley**, thanked Ms. Nitsche for the MDOT presentation and complimented her for her research efforts. He expressed his congratulations to Councilman Yalamanchi, noting a newspaper article on the academic successes of his daughter Pratyusha. He commented that she is a brilliant, outstanding young lady and an asset to the RHGYC. He stated that especially during this time of the year, with many graduation parties and celebrations, residents should take driving very seriously and cautiously. He reported that he attended a going-away party for Andrew Payne, a neighbor deployed to Afghanistan, and wished him the best.

**Mr. Rosen** questioned how the Recycle Bank Program was going, and asked for an update to the tonnage recycled.

**Mr. Webber** expressed his appreciation for those who participated in Memorial Day weekend activities. He thanked Mr. Black for reporting the news on General Motors, stating that this will affect a lot of families in the City and the region. He commented that he was not able to attend the recent MDOT meeting, however, he did place a call to Mr. Sweeney at MDOT to express that the City was willing to work with MDOT on resolving any issues. He stated that although he was not

able to attend the last Friends of the Tienken Road meeting, he had spoken to Mr. Luginski and had exchanged e-mails with Dan Kiefer regarding Tienken Road. He also reported that City officials participated in a Baseball Game during the Heritage Festival against the Rochester Grangers, and noted that the Grangers won. He expressed congratulations to all graduates.

**Mr. Yalamanchi** congratulated Sam Kilberg for his efforts and successes, and wished him the best of luck for the future. He expressed appreciation to Mr. Tripp and Mr. Luginski for continuing to bring updates on Tienken Road to City Council. He commented that he took full responsibility for his motion at the May 18, 2009 meeting to postpone a vote on Mr. Rosen's motion regarding support for three-lane roads, stating that while his goal is to support a three-lane option, his desire is to see an exploration of other funding options for the Road. He stated that he was impressed with Ms. Nitsche's presentation to MDOT regarding sound wall issues on M-59, however, he noted that oftentimes government moves very slowly. He encouraged residents to not be frustrated with the process and continue to stay involved.

**Ishan Patel**, Rochester Hills Government Youth Council Representative (RHGYC), announced the group's 5k Run/Walk to Benefit Veterans with Traumatic Brain Injury scheduled for Saturday, June 27, 2009.

**Mayor Barnett** made the following announcements and comments:

- He echoed congratulations to Sam Kilberg for his successes and to Richard Yoon, RHGYC member. He also expressed congratulations for the academic successes of Pratyusha Yalamanchi.
- He thanked the cities of Rochester and Rochester Hills for their efforts in Memorial Day activities. He reported that a Fourth Grader, whose parents are South Korean, read an essay he had written on what freedom means to him, noting that the young man stated that if it were not for the Veterans, he would not be here.
- He reported that the Historic District Awareness Walk continued an effort to gain and solicit input from those attending, putting a renewed focus on the Historic District.
- He reported that he attended Paddlepalooza on the Clinton River, and stated that he gained a new respect for the river and the resource that it is.
- The No-Haz Collection date at Oakland University was extremely successful and well-attended.
- The last printed version of the Hills Herald would be distributed this coming week. He requested that residents register their e-mail addresses on the City's website to receive future issues, noting that in the future the Herald would no longer be mailed out. A few printed copies will be generated to distribute to the Older Persons Center, the Rochester Hills Public Library, and other senior centers in the community.
- He noted that a Needs Study to review Tienken Road between Sheldon and Dequindre was proposed by the Road Commission of Oakland County (RCOC) and not City Administration. He noted that the initial City interest in participating in this Study was predicated on a commitment by the City of Rochester as well. He reported that no City dollars will be spent on the Study.
- He noted that the City has initiated contact with Congressman Peters to appeal

to him regarding the City's needs, and expressed that the City wishes to have the flexibility to use the Federal Earmark funding in the best way possible for the community.

- He noted that the June 22, 2009 Council meeting would include an item about a successful business within the City.

- In response to Ms. Benbow, he stated that he and his Administration do not set water rates; the Water and Sewer Technical Review Committee, comprised of citizens, review staff recommendations and make a recommendation to City Council to set water and sewer rates.

- Regarding the M-59 sound wall, he encouraged all of the residents to remain involved, and stated that he would have Paul Davis, City Engineer, provide an update to City Council and residents at the Council meeting on June 22, 2009, if new information was received.

## ATTORNEY MATTERS

*City Attorney John Staran had nothing to report.*

## ORDINANCE FOR INTRODUCTION

**2009-0219** Acceptance for First Reading - an Ordinance to amend Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify and supplement fees charged for various City services, and to repeal conflicting Ordinances

**Attachments:** [060109 Agenda Summary.pdf](#)  
[Ordinance.pdf](#)  
[060109 Resolution.pdf](#)

**Scott Cope**, Director of Building/Ordinance Compliance, stated that this proposed Ordinance would adjust the fees for various City services to reflect the current cost of the services provided. He noted that it had been between nine and 13 years since various Building Department fees had been adjusted and explained that the Department had experienced an approximate 26 percent increase in the cost of these services since 1999. He reported that other communities were contacted to compare costs and expressed that a common theme in conversations with other communities was that fees do not reflect the costs of the services provided. He noted that sign permit fees were adjusted in 2005.

**Mr. Ambrozaitis** requested Mr. Cope investigate the condition of a home in the 700-block of Kentucky; and further questioned whether the Department could investigate complaints from Bloomer Road and Eastern Road regarding waste pickup on one-way streets. He requested Mr. Cope review reports of uncut grass at Gerald and Eastern Street.

**President Hooper** requested that Mr. Ambrozaitis submit these types of

concerns by e-mail prior to the meeting.

**Mr. Yalamanchi** questioned proposed fees for using the City's Municipal Offices, Auditorium and conference rooms on Saturdays, Sundays and Holidays. He inquired how often these facilities are used by residents at these times. He also questioned if rental rate increases proposed for Van Hoosen Museum facilities would lead to more or fewer rentals. He requested further explanation of Section 54-153, Building Permit Valuation, and questioned how the fees for the breakdowns in building construction valuation were determined

**Mr. Cope** responded that Roger Rouse, Director of DPS/Engineering, would be able to answer questions on Facilities fees; and further stated that he did not have the information on Museum fees. Regarding Mr. Yalamanchi's questions on building permit fees, he noted that for valuations over \$1,000.00, the permit fees were \$75.00 plus \$16.00 for each \$1,000.00, over \$1,000.00 up to \$10,000.00. Mr. Cope further explained that for projects over \$10,000.00, the base permit fee was \$194.00 plus \$5.00 for each additional \$1,000.00 over \$10,000.00.

**Mr. Yalamanchi** questioned why Section 54-210 regarding contractor licenses was removed.

**Mr. Cope** responded that one electrical contractor's license is issued, and there are no longer apprentice or journeyman licenses anymore. He noted that the State issues the actual licenses now and the City only charges a registration fee for working in the city.

**Mr. Yalamanchi** questioned why Museum Membership Fees were removed. He questioned the number of weddings that are performed at the Museum each year.

**City Attorney Staran** responded that Membership fees would be reinserted before second reading, as neither Mr. McKay or Mr. Hartner supported this change.

**President Hooper** inquired how a three-year membership fee was established for the Museum. He questioned whether the Museum was free to set its own rates.

**Mike Hartner**, Director of Parks/Forestry, indicated that the three-year membership was administered through the Greater Rochester Area Community Foundation and was not intended to be a long-term arrangement. Once the three-year membership was up for expiration, the renewal would be annual. He noted that the Museum rates required Council concurrence.

**Mr. Yalamanchi** questioned how fees for Emergency Medical Services were determined.

**Chief Crowell** responded that these rates are based on recommendations by the City's billing agency, AccuMed, and are further determined by what Medicare and Medicaid along with other insurance carriers will pay. He explained that the

*call is entered electronically and AccuMed bills the insurance company.*

**Mr. Yalamanchi** questioned whether the City adjusts its billing to what the insurance companies consider as eligible amounts.

**Chief Crowell** responded that AccuMed bills the patient for the difference; and noted that the City will frequently dismiss the difference for hardship cases or write off the deductible for residents before sending the account to collection.

**Mr. Yalamanchi** questioned whether language in the Ordinance covered waiving deductibles.

**President Hooper** commented that the only language in the Ordinance covered waiving fees at the discretion of the Fire Chief in cases of poverty or hardship.

**Chief Crowell** commented that in hardship cases, often the individual will submit a letter to AccuMed billing which is forwarded on to the Department for review and determination whether the fee could be waived. He noted that the policy on waiving the deductible for city residents was developed under former Chief Walterhouse; and evolved from the idea that the residents are taxpayers and pay for the service.

**Mr. Yalamanchi** suggested that language to this effect be included in the Ordinance. He questioned how the addition of a 20 percent additional fee in administrative charges in Inspection areas would apply.

**Mr. Cope** responded that this 20 percent additional fee pertained to engineering administration and was charged in the case that outside consultant services were used.

**Mr. Webber** questioned whether fees to use the Auditorium on the weekend reflected the cost of personnel as well.

**Ed Anzek**, Director of Planning and Development, responded that custodial fees were included.

**Mr. Webber** commented on fees for paper copies of the City Charter, Capital Improvement Plan or Budget, noting that these documents are available online.

**President Hooper** questioned the fees charged for the oblique aerial photo tiles.

**Bob Grace**, Director of MIS, stated that these aerial photo fees were reduced as the City no longer needed to charge a rights fee for the use of the pictometry.

**President Hooper** questioned the medical transportation fee per mile, and questioned how it is charged when transportation is necessary beyond the City's borders.



**Chief Crowell** replied that transportation is only provided as far as Royal Oak Beaumont in the case of a trauma patient. He commented that the City only transports to St. Joseph Mercy-Pontiac, Doctor's Hospital of Michigan, POH Regional Medical Center, Crittenton Medical Center and Troy Beaumont. He stated that if the individual transported is critical or in a severe cardiac emergency, by protocol they must be transported to the nearest facility. In the event that the individual wants to be transported elsewhere, the City's EMS staff will remain on the scene but care will be transferred to a private provider who will then transport to Harper Hospital, Detroit Receiving, or as far as the University of Michigan. He noted that the City will not transport out of the area as it takes a unit out of service.

**A motion was made by Pixley, seconded by Brennan, that this matter be Accepted for First Reading by Resolution with corrections. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

**Resolved**, that an Ordinance to amend Chapter 54, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify and supplement fees charged for various City services, and to repeal conflicting Ordinances is hereby accepted for First Reading.

**2009-0220** Acceptance for First Reading - an Ordinance to amend Sections 110-56 through 110-376 of Chapter 110, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify and supplement fees charged for various City services, and to repeal conflicting Ordinances

**Attachments:** [060109 Agenda Summary.pdf](#)  
[Ordinance.pdf](#)  
[060109 Resolution.pdf](#)

**Scott Cope**, Director of Building/Ordinance Compliance stated that these fees reflect the current cost for services.

**President Hooper** questioned how the fees in Section 110-203, Public Service Department, City Engineer, were derived.

**Mr. Cope** responded that Mr. Rouse indicated that the cost for each particular classification that performs a service was computed, along with vehicle, building, and any other incidental costs.

**Mr. Yalamanchi** questioned why fees differed between the City departments.

**Mr. Cope** responded that reviews are done by different staff members in various departments and noted that the fees reflect the cost for each respective department.

**Mr. Yalamanchi** commented that it would be easier to have one fee.

**Mr. Webber** questioned why the fee for the legal review of deeds, easement, restrictive covenants, maintenance agreements and other legal documents noted in Section 110-202, City Attorney, was changed from a flat fee to a fee corresponding to the City Attorney's hourly rate. He inquired how many residents use this service.

**City Attorney Staran** stated that on any given day a number of documents are submitted for review. He stated this change was made as certain documents such as construction contracts could take several hours to review, while other documents, such as simple easements take a matter of minutes. He commented that rather than have a flat rate, it was decided to reflect the actual hourly charge.

**A motion was made by Webber, seconded by Yalamanchi, that this matter be Accepted for First Reading by Resolution with corrections. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

**Resolved**, that an Ordinance to amend Sections 110-56 through 110-376 of Chapter 110, Fees, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to modify and supplement fees charged for various City services, and to repeal conflicting Ordinances be accepted for First Reading.

## NEW BUSINESS

**In an effort to accommodate citizens present, Council rearranged the Agenda items as follows:**

2009-0221 Request for Nonprofit Designation for a Charitable Gaming License from the State of Michigan - Free Desire, Inc., applicant

**Attachments:** [Agenda Summary.pdf](#)  
[Free Desire, Inc. Letter 052709.pdf](#)  
[IRS Nonprofit.pdf](#)  
[Articles of Incorporation.pdf](#)  
[Flyer.pdf](#)  
[Postcard.pdf](#)  
[Resolution.pdf](#)

**Mr. Mark Wolodkowicz**, President and Program Director of Free Desire, Inc., stated that he was in attendance to answer any questions.

**Mr. Yalamanchi** questioned whether the State had granted approval.

**Mr. Rosen** questioned whether the organization had a gaming license from the State.

**Mr. Wolodkowicz** responded that the organization had a solicitation license from the State, but noted that City approval was required to apply for a gaming

license.

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

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0153-2009

**Resolved**, that the request from Free Desire, Inc. located at 557 Andover Ct., Rochester Hills, Michigan 48306, Oakland County, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license, be considered for approval.

**(Recess - 8:55 PM - 9:05 PM)**

**2005-0537** Request for designation of the Stiles School Historic District

**Attachments:** [Agenda Summary.pdf](#)  
[Stiles School Final Report.pdf](#)  
[Suppl Stiles School Presentation.pdf](#)  
[SHPO 012908 Comments.pdf](#)  
[SHPO 063008 Comments.pdf](#)  
[Public Hearing Minutes 043008.pdf](#)  
[PC Minutes 102108.pdf](#)  
[Survey Sheet.pdf](#)  
[HDSC Minutes 031209.pdf](#)  
[HDSC Minutes 091108.pdf](#)  
[HDSC Minutes 031308.pdf](#)  
[HDSC Minutes 110807.pdf](#)  
[HDSC Minutes 061407.pdf](#)  
[HDSC Minutes 051106.pdf](#)  
[HDC Minutes 081105.pdf](#)  
[HDC Minutes 051205.pdf](#)  
[Photographs.pdf](#)  
[Resolution.pdf](#)

**Derek Delacourt**, Deputy Director of Planning, explained the Historic Designation process, and noted that HDSC is charged by City Council with the task of studying potential historic resources within the City, evaluating them by a set of specific criteria and standards, and developing a report to present to Council with the HDSC's recommendation. He introduced the HDSC members in attendance, including John Dziurman, AIA, Dr. Richard Stamps, Ms. Peggy Schodowski and Mr. LaVere Webster.

**John Dziurman, AIA**, Historic Districts Study Committee, introduced the HDSC's report on the Stiles School property and stated that the school has been a part of the community since 1924. He noted that originally the Avondale School District had originally approached the HDSC about having the school designated as a Historic property, when it was learned that a developer might wish to develop that property as commercial. He noted that the developer funded the study; and once it was determined that the property was recommended for Historic Designation, the developer backed out of the project. The current owners of the school do not favor a Historic Designation. Mr. Dziurman presented the following report on the Stiles School.

**How Does a District Get Designated?**

- The Study Committee receives a request to make an initial determination if enough evidence exists to conduct a study
  - The Study Committee prepares a preliminary report
  - The report is distributed to the State Historic Preservation Office (SHPO), the Planning Commission, and made available for public comment
  - The SHPO and the Planning Commission forward comments to the HDSC
  - A public hearing is held
  - A recommendation is made to City Council
- 
- **The Study Committee recommends designation of Stiles School**
  - City Council accepts the recommendation
  - City Council adopts and the Ordinance is Amended

**Significance:**

- The proposed Stiles School Historic District is significant under National Register Criterion A, for its association with a pattern of historical events and;
- Criterion C, for its embodiment of the distinctive characteristics of a type of architecture
- The district's period of significance is from 1929 to 1947

**National Register Criteria:**

- The quality of significance in American history, architecture, archaeology, engineering and culture is present in districts, sites, buildings, structures and objects that possess integrity of location, design, setting, materials, workmanship, feeling and association, and:

A. That are associated with events that have made a significant contribution to the broad patterns of our history.

**CRITERIA A "Broad Patterns of Our History"**

- Schools were, and are, a symbol of the community
- Commitment to education
- Significant nationally - manifested locally

**Stiles School Criteria A**

- Three schools built in Avon Township during the 1920s survive and retain integrity (Stiles, Brooklands and Avon School District No. 2 [A.C.E. High School])
- Last intact school to join the Avondale School District
- Used as a community center, including as a distribution center during the Depression
- First built as a one-room school house in 1871
- Current brick building constructed in 1929
- Named for Mr. Samuel Stiles, a teacher at the school

- 1939-1953 student population grew from 240 - 623
- Stiles School is one of three remaining examples of Avon Township Schools of a distinct period in the history of this City, the State and the County

### **CRITERIA C "Architecture"**

- That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction

### **Stiles School Criteria C**

- Schools are architectural landmarks
- Stiles School was unquestionably a landmark in the rural landscape of agricultural fields, farmhouses, and newer suburban houses along in the 1920s
- Today the school is a historic landmark at a busy intersection devoid of other historic buildings
- Stiles is the only school in the city designed by Architect Frederick D. Madison of Royal Oak
- It is one of two Collegiate Gothic style schools retaining architectural integrity in the City of Rochester Hills
- Collegiate Gothic was chosen because of its scholastic connotations
- The style is characterized by Tudor arches, stepped parapets, and multi-paned windows
- Stiles is pictured in the 2003 Michigan SHPO publication, *An Honor and An Ornament: Public Schools in Michigan*, as an example of a later, simpler version of the Collegiate Gothic Style
- The interior of the building, simple in style, is highly intact and is an excellent example of school design at the time
- The original terrazzo floored hallways and the extensive use of wood trim and doors throughout the building do not usually survive in school buildings built in the 1920s
- The kindergarten room, with its bay window, fireplace, and murals is demonstrative of school design and philosophy of the 1920s
- There are seven round murals depicting classic nursery rhymes painted on the upper portions of two walls. The murals may be original to the building or possibly were painted during the Depression by an itinerant worker or through the Works Progress Administration (WPA) program
- With its intact exterior Collegiate Gothic detailing and intact interior, the building retains its historic character

### **Boundary Justification:**

- The proposed historic district contains the entire parcel originally associated with the 1929 school building and a portion of the parcel that contains the 1963 addition
- Per National Register guidelines, the boundary must include the entire building with additions

**Peggy Schodowski**, HDSC Member, discussed many of the significant

features of the school, including some of the rare tiles that still exist, and stated that she had learned a great deal about the City during this research process. She stated that she is thrilled that Oakland Steiner School is occupying the building.

**LaVere Webster**, HDSC Member, related the history of the Bristol Farmhouse, a property he owns just west of Stiles School. He stated that this corner was originally part of an 80-acre farm and noted that when Bristol purchased the property the corner was excluded with a clause that if the property was not used for a school, it would revert back to the original owner. He noted that when the Avondale School District decided to move the existing school to a new location, it was rented to the Oakland Steiner School on a temporary basis and would be sold to a developer. After the developer withdrew his offer, Steiner School representatives requested the property be designated as Historic. He stated that he would strongly urge Council approve Historic Designation.

**President Hooper** requested that Board Members from Oakland Steiner School in attendance comment on the proposed Historic Designation.

**Public Comment:**

**Katherine Thivierge**, 3976 S. Livernois, stated that Oakland Steiner School is a private school and is not a part of any school district.

**Mark Gavulic**, 520 Nichols Drive, Auburn Hills, stated that he was a long-time parent at the school and stated that he had no direct knowledge that any of the official Board Members of Oakland Steiner School ever approached City Council or any City body as official representatives of the school. He stated that the School and the HDSC have the same goal to protect the building. He commented that the State of Michigan describes the 1957, 1962, and 1963 portion of the buildings as inappropriate and nonconforming. He noted several other examples in other communities where a 1920s school building had additional buildings and questioned whether these have all been designated as Historic. He commented that a decision made tonight for historic designation would exist in perpetuity. He stated that renovations to the windows and exterior occurred in the 1970s and questioned why a Historic Designation would apply to these changes. He expressed concern that the entire property will be considered for Historic Designation and requested that the District be resized to only include the 1929 portion.

**Katherine Thivierge**, Administrator, Oakland Steiner School, stated that she could find no references in prior minutes that anyone from the School requested the Historic District Commission (HDC) consider a Historic Designation for the property. She expressed concern that the School would be obligated to go to the HDC for any repairs or improvements. She commented that the School does not anticipate making any changes to the outside of that building and is interested in preserving its historic character; however, the economic burden of following HDC requirements for Historic properties is more than the School could possibly bear on its humble budget. She also noted that their insurance agent stated that the School's rates would increase if the property were designated Historic based on the additional cost of replacement value. She commented that designating the entire property

as Historic is onerous and would stand in the way of the programs the School provides.

**William Kennis**, 249 Hurst, Troy, stated that he was School Board President at the time the property was purchased from the Avondale District; and commented that although the District was interested in getting the community to rally behind the school's historic significance, the Board did not take official action in favor of, nor had any idea that the whole campus could be encumbered by a historic designation. He noted that the historic portion of the building only encompasses a small portion of the facade, and the remainder of the campus resembles the architecture of the 1950s and the renovations of the 1970s. He agreed that the cost of a historic designation for the entire parcel would be onerous to the school.

**President Hooper** questioned whether Steiner School representatives supported any portion of the building being given a Historic Designation.

**Ms. Thivierge** responded that the School does not wish any portion to be designated because of the financial obligation it places on the School. She commented that as the School is currently tax-exempt, there would be no tax benefits of a designation.

**Mr. Dziurman** commented that the HDC would not require approval for any ordinary repairs and maintenance, however, new additions or changes to the building would need to be presented to the HDC for approval. He noted that the Ordinance requires the entire parcel to be designated.

**Dr. Stamps**, referred to National Register guidelines, stating that the Historic District's boundary must include the entire building with additions.

**City Attorney Staran** explained that the City's Historic Districts Ordinance is modeled after State Law and does require that when a property is designated, the entire parcel is designated. He stated that he would look into whether the City could legitimately and lawfully designate a portion of a property.

**Ms. Thivierge** expressed concern for maintenance issues noting that the Avondale District had replaced the windows with a non-historic and modern window. She questioned whether the School would be required to replace all the windows with conforming historic windows if it needed to make window repairs.

**Ms. Schodowski** stated that she learned after the Study was completed that all the buildings were separate at one point and were connected together to appear as additions.

#### **Council Discussion:**

**Mr. Webber** stated that while a portion of the property merited designation, he could understand the desires of the representatives of the School to not designate the entire property.

**Mr. Rosen** questioned whether there would be a way to split the designation.

**Ms. Thivierge** stated that she would be happy to take City Council on a tour of the building.

**Mr. Yalamanchi** questioned what the qualifications were to be on the Oakland Steiner School's Board of Directors.

**Ms. Thivierge** responded that the private school is a non-profit corporation and owns the building; and commented that anyone could be on the Board of Directors.

**Mr. Yalamanchi** commented that if Council were required to make a decision tonight, he would want to revisit the idea of separating the different buildings into historic and non-historic.

**Mr. Brennan** stated that the Council should have the consent of the owners before voting for Historic designation, and commented that it was clear that the owners do not want this designation.

**Mr. Dziurman** noted that a Historic Designation for this property would benefit the community. He stated that if Council wished for the HDSC to look at a more limited designation for the property, the Committee would be happy to do that and return to Council with a recommendation.

**Mr. Rosen** questioned where the different buildings were connected. He noted that several of the historic photos show the different time periods prior to the additions.

**Mr. Pixley** questioned whether there was any way to project, anticipate or estimate what kinds of costs would be associated with a Historic Designation of even a portion of the original building.

**Mr. Dziurman** responded that it was his opinion that restoration of an older building was no more costly than a renovation of a newer building. He noted that rotting windows can be repaired in place and historically approved storms exist that could actually save money over total window replacement. He noted that recent renovations of the Paint Creek Cider Mill in Oakland Township was accomplished approximately 30 percent under budget.

**Mr. Pixley** stated he wished to find some form of compromise and not put the school at an undue risk position from a financial standpoint, yet still preserve the sanctity of the historical nature of the building.

**President Hooper** stated that if it was Council's consensus to have the HDSC come back with a recommendation of a delineation of the area of the 1920s building, the item could be postponed.

**Mr. Ambrozaitis** questioned whether any kind of hardship waiver could exist for either a non-profit or a school where they could be exempt from meeting the designation requirements.



*Mr. Dziurman stated that at some point in time the additions will become a part of the historic value of the school. He further stated that there could possibly be legal ways of setting up ownership of the School where tax credits could be realized for renovations.*

**By consensus of City Council, this matter was Postponed until additional information is provided by the Historic Districts Study Committee.**

**2006-0425** Request for designation of the Frank Farm Historic District

**Attachments:** [Agenda Summary.pdf](#)  
[Frank Farm Final Report.pdf](#)  
[Holtz Ltr 042409.pdf](#)  
[SHPO 012908 Comments.pdf](#)  
[Public Hearing Minutes 043008.pdf](#)  
[PC Minutes 102108.pdf](#)  
[Frank Farm Survey Sheets.pdf](#)  
[Suppl Frank Farm Presentation.pdf](#)  
[HDSC Minutes 031209.pdf](#)  
[HDSC Minutes 091108.pdf](#)  
[HDSC Minutes 031308.pdf](#)  
[HDSC Minutes 110807.pdf](#)  
[HDSC Minutes 021207.pdf](#)  
[HDSC Minutes 060806.pdf](#)  
[Resolution.pdf](#)

**John Dziurman, AIA, Historic Districts Study Committee (HDSC), introduced the Committee's report on the Frank Farm property:**

**How Does a Historic District Get Designated?**

- Study Committee receives a request to make an initial determination if enough evidence exists to conduct a study
  - Study Committee prepares a preliminary report
  - The report is distributed to the State Historic Preservation Office (SHPO), the Planning Commission, and made available for public comment
  - The SHPO and the Planning Commission forward comments to the HDSC
  - A public hearing is held
  - A recommendation is made to City Council
- 
- **The Study Committee recommends designation of Frank Farm**
  - City Council accepts the recommendation
  - City Council adopts and the Ordinance is Amended

**Significance:**

- The proposed Frank Farm Historic District is significant under National Register Criterion A, for its association with a pattern of historical events that has contributed significantly to Rochester Hills history and;
- Criterion D, for its Information Potential relating to prehistory or history
- The district's period of significance is from 1865 to 1958

**National Register Criteria:**

- The quality of significance in American history, architecture, archaeology, engineering and culture is present in districts, sites, buildings, structures and objects that possess integrity of location, design, setting, materials, workmanship, feeling and association, and:

A. That are associated with events that have made a significant contribution to the broad patterns of our history.

**CRITERIA A "Broad Patterns of Our History":**

- Three generations of Frank family at this location starting in 1866
- Located in Section 36 southeast corner of Rochester Hills
- Currently 7.93 acres of an original 128 acres

**Frank Farm Criteria A:**

- Until the mid-twentieth century Avon Township was predominantly a farm community
- After World War II changes represented a transition to a non-farming economy
- This site and its long history and connection with the Frank Family provides insight into the function and meaning of ordinary-looking buildings and adds value of the farm as a representative of the city's history
- Ten of the twelve buildings on this farm contribute to its historic significance
- With buildings spanning nearly a century, the Frank Farm represents the different periods in a family's history better than any other property in Rochester Hills
- There are less than twenty farmsteads (consisting of a farmhouse and at least one agricultural outbuilding) left in Rochester Hills

**CRITERIA D "Information Potential":**

- The property must have, or have had, information to contribute to our understanding of human history or prehistory, and
- The information must be considered important

**Frank Farm Criteria D:**

- Ray Frank's collection of artifacts found on this property includes twelve points, two bifaces, two celts and a bannerstone, dating primarily to the Archaic period
- These artifacts were found throughout the farm, from what is now east of Reuther School to John R. Road on the west
- Further investigation is needed to determine the archaeological potential of this property

**Frank Farm Summary:**

- The Rochester Hills Historic Districts Study Committee finds the Frank Farm is significant as the tangible presence of one family's long history in Avon Township. The Frank Family and their farm embody the essential patterns of the Township's history.

**Mr. Dziurman** then displayed various photographs of the various buildings located on Frank Farm.

**Boundary Justification:**

- The proposed Frank Farm Historic District consists of 7.93 acres and all the extant buildings construction by Lucius L. Frank and his descendents and a portion of the former farmland that is still held by the family.

**Mr. Dziurman** stated that the designation would include all the homesteads listed in the report as well.

**Dr. Stamps** stated this is one of the few remaining farms and commented that it has deteriorated somewhat and deserves protection. He noted that this could be preserved for the future as an educational facility. He commented that while he was sensitive to acquiring the owner's approval for Historic Designation, perhaps the larger good should step in.

**Mr. Brennan** responded he did not wish for the government to step in and intervene on a property owner's rights or dictate how an owner could use his property.

**Public Comment:**

**Anita Holtz**, 1290 E. Auburn Road, stated her father, George Holtz, was raised on the family farm, and lived and died on the farm. Although there is a great sense of pride in knowing that the City has recognized the great historical significance to the property, this designation would present a burden and financial impact to the inheriting generations. She noted that the visual historical significance of this property is non-existent, and that of the four houses on the property, one could be considered demolition by neglect and another is in disrepair. Referencing the photo shown earlier taken in the 1940s, no barn, silo, chicken coop, pigsty or farm fence remain. She stated that while she had great memories of growing up on the farm, if the designations are approved, it will become a big sense of distress for the family members. She also noted that the Frank Family did not currently own all the properties being considered as a part of Frank Farm; in particular, the oldest structure located at 1304 East Auburn Road. She commented that the family has a document that shows that Andrew Jackson deeded the property over to the family as a homestead; and had heard rumors that Chief Pontiac resided in that area many years ago.

**Derek Delacourt**, Deputy Director of Planning, stated the City has attempted to contact the property owner at 1304 East Auburn multiple times and has not received a response.

**Council Discussion:**

**Mr. Webber** questioned whether the Rochester Community School District had expressed an interest in farming education.

**Dr. Stamps** reported that they had not been contacted; however, several nearby school districts have properties and have those activities that fit in with their curriculum.

**Mr. Webber** expressed concern how the interaction of the residents would work and balance out the financial burdens on the family.

**Mr. Pixley** stated that the historic significance of the property is the archaeological aspect; and he agreed with Ms. Holtz regarding her assessment of the condition of the structures on the property.

**Dr. Stamps** stated that trained archaeologists could get permission of the land owner to conduct searches; and, using a series of techniques, ground survey, ground penetrating radar or shovel test pits, could survey the site for artifacts. He noted that this could be a significant archaeological site.

**President Hooper** stated that he has had a conversation with workers currently painting the home not owned by the Frank Family and they reported that the owner is planning to rent out this home.

**Mr. Delacourt** reported that the property at 1304 East Auburn has a long history of Ordinance violations from the Building Department.

**Dr. Stamps** requested that Council table this item and noted that the HDSC would assemble more data to present at a future meeting.

**Ms. Holtz** stated that she wished to contact an archaeologist and would welcome Council tabling this item.

**Ms. Schodowski** stated that there can be some benefit from a blended solution to utilizing the property and noted that it could be a selling point for the future.

**Mr. Yalamanchi** commented that he did not wish to push for a decision tonight. He questioned whether a Historic Designation would create a burden in terms of future development.

**Mr. Dziurman** stated that planning options exist that enhance the ability of a developer which have been used in the past with other Historically-designated properties. He noted that the State has recognized past burdens and has attempted to rectify these burdens with additional tax credits.

**Mr. Delacourt** stated that if the property is designated, any future development would have to follow the same process and go to the HDC for a review and approval. He noted that designation in and of itself does not prevent any type of future development; it only subjects it to review by the HDC. He stated that language in the City's Master Plan and Zoning Ordinance addresses the flexibility for land use associated with the Historic Districts.

**Mr. Dziurman** recalled that during the joint meeting between the City Council and HDC, a discussion was undertaken regarding the adaptive reuse of these

properties.

**A motion was made by Rosen, seconded by Ambrozaitis, that this matter be Tabled by Resolution.**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0155-2009

**2009-0163** Update on the City's five-year Financial Forecast

**Attachments:** [Agenda Summary.pdf](#)  
[Financial Forecast 2010-2014.pdf](#)  
[Financial Forecast 2010-2014 \(Revised\).pdf](#)  
[Suppl Financial Forecast Presentation.pdf](#)

**Mr. Keith Sawdon**, Financial Director, stated that the Administration maintains a live forecasting tool with models that are updated every day. He noted as Budget Amendments are presented and approved, these new figures become the basis for calculations to future forecasts. He commented that as reported in the 2008 Audit completed by Plante & Moran, the City is in a very good position because it has reacted in a managed state to changes in the economy, revenue streams and expenditures. He noted that many cities are forced into making decisions based on 30-day or 90-day forecasts, while Rochester Hills has the opportunity to look out not only to 2010, but to 2011 and 2012 and beyond and make proactive changes. He commented that the Financial Forecast is not intended to be a budget, a proposed spending plan or a policy recommendation to City Council for structural or cyclical deficits. It sets the stage for the upcoming budget process, aiding both the Mayor and City Council in establishing priorities and allocating resources appropriately. He noted that the Mayor would be presenting a two-year Budget this year.

**Economic Assumptions:**

- Downturn in the housing market
- Tight credit market and continued weak financial institutions
- Falling consumer confidence and spending
- Rising unemployment

**Key Forecasting Points:**

The key revenue points measured and forecasted by the City include:

- Taxable Values
- Interest Rates
- Current Millage Rates remain unchanged
- No New Millage is introduced
- State Shared Revenue
- Act 51 Revenue

He stated that since 2008, a recessionary economy has existed and noted that housing has experienced a downturn, credit markets have been tight and financial institutions are unstable. He commented that the forecast does not try

to predict all items, but keys in on the items that will affect the City the most. He reported that the City Assessor has been fairly accurate in predicting assessed value; and stated that continued adjustments will be made based on new values. He stated that the City Treasurer continues to pay close attention to interest rate fluctuations and noted that there is currently a slight inflationary pressure on interest rates. He noted that the model does not adjust millage rates, nor does it introduce any new millage rates. He commented that the model is reflective of what the Administration knows today.

Mr. Sawdon further explained that predictions are made to what State Shared Revenue will be, and noted that most of the State Shared Revenue that the City receives is constitutionally guaranteed and mandated. He noted that the constitutionally-mandated revenues depend on the amount collected by the State. He further commented that predictions are made to Act 51 Revenues, as the City's Major and Local Road Funds are dependent on this revenue stream.

**Current Assumptions used in the April 8, 2010 Forecast:**

- Taxable Values

-3.75% for 2010, -8.00% for 2011, -5.00% for 2012, -3.00% for 2013 and 0.00% for 2014

- Interest Rates

- 2.00% for 2010, 2.00% for 2011, 3.00% for 2012, 3.00% for 2013 and 3.00% for 2014

- New Millage is introduced

NO

- State Shared Revenue

0.00% for 2010, 0.00% for 2011, -1.00% for 2012, -1.00% for 2013 and -1.00% for 2014

- Act 51 Revenue

-5.00% for 2010, -5.00% for 2011, -2.50% for 2012, -2.50% for 2013 and -1.00% for 2014

- Current Millage Rates remain unchanged

YES

He reported a prediction of a 3.79 percent reduction in Taxable Value for 2010, and stated that after review of the assessment roll following the Board of Review, the Administration was fairly confident in using that number. He noted the City Assessor's predictions for 2011, 2012, and 2013, and stated that it was predicted that Taxable Value would bottom-out in 2014 and stated that these numbers could change as inflationary tendencies are realized. He explained that the 2009 Budget forecasts a \$4.9 million revenue stream from the State and commented that current predictions are closer to \$5.1 million in State Shared Revenue through 2009. He noted that these figures are reduced to zero change in 2010 and 2011, and would be reduced beyond 2011 if the State's financial problems continue.

*He stated that the Act 51 Revenues will decrease as people drive less, less gasoline is bought, and the state experiences higher unemployment.*

**Expenditures:**

*- Salary and Wages*

*Current agreements with union and non-union groups are used to forecast salary and wage changes. Where no agreements are available or the City is in union discussion, current levels are used.*

*- Changes in the Number of Employees*

*Any planned changes, for the future, if known, are incorporated into the forecast.*

*- Health Care and other Fringe Benefits*

*Working with the City's health consultant, Human Resource Department and based on the City's recent health care experience, future cost of health care is forecasted.*

*Note: The largest increase, based on the City's three health care plans, are used to forecast all health care costs.*

*- Pension (City's Share) Change*

*Any planned changes in the City's share of pension contributions are incorporated into the forecast.*

*- Inflation*

*The City's best guess for future inflation is applied against other expenditures, including Capital Projects, within the City's current budgets.*

*- Sheriff Contract*

*Working with the Business Manager from the Sheriff's office, an estimate of future cost increases in the Sheriff's contract is forecasted.*

**Current Assumptions used in the April 8, 2009 Forecast:**

*-Salary and Wages*

*0% for 2010 and 2011, 1% for 2012, 2013 and 2% for 2014*

*- Changes in Number of Employees*

*None, vacant positions remain vacant with no new additions*

*- Health Care and other Fringe Benefits*

*30% for 2010, 15% for 2011, 2012, 2013 and 2014*

*- Pension (City's Share) Change*

*0% for 2010, 2011, 2012, 2013 and 2014*

*- Inflation*

*General Citywide Inflation: Percent Change = +1%*

*Capital Project Inflation: Percent Change = +2.50%*

- Sheriff Contract  
3% for 2010 and 2011, 2.50% for 2012, 2013 and 2014

He noted that the City, as most governments, is very dependent on personnel costs, and much time is spent on forecasting these costs. He stated that Rochester Hills is unique as the City has contracted with Oakland County for Police Services and commented that these costs make up a significant portion of the City's Budget. He reported that the model predicts a goal of no wage increases for 2010 and 2011, and slight increases for 2012, 2013 and 2014. He noted that currently, no changes to employees were predicted, with the exception that any current vacant positions will remain vacant. He stated that the City has been informed by its health insurance carrier that a 30 percent increase in health care costs could be expected for 2010, and commented that the Human Resources Department is exploring ways to offset that large number. He stated that the City is estimating 15 percent increases for each year from 2010 through 2014.

He stated that the general City-wide inflation figure utilized was 1.0 percent.

He noted that a higher number of Capital Projects are currently being utilized in the forecast as a significant amount of Federal Stimulus funding is currently flowing through the State's economy.

He explained that the forecast presents all of the governmental-level funds presented as an overall position of the City and this overall view does not provide an easy point to make decisions on City services. He explained that the Water and Sewer Fund is not utilized in the model, as it is considered a non-profit fund. He commented that the model does not incorporate Fund Balance as a source to offset expenditures, nor does it make adjustment for millage changes. He noted that focusing on the General Fund is more useful in forecasting, as transfers out of General Fund function as a safety valve for expenditures. He noted that pressure on the General Fund exists as transfers are made to Local Roads. He stated that the Special Police Fund affects the General Fund as the Fund is impacted by the loss of taxable value while contract costs increase; and, therefore, would present a pressure on the General Fund in 2013 and 2014. He commented that stopping the transfers to the Local Road Fund could prevent the City from performing routine maintenance to City streets and could be viewed as irresponsible; therefore, the model has been adjusted for a minimum transfer to Local Roads for routine maintenance. He reported that the model shows the General Fund flat and in balance through 2010; however, it begins to move away in 2011 and 2012 due to the combination of a drop in taxable value, increase in personnel costs and the effects of health care costs.

Mr. Sawdon noted the following significant projections in revenues and expenses:

- 2008 City Taxes Collected were \$14,041,621.00
- 2013 Projections for City Taxes to be Collected are \$11,700,091.00
  
- 2008 Intergovernmental Revenue received was \$5,367,060.00



- 2013 Projections for Intergovernmental Revenue are \$4,955,021.00

He noted that the Intergovernmental Revenue (State Shared Revenue) predictions for 2014 begin to rise again.

- 2008 Personnel Services Expenditures Revenue were \$10,902,311.00  
- 2014 Predictions for Personal Services Expenditures are \$13,497,845.00

He noted that these increases are mainly due to health care and inflationary pressures.

He noted that in 2009, the City would transfer \$10,390,480.00 to Local Roads for mostly Capital Projects. He noted that if the assumptions were changed to transfer only out for maintenance, that figure would decrease. He commented that transfers out to the Special Police Fund would continue to rise due to inflationary pressures and contract increases.

He pointed out that Taxable Values not only affect the General Fund, but also affect other funds that rely on millage rates. He noted that the Fire Fund will be affected by falling Taxable Values, while its personnel costs will continue to rise. He pointed out that Major Roads will pull a significant amount from Fund Balance to complete Capital Improvement Projects. He noted that if the City makes no changes, Fund Balance will continue to decrease.

Mr. Sawdon commented that the City is experiencing pressure from falling revenues due to an economic downturn that will most likely last for a few years, and is experiencing increases on the expenditure side due to personnel costs and health care. He explained that the City must set its priorities and move its budgets forward to meet those objectives and goals.

#### **Council Discussion:**

**Mr. Pixley** commented that after hearing this forecast, balanced with the City Audit presented by Plante & Moran previously, a framework now exists going forward to assist in preparing the Budget. He expressed concern over predictions for rising health care costs; however, he stated that nothing presented tonight was surprising to him. He commented that this was a conservative forecast that makes it clear that Council has a big job ahead of it.

**Mr. Rosen** commented that this is a very good model, and allows Council to recognize the future pressures that the City is up against and to react to these economic changes. He commented that it appears that the City has built no additional Local Road construction projects into the model.

**Mr. Sawdon** stated that his intention was to give Council a more accurate look at the General Fund and explained that the City could continue to do planned construction and Capital Improvement Projects in Local Roads, but it would have to substitute funding from other areas. He noted that Local Roads should continue to maintain the substructure it currently has.

**Mr. Rosen** commented that stopping anything beyond maintenance on Local

*Roads with the 2010 Budget would be a good place to start. He further stated that the City does not want to cut back on Sheriff services, but as millages are running out, a strategy should be developed on how to fund these services. He noted the steep decline in Fund Balances and Act 51 Revenues predicted from 2010 forward and commented that the City should look at changes to improve its financial position. He commented that if the City's cuts back and things improve, the City would be in a better position to weather the storm. He noted there was a much greater risk to the City's position in overestimating revenues. He pointed out that the length of the Great Depression was actually 10 to 12 years and commented that this economic downturn could affect the world for the next 20 years. He stated that the 2010 Budget should be cut significantly.*

**Mr. Yalamanchi** questioned whether the State Shared Revenue projections could be considered accurate, based on current revenues.

**Mr. Sawdon**, responded that he expected these Revenues to not vary significantly from that projected in the model.

**Mr. Yalamanchi** questioned the City's investments and inquired what interest rates the City is currently earning.

**Kurt Dawson**, Director of Assessing/Treasury, responded that the City has approximately 30 to 35 percent of its investments in the 0.5 percent interest range, noting that these were considered very short-term investments. He noted that the twelve-month investments (Certificate of Deposits) are approximately at 1.9 percent currently; and interest rates in the 3.5 percent range are carryovers from prior investments. He commented that the overall rate was projected to bottom out in the 2 percent range or less, but inflationary tendencies were expected to begin kicking in.

**Mr. Yalamanchi** questioned what percentage of Major Road and Local Road funding was received from Act 51 Funds.

**Mr. Sawdon** responded that \$4.3 million was projected to be received in Major Roads for 2009; and \$2.7 million was projected for 2010. He noted that Local Roads would receive roughly \$1.2 million in 2009.

**Mr. Yalamanchi** questioned what outstanding projects were currently projected to utilize Fund Balance and whether the City considered realigning or removing some of these projects.

**Mr. Sawdon** responded that the new Asset Management Program has given the City a feel for the current condition of its infrastructure and this will give the City the ability to move approximately 50 percent of Act 51 Revenues to Local Roads, as is currently allowed. He noted that moving more than 50 percent of Act 51 Revenues to Local Roads would required Council approval.

**Mr. Yalamanchi** questioned the City's projected revenues from Ordinances, License Fees and Permits. He questioned the increase in professional services and questioned whether this would be affected by Major Road projects.

**Mr. Sawdon** responded that the Second Quarter Budget Amendment would contain a small revision downward in the revenues from the Building Department with an accompanying offset of revenues. He noted that these amendments would allow an update to the model. He noted that the professional services increase was inflationary and that the Second Quarter Amendment will show some drops in revenue and expenditures due to some construction activities that most likely will not take place.

**Mr. Yalamanchi** requested an update to the status of Union negotiations. He questioned whether this contract would affect 2009 or 2010.

**Pam Lee**, Director of Human Resources, reported that the City has made fairly significant progress in discussing some of these economic issues, particularly health care, in Union negotiations. She stated that the Administration expected settlement within the next few months. She stated that the contract begins at the start of 2009; however, health care enrollments would impact 2010. She stated that the importance of settling the contract cannot be overemphasized as the City has no intention of going into the next year with a 30 percent increase in health care costs. She stated that various options were being explored, such as cost-sharing, wellness programs, and other factors to help reduce costs.

**Mr. Yalamanchi** questioned how the declining tax revenue would impact debt and bond payments.

**Mr. Sawdon** responded that the City's largest bond payments are tied to millage rates and noted that as taxable values fall, the millage rates will have to increase. He noted that tonight's focus did not delve deeply into the debt model.

**Mr. Yalamanchi** commented that there were opportunities and challenges presented for the 2010 and 2011 Budgets. He stated that he would strongly recommend that a three-year budget be considered.

**Mr. Ambrozaitis** commented that in his years on Council, he never expected to be looking at negative Fund Balances in 2014. He questioned how the new M-4 Requirements would affect the Water and Sewer Funds and requested that these requirements be included in the Budget for 2010 and 2011.

**Mr. Sawdon** noted that the Water and Sewer Fund has monies set aside to do the capital improvements necessary for the fund. He noted that capital improvements would not be undertaken if there was not enough money in the Water and Sewer Fund.

**Mr. Ambrozaitis** questioned how the decrease in Fund Balance over time would affect the City's bond rating.

**Mr. Sawdon** stated that he did not expect that it was the intent of Council to leave things unchanged and commented that Council was in the unique position to take a managed approach, looking at programs, services and policies.

**Mr. Ambrozaitis** commented that the current economic news had implications for the global economy.

**Mr. Sawdon** stated that the model will be adjusted quarterly as taxable values change.

**Mr. Ambrozaitis** stated that he had learned there were 1,400 vacated properties in the City and questioned how they would impact revenues. He commented that cutbacks in spending should have begun two years ago.

**Mr. Sawdon** responded that the City has been cutting back in the area of General Government for the past three years, in reducing General Government by over \$1 million. He noted that the areas of Public Safety and Public Works have been increasing.

**Mr. Ambrozaitis** commented that the City should be reviewing the Capital Improvement Plan.

**Mr. Webber** stated that he is pleased to hear that the Administration is looking at doing a two-year budget. He noted that Mr. Sawdon has been very active with both the Strategic Planning and Policy Review Technical Review Committee as well as the Police and Road Funding Technical Review Committee and that his input will be reflected in the Police and Road Funding Technical Review Committee's final report to Council. He stated that Public Safety should be the last place cuts are made in a bad economy. He stated that the City should strike a balance to continue to provide essential services.

**Mayor Barnett** stated that the City's Directors have a great wealth of experience in dealing with recessionary periods and are well-equipped to make decisions on difficult budget cuts and choices.

Presented.

**(Mr. Yalamanchi exited at 12:01 AM and re-entered at 12:04 AM)  
(Mr. Webber exited at 12:15 AM and re-entered at 12:18 AM)**

2008-0593 Request for Adoption of the Brownfield Incentives Policy

**Attachments:** [Agenda Summary.pdf](#)  
[Final Brownfield Policy.pdf](#)  
[Brownfield Application Form.pdf](#)  
[RHBRA Minutes 041609.pdf](#)  
[RHBRA Minutes 021909.pdf](#)  
[Joint Meeting Minutes 112408.pdf](#)  
[112408 Agenda Summary.pdf](#)  
[112408 ASTI Documents.pdf](#)  
[Resolution.pdf](#)

**Mr. Derek Delacourt**, Deputy Director of Planning and Development, stated that the draft of the final version of the Brownfield Policy was developed by the City's Brownfield Consultant and has been reviewed by the Brownfield Authority and the City Attorney.

**President Hooper** questioned which portion of the funding capture period was dictated by State Law and which portion was negotiable.

Approved as presented at the July 27, 2009 Regular City Council Meeting.

**Thomas Wackerman**, CHMM, Director of Brownfield Redevelopment, ASTI Environmental, stated that State Law dictated a maximum thirty-year capture period with a five-year sliding period at the start. He noted that if a project does not begin for five years, the City could still capture the full thirty years by moving the start of the thirty year capture period. He noted that the other portion is policy and provides the City with some flexibility relative to the project's completion date.

**President Hooper** questioned how the money is moved into the Local Revolving Fund and inquired whether a portion was placed into the fund every year or at the end of three years. He questioned how the three-year period was determined.

**Mr. Wackerman** responded that typically it was placed into the Fund at the end, however, a portion could be made each year. He noted that while some communities required an up-front contribution the majority do this at the end. He stated that the three-year stipulation was an arbitrary time period could be changed.

In response to Council questions, **Mr. Wackerman** discussed the various adjustments that could be made to the capture periods and how some communities view these capture periods.

**President Hooper** commented that the Brownfield Incentives Policy did not include specific language dictated for payback and reimbursement agreements, noting that every project is unique on its own. He stated that he wished to keep the data and discussions on these agreements for future use.

**Mr. Yalamanchi** questioned whether a community could dictate a minimum amount of remediation and commented that he would like to see a minimum included in the Policy.

**Mr. Wackerman** responded that a community could set up minimum standards of remediation and could tie requirements to the State's requirements in Part 201 of Act 451.

**Mr. Delacourt** stated that there would be minimum remediation standards included in the document related to Tax Increment Finance (TIF) capture, and stated that it was recommended that the City rely on the existing standards in place and review with the Brownfield Authority when projects came forward. He noted that if the City were to adopt different minimum standards, it should be included in this document.

**Mr. Wackerman** commented that minimum standards on a site by site basis would be contained either in a remedial action plan, a 381 Work Plan or one of the existing documents that the Department of Environmental Quality (DEQ) will require relative to clean up and noted that those standards could be negotiated in a site specific reimbursement agreement. He stated that communities could set up their own overall general standards, however, challenges would exist if these standards were not in agreement with the DEQ and Environmental Protection Agency (EPA).

**Mr. Delacourt** suggested that standards could be reviewed on a case-by-case basis as a part of a policy associated with TIF.

**President Hooper** expressed concern that if a standard is set which would cost the developer more than it would pay, there would be a chance of the property not being remediated at all.

**Mr. Delacourt** stated setting minimum standards could act as a disincentive to developers or property owners.

**Mr. Wackerman** agreed, stating that clean-up standards were extremely site specific and dependent on the types of chemicals and exposure scenarios.

**Mr. Yalamanchi** stated he did not wish a scenario where a developer could push its own clean-up level on a project through a community.

**Mr. Wackerman** stated that from a policy point of view, a developer will see that the City has a preference for projects that incorporate source control, active remediation or mitigation. He noted that this will convey flexibility to a developer yet also note that approval of anything the developer desires is not a given.

**Mr. Rosen** stated that he wished to have the ability to set site-specific standards through the negotiation process.

**Mr. Delacourt** stated that the proposed Policy would convey to a developer that the City wished to control the pollutants on a site, and not just cover over and build on them.

**Mr. Rosen** suggested adding wording referencing "each case" and "for each project" to make the language clearer.

**President Hooper** summarized that wording be incorporated for a preference for site-specific source control, active remediation and mitigation.

**Mr. Delacourt** responded that this wording could be added.

**Stephanie Morita**, Brownfield Development Authority member, commented that this proposed Policy is a good representation of the Authority's discussions with the Consultant. She stated that the Policy would give the Authority the flexibility it needs to create incentives for people to come into the City and redevelop Brownfields while affording the flexibility to protect neighborhoods at the same time.

**Mr. Webber** stated the goal first and foremost was to protect the residents, while producing a document that is flexible on a case by case basis.

**President Hooper** indicating that Council's approval should include the insertion of the words 'site specific' in Part One, and incorporating a preference for site specific source control active remediation or mitigation.

**A motion was made by Webber, seconded by Yalamanchi, that this matter be Adopted by Resolution to include the words "site specific" on Page 1, in Paragraph 1. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0149-2009

**Whereas**, as part of its economic goals and objectives, City Council determined that a Brownfield Incentives Policy should be established for the City of Rochester Hills to serve as a guide for future brownfield development; and

**Whereas**, on November 24, 2008, a Joint Meeting between City Council and the City of Rochester Hills Brownfield Redevelopment Authority was held to discuss the implementation of a Brownfield Incentives Policy; and

**Whereas**, based on the parameters and discussion held at the November 24, 2008 Joint Meeting, the City's Brownfield Redevelopment Authority met with the City's Environmental Consultant, ASTI Environmental, and prepared a Brownfield Incentives Policy; and

**Whereas**, the City's Environmental Oversight & Cleanup Technical Review Committee reviewed and provided input regarding the proposed Brownfield Incentives Policy; and

**Whereas**, at its April 16, 2009 meeting, the City's Brownfield Redevelopment Authority recommended that City Council adopt the proposed Brownfield Incentives Policy.

**Now, Therefore, Be It Resolved** that the Rochester Hills City Council hereby adopts the Brownfield Incentives Policy dated April 2009 for the City of Rochester Hills, effective immediately, with the insertion of the words 'site specific' in Part One, and incorporating a preference for site specific source control active remediation or mitigation.

**2009-0213** Request to schedule a Public Hearing for the request to establish an Industrial Development District at 2700 Product Dr., Rochester Hills, Michigan

**Attachments:** [060109 Agenda Summary.pdf](#)  
[060109 Resolution.pdf](#)

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

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0150-2009

**Whereas**, Webasto Roof Systems, Inc. has requested that an Industrial Development District be established at 2700 Product Drive, further known as Tax Parcel No. 15-28-303-017, and further described as:

Lots 16, 17, 18, 19, 20 and 21, TAN Industrial Park, as recorded in Liber 184 of Plats, Pages 15 through 18, Oakland County Records; 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 City Council's Regular Meeting of June 22, 2009; and

**Be It Further Resolved**, to authorize the City Clerk's office to publish notice of the Public hearing in a paper of general circulation no later than Monday, June 8, 2009; and

**Be It Further Resolved**, to send a certified copy of the notice to Webasto Roof Systems, Inc., Attention: Brett Healy, 1757 Northfield Drive, Rochester Hills, MI 48309, no later than Friday, June 12, 2009; 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 Monday, June 8, 2009.

**2009-0214** Request to schedule a Public Hearing regarding the request for an Industrial Facilities Exemption Certificate

**Attachments:** [060109 Agenda Summary.pdf](#)  
[Application.pdf](#)  
[060109 Resolution.pdf](#)

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

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0151-2009

**Whereas**, Webasto Roof Systems, Inc. has requested that an Industrial Development District be established at 2700 Product Drive, further known as Tax Parcel No. 15-28-303-017, and further described as:

Lots 16, 17, 18, 19, 20 and 21, TAN Industrial Park, as recorded in Liber 184 of Plats, Pages 15 through 18, Oakland County Records; and

**Whereas**, Webasto Roof Systems, Inc. filed an application for an Industrial Facilities Exemption Certificate on May 12, 2009 for personal property to be transferred to the same facility; and

**Whereas**, Public Act 198, of 1974, as amended, requires that City Council must render a decision within 60 days of the receipt of the application and must afford the applicant, City Assessor and taxing jurisdictions the opportunity to hold a Public Hearing.

**Resolved**, that the Rochester Hills City Council hereby schedules a Public Hearing for City Council's Regular Meeting of June 22, 2009; and

**Be it Further Resolved**, to send a certified copy of the notice to Webasto Roof Systems, Inc., Attention: Brett Healy, 1757 Northfield Drive, Rochester Hills, MI 48309 no later than



Friday June 12, 2009; 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 Monday, June 8, 2009.

- 2009-0206** Adoption of Amendment to the *City Council Rules of Procedure* to change the Synopsis of Council Meetings from being published in the newspaper to being posted on the City's website

**Attachments:** [Agenda Summary.pdf](#)  
[051809 Agenda Summary.pdf](#)  
[051809 Resolution.pdf](#)  
[Resolution.pdf](#)

**John Staran, City Attorney** stated that the Synopsis itself is not required by State Law, and noted that this was a temporary measure that the City utilizes while the minutes are being prepared and fulfills the requirement to provide a record of the proceedings within eight days after an open meeting. He stated that there is no requirement that this Synopsis be published in the paper.

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

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0152-2009

**Resolved**, that the Rochester Hills City Council amends its City Council Rules of Procedure as follows:

Article V. Order of Business and Agenda

Section .04 Minutes:

(a) Regular and Special Meetings and Regular Work Sessions and Special Work Sessions:

(iii) A brief Synopsis of each meeting of the Council will be published in a newspaper of general circulation within the City on the City's website within ten (10) days following each meeting.

- 2009-0164** Adoption of the Fiscal Year 2010 City Council Goals and Objectives

**Attachments:** [Agenda Summary.pdf](#)  
[Strategic Plng Committee Spreadsheet.pdf](#)  
[Strategic Plng Cmte Sprdsht w/ Pg #s.pdf](#)  
[Resolution.pdf](#)

**This matter was Set Over to a Future Meeting.**

## COUNCIL COMMITTEE REPORTS

None.

## ANY OTHER BUSINESS

*Mr. Ambrozaitis* questioned whether he could receive information on how one-way streets such as Bloomer and Eastern would have a resolution to their waste pickup problems. He also questioned whether Mr. Staran had any additional information on the Farmington Hills Foreclosure Ordinance or the 45-mile per hour speed limit on Livernois.

*Mr. Staran* responded that the Farmington Hills Ordinance was currently being analyzed by his staff.

*Mr. Ambrozaitis* reminded residents of the Friends of the Tienken Road Corridor meeting scheduled for June 3, 2009 at 7:00 p.m. at Rochester High School.

## NEXT MEETING DATE

- Special Joint Meeting with City of Rochester - Monday, June 15, 2009 - 6:00 PM
- Regular Meeting - Monday, June 22, 2009 - 7:00 PM

## ADJOURNMENT

*There being no further business before Council, President Hooper adjourned the meeting at 12:47 a.m.*

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*GREG HOOPER, President  
Rochester Hills City Council*

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*JANE LESLIE, Clerk  
City of Rochester Hills*

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*MARY JO WHITBEY  
Administrative Secretary  
City Clerk's Office*

*Approved as presented at the July 27, 2009 Regular City Council Meeting.*