



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2015-0417

TO: Mayor and City Council Members
FROM: Keith Sawdon, Finance Director
DATE: October 26, 2015
SUBJECT: Street Lighting Policy for Subdivisions

REQUEST:

The Public Safety and Infrastructure Committee is requesting that City Council approve the attached Subdivision Street Lighting Policy which they approved at their October 13, 2015 committee meeting.

BACKGROUND:

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

The need for the City to be involved in those internal subdivision street lighting arrangements grew out of the fact that DTE would only contract with local units of governments for subdivision street lights. Therefore, subdivision homeowner associations came to the City and requested that the City contract with DTE, on their behalf, so that internal subdivision street lights could be installed and homeowner associations would then pay all costs related to this request.

For a number of years the City has performed this intermediate role and currently has forty eight (48) subdivision street lighting arrangements. The City bills and collects the amounts necessary to pay the annual DTE operation and maintenance costs for those internal subdivision lights.

Two (2) of our current arrangements are billed and collected using a special assessment process. The annual amount needed to pay DTE is approved by City Council at the same time that the City's Millage rates get adopted. The remainder of the agreements, are billed and collected quarterly, by the City, for the DTE cost plus a City administration fee to cover the cost of billing and collecting.

In discussing and reviewing this process with PS&I, it was determined that the most cost effective way for the City and the homeowner associations to treat these arrangements was through a special assessment process and to establish our policy for subdivision street lighting based on that procedure.

The special assessment process offers benefits to both the homeowners and the City. For the homeowner associations there's no quarterly bill to pay and there is no administration fee since the City is no longer billing and collecting. In fact, there is no effort required for the homeowners association since each property owner, in the benefiting area, will be paying their street lighting bill

directly when they pay their City taxes. For the City it will end the quarterly bill and collect process. The resulting policy is attached for your review.

RECOMMENDATION:

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

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		