



Rochester Hills

Minutes - Draft

City Council Special Meeting

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

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

Vision Statement: The Community of Choice for Families and Business

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

Monday, August 23, 2010

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 23, 2010, for the purpose of discussing the proposed 2011 Budget; and for the approval of meeting minutes.

CALL TO ORDER

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

ROLL CALL

Present 6 - J. Martin Brennan, Greg Hooper, Nathan Klomp, Vern Pixley, James Rosen and Michael Webber

Absent 1 - Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning and Development
Bryan Barnett, Mayor
Tara Beatty, Chief Assistant
Nancy Bowman, Senior Human Resources Analyst
Jim Bradford, Deputy Fire Chief
Alan Buckenmeyer, Parks Operations Manager
Dan Casey, Manager of Economic Development
Scott Cope, Director of Building/Ordinance Compliance
Ron Crowell, Fire Chief/Emergency Management Director
Paul Davis, Acting Director of DPS/Engineering
Kurt Dawson, Director of Assessing/Treasury
Derek Delacourt, Deputy Director of Planning
Susan Galeczka, Deputy Clerk
Pamela M. Gordon, Director of Human Resources
Bob Grace, Director of MIS
Michael Hartner, Director of Parks and Forestry
Deborah Hoyle, Financial Analyst*

*Captain Michael Johnson, Oakland County Sheriff's Office
Gerald Lee, Forestry Operations Manager
Jane Leslie, City Clerk
Keith Sawdon, Director of Finance
Leanne Scott, City Council Coordinator
Joe Snyder, Senior Financial Analyst
Helen Sultana-Kelly, HR Analyst-Program Coordinator*

Mr. Yalamanchi provided prior notice that he would be unable to attend.

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 6 - Brennan, Hooper, Klomp, Pixley, Rosen and Webber

Absent 1 - Yalamanchi

PUBLIC COMMENT

None.

LEGISLATIVE & ADMINISTRATIVE COMMENTS

President Hooper announced that the roundabout is now open at Hamlin and Livernois Roads. He pointed out that motorists entering the roundabout must yield to vehicles already in the roundabout.

Mr. Rosen commented that on the thirtieth anniversary of his marriage, he would like to thank his wife for supporting him in his endeavors and work with the City.

Mr. Webber announced that this year's Art and Apples Festival would be held in downtown Rochester September 10th through 12th.

Mayor Barnett made the following announcements:

- City Hall will host a Community Blood Drive on Thursday, August 26, 2010. Any member of the public wishing to donate is welcome from 10:00 a.m. to 4:00 p.m., and interested individuals can call the City's Human Resources Department to arrange an appointment time, if desired.
- The Rochester Hills Museum at Van Hoosen Farm will host "Driven to Victory", a World War II event, on Saturday, August 28, 2010 from 9:00 a.m. to 5:00 p.m.

- Comcast Cable has changed the City's broadcast channel from 55 to 20.
- City Hall will be closed on Monday, September 6, 2010 in observance of Labor Day. Waste hauling services will be pushed back one day for that week.
- Kostal Kontakt Systeme will be consolidating offices in Mexico and Germany and will open a new facility in Rochester Hills. A huge economic development win for the City, the company will be making a \$27 million investment in the Tower Automotive Building and will bring nearly 250 new jobs to the City.

CONSENT AGENDA

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

2010-0317 Approval of Minutes - City Council Regular Meeting - June 7, 2010

Attachments: [CC Min 060710.pdf](#)
[Resolution.pdf](#)

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0190-2010

Resolved, that the Minutes of a Rochester Hills City Council Regular Meeting held on June 7, 2010 be approved as presented.

2010-0348 Request for Purchase Authorization - MIS: Blanket Purchase Order for annual support and maintenance for the City's Asset Management Software in the amount not-to-exceed \$38,400.00; GBA Master Series, Inc., Overland Park, KS

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

This Matter was Adopted by Resolution on the Consent Agenda.

Enactment No: RES0191-2010

Resolved, that the Rochester Hills City Council hereby authorizes a Blanket Purchase Order to GBA Master Series, Inc., Overland Park, Kansas for support and maintenance for the City's Asset Management Software in the amount not-to-exceed \$38,400.00 through September 30, 2011.

Passed the Consent Agenda

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

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

Absent 1 - Yalamanchi

PROPOSED 2011 BUDGET DISCUSSION

2010-0329 Discussion - Special Revenue Funds (200's) - 2011 Budget

Attachments: [081610 Budget Presentation Schedule.pdf](#)
[082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl DPS Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA Presentation.pdf](#)
[Suppl OPC Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Parks and Forestry Presentation.pdf](#)

Keith Sawdon, Director of Finance, introduced Deborah Hoyle, noting that she has taken the position of Financial Analyst. He stated that Ms. Hoyle will be working across three departments, noting that she will have duties that encompass Fiscal, Purchasing and Accounting.

R.A.R.A. Millage Fund (213)
R.A.R.A. Operating Fund (808)

Mr. Sawdon reviewed the Rochester-Avon Recreation Authority (RARA) Millage and Operating Funds:

- The voters of Rochester Hills approved the RARA Operating Millage on August 8, 2006, to levy up to 0.1950 mill for ten years through Fiscal Year 2016 in order to support the programs of the Authority.

John Anderson, Executive Director, RARA, stated that the Authority's budget is made up of several components, including governmental contributions from the City's millage along with a millage from the City of Rochester. He noted that total revenues for Fiscal Year 2011 from all millage funds will be approximately \$700,000, approximately \$85,000 less than FY 2010. Millage funds comprise approximately 35 percent of RARA's total revenue, with the remainder generated by program fees and charges.

Significant Notes:

- Taxes decreased 11 percent (\$77,630) due to reductions in taxable value.

Council Discussion:

Mr. Klomp commented that it has been an honor to serve as a representative on RARA's Board. He noted that the Authority's plans to purchase a building and make some capital expenditures have been deferred due to the current economic uncertainties. He stated that while the Authority has had to dip into its Fund Balance, it has exercised fiscal conservatism and should weather this economic climate well.

See also Legislative File 2010-0335.

Discussed.

2010-0335 Discussion - Component Units (800's) - 2011 Budget

Attachments: [082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl RARA Presentation.pdf](#)
[Suppl OPC Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)

See Legislative File 2010-0329 for Council Discussion.

Discussed.

2010-0329 Discussion - Special Revenue Funds (200's) - 2011 Budget

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Keith Sawdon, Director of Finance, reviewed the O.P.C. Millage Fund and introduced **Marye Miller**, Executive Director, Older Persons' Commission (OPC).

O.P.C. Millage Fund (265)

O.P.C. Operating Fund (820)

- The voters of Rochester Hills approved the OPC Operating Millage on November 7, 2001, to levy up to 0.2500 mill (limited to 0.2403 mill due to Headlee Rollback) for ten years through FY 2012 in order to support the programs of the OPC. That millage was just renewed on August 3, 2010.
- The voters of Rochester Hills approved the OPC Transportation Millage on September 13, 2005, to levy up to 0.0900 mill (limited to 0.0891 mill due to Headlee Rollback) for ten years through FY 2015 in order to support transportation services provided to older and handicapped persons.

Significant Notes:

- Taxes decreased 11 percent (\$131,130) due to reductions in taxable value.

Marye Miller, Executive Director, OPC, commented that the renewal operating millage passed with 78 percent voter approval in all three municipalities that contribute to funding. She explained that millage funding is 41 percent of the OPC's total overall budget, with the remainder in grant funding and donations. She commented that there has been a decline in grant funding at the Federal and State level for Nutrition Programs; and stated that the OPC has made internal adjustments to staff and changes in facility operations such as supplies and lighting to minimize impact to the Nutrition Program. She noted that fund raising contributes approximately 16 percent of the OPC's funding and commented that programs have fees and charges as well. She stated that the OPC cannot charge for nutrition or transportation, as many of the individuals who make use of these services are on a fixed income; however, suggested donations are for \$3.00 per meal or \$3.00 per ride. She reported that contributions average \$1.50 per meal

and ride. She commented that the OPC has seen an increase in seniors coming to the facility, stating that over 700 people come into the facility each day and mentioning that there is a great deal of camaraderie and job networking that occurs at the facility. She expressed appreciation to Mayor Barnett for allowing the City's MIS staff to provide advice to OPC personnel regarding information technology. She explained that the OPC has downsized staff hours, leaving vacant positions unfilled and relying on over 1,600 volunteers to help the OPC provide services to seniors.

Council Discussion:

Mr. Webber commented that the margin of approval of the millage renewal vote shows the community's support for the OPC.

Mr. Brennan questioned whether the number of individuals accessing services at the OPC was going up due to the aging of baby boomers and increasing numbers of retirees and the unemployed.

Ms. Miller responded that the demographics show that many more individuals will access the OPC's services in the future and stated that the Center serves an estimated 9,000 individuals. She noted that the current location provides a great facility with the only need for improvement being the facility's limited availability of parking. She reported that the OPC has been named a Model Center for the United States through National Council on Aging.

Mr. Pixley questioned how the OPC will strive to reduce the transportation expense.

Ms. Miller responded that OPC staff members have not had wage increases for three years. She noted that the OPC will try to hold more fund raising events to make up lost revenues and noted that the OPC will be selling pies once again at the Spotlights Street Art Fair September 10th through 12th. She explained that one-half of the proceeds from pie sales will go toward the Transportation Program.

See also Legislative File 2010-0335.

Discussed.

2010-0335 Discussion - Component Units (800's) - 2011 Budget

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[Suppl RARA Presentation.pdf](#)
[Suppl OPC Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)

See Legislative File 2010-0329 for Council Discussion.

Discussed.

2010-0329 Discussion - Special Revenue Funds (200's) - 2011 Budget

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FIRE DEPARTMENT FUND

Fire Department - Revenue (206)
Fire Department - Administration (206)
Fire Department Suppression (339)
Fire Prevention Bureau (341)
Training (342)
Dispatch (343)
Emergency Medical Response (344)
Fire Capital Fund (402)
Wireless Communications (326)

Ron Crowell, Fire Chief/Emergency Management Director, stated that major operational changes could not have been accomplished without the cooperation of the entire Fire Department Staff. He noted that the elimination of Dispatchers in the Communications Division is reflected for FY 2011, as Dispatch Services are now contracted out to the Oakland County Sheriff's Office (OCSO). He reported that the call volume projected for FY 2010 is projected to increase by 21 percent over FY 2006. He gave the following presentation on the Fire Department:

2010 Accomplishments:

- Upgraded Heart Monitors (first in Oakland County to use Life Pak 15 monitors).
- Total replacement of HVAC at Fire Headquarters.
- Complete Radio Change over to Open Sky. The system is projected to be online in November.
- Became a Certified Repair Center for Air Packs.
- Public Opinion Survey.
- Customer Service Survey.
- Partnered with all Oakland Fire Departments for services.

Chief Crowell stated that the Public Opinion Survey is conducted through Oakland University, and explained that 2009 results were improved from 2007. He commented that the Customer Service Survey is conducted in-house and receives approximately a 35 percent rate of return, and highlighted several positive survey comments received.

2010 Changes:

- Implemented new operations plans for EMS:
 - * Staffing ambulances (instead of call-out)
 - * ALS Transport Agency (upgraded from Basic Transport)
- Patient Transfers (from hospitals to other facilities).
- Elimination of Dispatch.

Significant Revenue Changes:

- Taxes decreased 11.3 percent (\$716,640) due to reduction in taxable value.
- Inter-Fund: Decreased 78 percent (\$70,000) in reduced charges from Water/Sewer with the transfer of Dispatch to the OCSO.
- Charge for Service Fire Protection: Decreased 100 percent (\$65,000). No longer dispatching for Oakland Township.
- Interest and Dividend Earnings decreased 61 percent (\$60,860) due to projected lower interest rates.

Overview of Changes in Fire Department Expenditures:

- A 9.3 percent reduction in expenditures in FY 2011 over FY 2010.

Chief Crowell noted that expenditures show a reduction in almost every fund with the exception of Personnel, which reflects wage increases, as many Fire personnel have not yet reached their maximum longevity.

Fire Administration (206) - Significant Changes:

- Inter-fund Charges: Facilities increased 7.3 percent (\$28,240) due to the reassignment of an existing Facilities Division Custodian (one-half will be allocated to Fire; one-half to Parks).
- Legal Fees: Labor and Other increased 50 percent (\$10,000) due to reallocation for the upcoming union contract negotiations.

Fire Suppression (339) - Significant Changes:

- Salary and Wages increased 133 percent (\$894,930) due to the way costs are allocated between Fire Suppression and EMS.

Fire Prevention (341) - Significant Changes:

- There were no significant changes to this account for FY 2011.

Training Division (342) - Significant Changes:

- There were no significant changes to this account for FY 2011.

Dispatch Division (343) - Significant Changes:

- Personnel Services decreased 96 percent (\$561,860) due to contracting services to OCSO.
- Supplies, Equipment and Travel/Seminars were eliminated.
- Professional Services increased 101 percent (\$58,300) to recognize a full-year of payment to OCSO for Dispatch Services.

EMS Division (344) - Significant Changes:

- Salaries and Wages decreased 70 percent (\$893,730) due to allocation between Fire Suppression and EMS.
- Salaries and Wages Paid-On-Call (POC) decreased 4.5 percent (\$17,590) for POS firefighter/EMTs due to changes that improved operations.
- Professional Services decreased 19 percent (\$23,000) due to refinement of budgeted amount for EMS billing based on actual expenditures and current billing rate.
 - * Expected to trend back up as EMS revenues increase

Fire Capital Fund (402) - Significant Changes:

- Interest and Dividend Earnings decreased 63 percent (\$100,980) due to projected lower interest rates as well as lower fund balance levels.
- Capital Fund expenditures include:
 - * Turnout Gear Replacement (hope to receive a grant)
 - * Ambulance

Wireless Communications (326) - Significant Changes:

- Salaries and Wages increased 67 percent (\$13,570) due to staffing reallocations.
- Operating Equipment decreased 51 percent (\$46,000) due to Citywide Radio Changeover (IS-11) purchases made in 2010.

Chief Crowell noted that the position held by Vince Foisy, Supervisor of Communication Services, will be allocated as 40 percent to Wireless Communications, 30 percent to Facilities to take care of the wired lines of alarms and 30 percent to Dispatch as the City's liaison with Oakland County.

Conclusion:

- The Health, Safety and Welfare of the residents, visitors, and emergency responders of Rochester Hills is the Department's highest priority. Fire Department Staff are always looking at different ways we can enhance our service levels at the best possible cost to the residential and business community. We feel this approach is reflected in the FY 2011 Budget presented this evening.

Public Comment:

Melinda Hill, 1481 Mill Race, stated that the Fire Department does an excellent job in the community. She commented that the shift of Salaries and Wages from the EMS Division to Fire Suppression does not show the true allocation of expenditures, noting that EMS loses over \$1 million each year.

Council Discussion:

President Hooper requested information on the following:

- Whether the reduction noted to the EMS Budget signified a decrease or a reallocation of expenditures.
- What the staffing level will be for patient transport.
- Whether the Department is on track for \$1.2 million in revenues for FY 2010; and how expenses line up with revenues.
- Whether all Fire Department personnel are trained as both paramedics and firefighters.

Chief Crowell responded with the following:

- The reductions noted to the EMS Budget signify a reallocation of expenditures.
- The City has Mutual Aid Agreements with surrounding communities; for instance, if Crittenton Hospital needs an Advanced Life Support transfer, Auburn Hills units will backfill the City, if needed. 911 Dispatch calls are the highest priority; with patient transfers provided with POC staff in one ambulance only. Only one unit is assigned to transport at a time; three other Advanced Life Support units and one Basic unit are available at all times. The transport unit is also available to respond to 911 calls if it is not in use.
- Ambulances are staffed with POCs, utilizing two 12-hour shifts and providing a cost savings. If EMS services were eliminated, the City would still need POCs and full-time firefighters.
- All Fire Department Personnel are also trained as Paramedics or EMTs.

Mr. Pixley questioned what projected revenues for providing patient transfer services would be. He noted the reallocation of Salaries and Wages from EMS to Fire Suppression and questioned whether the increase in Professional Services is based on contract personnel costs.

Chief Crowell responded that negotiations will be held this year and into 2011 as the contract ends December 31, 2010. He stated that a better estimate for projected patient transfer revenues would be obtained after the first or second quarter of FY 2011, as the program is just getting underway. He noted that transfer services will be shared out of Crittenton Hospital with five other agencies.

President Hooper noted that Mr. Yalamanchi requested an explanation of the Dispatch costs in the Proposed FY 2011 Budget.

Chief Crowell responded that Dispatch costs include the allocation for Vince Foisy's position and the fee to OCSO for Dispatch Services.

Mayor Barnett commented that the Fire Department is currently in transition in implementing a new way to respond to calls. He stated that Patient Transfers will be added at no increased cost, and would provide a source for revenue. He explained that budget reallocations between EMS and Fire Suppression were made as a more appropriate way to view the true cost of providing EMS services.

Mr. Rosen noted that the decrease in City expenditures for FY 2011 overall is 11.8 percent, while the Fire Department's decrease is 11.6 percent. Looking

forward to FY 2012, the City-wide overall expenditures decrease approximately 12.1 percent, while the Fire Department's decrease is projected to be zero. For FY 2013, City-wide overall expenditures are projected to decrease by 5 percent; while the Fire Department is projected to increase 0.9 percent. He questioned whether a substantial contribution is projected to come from the Fire or General Fund Balances. He commented that future projections should go into greater detail for FY 2011.

Chief Crowell responded that it is difficult to project call volumes and transfer revenues. He noted that the Department may be required to make difficult choices for FY 2012 and 2013.

Keith Sawdon, Director of Finance, noted that any contribution from Fund Balance would be within the Fire Fund. He stated that the Proposed FY 2012 Budget will be presented in a balanced form and expenses will be brought in line with revenues by utilizing the Fire Fund's Fund Balance. He commented that \$147,000 is currently projected to be taken from Fund Balance for FY 2012; however, this would again be reviewed as FY 2011 moves forward.

Mayor Barnett commented that FY 2011 will be a year of transition and stated that the City has undertaken the most strategic planning to address revenue shortfalls.

See Also Legislative File 2010-0331 and 2010-0328.

Discussed.

2010-0331 Discussion of the Capital Funds (400's) - 2011 Budget

Attachments: [081610 Budget Presentation Schedule.pdf](#)
[082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl DPS Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)

See Legislative File 2010-0329.

Discussed.

2010-0328 Discussion - General Fund (100's) - 2011 Budget

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[082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Gen Fnd Rev - Transfer Out Presentation.pdf](#)
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[Suppl Clerks Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)
[Suppl Parks and Forestry Presentation.pdf](#)

See Legislative File 2010-0329.

Discussed.

2010-0328 Discussion - General Fund (100's) - 2011 Budget

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ASSESSING/TREASURY

Assessing (209)

Board of Review (247)

Treasury (253)

Kurt Dawson, Director of Assessing/Treasury, reviewed the Organizational Chart for the Assessing Department and noted that an Appraiser II position was eliminated for FY 2011. Duties encompassing permits, land valuations and sales studies will be split between the other positions. He gave the following presentation:

Assessing Department Responsibilities:

- Ensure the assessment and tax rolls are lawful, accurate and equitably distribute the property tax burden according to State Law.
- To ensure accurate records, the staff:
 - * Annual maintenance of 27,000 property records
 - * Perform Door-to-Door real property appraisals and exterior property reviews
 - * Perform personal property account audits
 - * Property Transfer Affidavit Program maintenance
 - * Principal Residence Exemption Program maintenance, review and audits
- To ensure resident input, the staff:
 - * Perform property reviews by appointment
 - * Hold an annual Assessor's Review in February
 - * Assist residents with Board of Review and Tax Tribunal Appeals
 - * Assist taxpayers with assessment-related issues and information
- The Departmental budget is down 4.97 percent in FY 2011 and an additional 6.5 percent (projected) in 2012 due primarily to a reduction in personnel services.

Changes and Challenges:

- Staffing: Reductions from 2006 through 2011 - 19 percent.
- Changing economy - recession - falling property values.
- Increase in appeals before the Local Board of Review.

- Increase in appeals before the Michigan Tax Tribunal.
- Fewer property sales.
- Increase in the number of Foreclosure Sales.
- Reduced resources to complete the assessment roll maintenance.
- Certified staff:
 - * Seven with State Assessment Certifications
 - * Six with Personal Property Certifications
 - * 148 years of assessment-related experience (average 17 years per employee).

He explained that the true cash value of the average residential improved property declined 28 percent from \$282,000 in 2006 to \$206,000 in 2010; with a 16 percent loss in taxable value. Demands on staff can be seen in the increase in property assessment appeals. From 1995 to 2006, Staff handled an average of 67 appeals before the Board of Review each year. Since 2006, this average has climbed to 360. Appeals before the Michigan Tax Tribunal increased from an average of 14 per year from 2003 through 2007 to 47 per year currently. He mentioned that before the recession, approximately 1,100 valid sales were reviewed in a one-year period and noted that the number of valid sales has declined to between 400 to 500, with an increase in foreclosure sales.

Budgeted Staff, 2016-2013:

- Since 2006, a 19 percent reduction in staffing (two positions) with a projected elimination of one additional position in 2012.

Mr. Dawson stated that he is confident that the Department can meet the challenges it faces while continuing to provide quality services.

Board of Review:

- Required by the State of Michigan General Property Tax Law and the City Charter.
- The City has three (3) three-member boards with a potential for an alternate for each Board.
- March Boards hear current year valuation appeals only.
- July and December Boards correct Clerical Errors and Mutual Mistakes of Fact, and the status of Homeowners Principal Residence Exemptions.
- There was a significant increase in the number of appointments before the Board from 2006 through 2009, followed by a decline in appointments from 2009 to 2010. The appointment numbers are still significantly higher than the average number from 1996-2006.
- Our objective is to effectively manage the higher volume of appeals while maintaining petition files that result in fair and equitable decisions by the Boards.

Mr. Dawson noted that this past year, 15 Board of Review hearing days were required; in past years, five hearing days were needed, on average.

TREASURY DEPARTMENT:

- The staff of 3.5 employees plus part-time assistance strive to effectively manage the timely collection, distribution and prudent investment of City funds.
- Primary responsibilities include:
 - * Bill, collect and distribute property taxes
 - * Bill and collect for City services
 - * Custodian of all City monies and investments
 - * Process City bond debt payments
 - * Point of inquiry for property tax and all payment information
- The City's primary banking services, key to our operating efficiencies and security, are provided by Bank of America.
- We seek departmental efficiencies through the research of new banking services and related electronic-based technologies.
- The Budget for 2011 is up slightly, 0.6 percent (\$3,350) due primarily to slight increases in some of the personnel costs related to benefits.
- Since 2001, the staff has been reduced 50 percent.

Council Discussion:

Mr. Webber questioned whether ten proposed days for Board of Review appointments for FY 2010 would be sufficient to address inquiries and concerns.

Mr. Dawson responded that the Board is quite versed in property values and receives a well-documented assessment file. He commented that if more Board of Review time is deemed necessary, a Budget Amendment would be brought forward. He noted that staff utilize flex- and comp-time during that period to ensure that each file is adequately prepared for the Board.

Discussed.

(RECESS 7:05 p.m. to 7:29 p.m.)

2010-0328 Discussion - General Fund (100's) - 2011 Budget

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Pamela M. Gordon, Director of Human Resources, gave the following presentation:

HUMAN RESOURCES (HR) (233):***Mission:***

- To serve as a strategic partner in selecting, managing, and developing personnel to meet current needs and objectives, while building a workforce that can continually adapt and respond to the challenges of public service.

Ms. Gordon noted that a reduction in HR staff resulted in the elimination of the Benefits Analyst position earlier this year. The Program Coordinator's duties now include Worker's Compensation and the Safety Program, along with benefit-related coordination with the City's new outside benefits administrator.

Significant Changes:

- Salary and Wages decreased 20% (\$70,820) by the elimination of a full-time position.
- Professional Services increased 32% (\$11,500) due to:
 - * Contracted Benefit Services
 - * Oakland County Training partnership

She stated that overall, \$60,000 was saved with the elimination of the full-time position.

GOAL - Efficient Service Delivery:

- Implement benefit self-service enrollment and administration system.
- Beginning Fall 2010 Open Enrollment:
 - * Online 24/7 Access
 - * Customer Service Call Center
 - * Year-round benefit eligibility management.

Ms. Gordon stated that Next Generation Employment was selected to provide benefit administration services.

GOAL: Attractive/Cost-Effective Compensation and Benefits:

- Conduct contract negotiations with the City's three union groups to achieve personnel cost savings in light of revenue reductions for 2011 through 2013.
 - * 21 budgeted positions eliminated for 2011
 - Worked with union leaders in response to staff reductions this year.
 - Avoided union layoffs with minimal bumping.

GOAL: Attractive/Cost Effective Compensation and Benefits:

- Insurance carrier changes will reduce costs or renewal increases in 2011:
 - * A Dental carrier change will reduce the projected increase by 8 percent (\$17,000 less than the projected renewal)
 - * Vision premiums will decrease 32 percent (\$6,000)
 - * Life and Disability will decrease 9 percent (\$22,000)
 - * Flexible Spending and COBRA Administration (Next Generation Employment)

Impact of Short Term Strategy:

Ms. Gordon noted that a 13.8 percent increase overall in medical expenditures is expected. She stated that approximately \$30,000 in increased expense encompasses plan changes mandated by the Health Care Reforms. The Administration is looking at all health care cost-reducing strategies, exploring other carriers and other plan design changes. She reviewed a chart which highlighted the increases in health care costs over the past five years.

Raising the Bar on Health Care:

- The Best Performing Companies show a consistent use of a combination of:
 - * Appropriate financial incentives
 - * Effective communications
 - * Health promotion programs
 - * Metrics and initiatives to improve quality
- To hold the line on cost increases while engaging employees to improve their health habits.

Results of the Healthy Hills Program 2009-2010:

- Improvements in biometric measures.
- Health risk score above the National Average.
- Significant movement from high-risk to moderate- and low-risk health indicators.

Improvements in Health-Related Costs:

- Large Claims (Greater than \$30,000 per year):
 - * Eight percent of claimants were responsible for 47 percent of health care expenses in 2009
 - * Thirty percent decrease in large claimants for 2009
- Blue Cross Blue Shield Yearly Claims Per Employee:
 - * Decreased by \$844 from 2008 to 2009
- Short-Term Disability Costs for 2011:
 - * Nine percent decrease in premiums
- Worker's Compensation Premiums:
 - * Decreased by over 27 percent in 2010

Ms. Gordon reported that Helen Sultana-Kelly, Human Resources Analyst - Program Coordinator, and the Safety Committee were recognized for their efforts contributing to the decline in Worker's Compensation Premiums. She noted that union officers are involved in the Wellness and Safety Programs, stating that the unions recognize that they have a shared-responsibility for workforce health.

Council Discussion:

President Hooper questioned what the annual cost will be to move to Next Generation for benefits administration.

Ms. Gordon responded that Next Generation will also take over 125 COBRA Administration; the total cost will be approximately \$10,000 for Benefits Administration plus \$15,000 for COBRA and FSA Administration. She stated that the Administration is looking at the various options and models for health plan changes.

CLERK'S DEPARTMENT

City Council (102):

Mr. Sawdon stated that preparation of the Proposed FY 2011 Budget included recommendations for changes based on City Council's role in City Government. He mentioned that City Council reports to the residents; while legislative advisory boards, auditors and the City Attorney report to Council.

Significant Notes:

- Salaries and Wages decreased 15 percent related to a reduction in the amount of City Council, Board and Commission meetings.
- Deer Management decreased \$20,000 to better reflect anticipated actual needs in 2011.
- Cable Services-ICCA increased \$90,000 reflecting the one-half PEG fee sent to the Intergovernmental Cable Communications Authority (ICCA), who in turn transfers the funds on to the Community Media Network (CMN). Revenues were also increased to reflect this activity. As this is a Council-driven decision, it resides within Council's budget.
- Inter-local Agreements increased \$52,780 due to the reallocation from the Parks Department budget. Inter-local Agreements include the Paint Creek Trailways Commission, Rochester Area Youth Assistance (RAYA) and Avondale Youth Assistance (AYA). Council representatives also sit as members of these organizations.
- Memberships and Dues increased \$6,000 due to a new membership fee associated with the ICCA organization. The ICCA originally received a grant to fund its operations. This grant is coming to an end and the group incurs \$25,000 to \$30,000 per year in operating expenses.

Mr. Sawdon noted City Council budget totals for 2010 and 2011, noting the differences include the one-half PEG fee, movement of the Inter-local Agreements under Council's Budget and the new membership for ICCA:

- City Council Amended FY 2010 Budget: \$155,710
- City Council Proposed FY 2011 Budget: \$274,510

Public Comment:

Melinda Hill, 1481 Mill Race, commented that the changes made shifting the PEG fee, Inter-local Agreements and Memberships to Council's budget are not appropriate. She stated that the City's participation in RAYA and AYA was set up via the Mayor's office and is a program of the Probate Court. She commented

that the Paint Creek Trailways Commission should remain in the Parks Budget. She pointed out that PEG funding and the ICCA have always been a part of the Media Center under the Mayor's Budget and a Media Department representative sits on the ICCA Board.

Council Discussion:

President Hooper noted that Mr. Yalamanchi had requested information as to whether the ICCA membership fee is mandatory, what Professional Services were contained in Council's budget, whether the Travel and Seminar budget proposed at \$7,000 could be reduced, and whether a swearing-in or transition amount is included for the 2011 Council elections.

Mr. Sawdon responded that involvement in the ICCA is voluntary. He explained that some items residing within Professional Services relate to City Council, such as the Internet Service Provider and funding for a Sign Language Interpreter, if needed. He stated that other items relate to goal setting and team building. He noted that the amount included for Travel and Seminars is a continuation of what Council budgeted in the past and includes Michigan Municipal League fees, in-house training and miscellaneous mileage. He stated that there is an amount included in the budget for Council transition activities.

Mr. Rosen commented that the budget for Travel and Seminars should be reduced to the amount actually spent. He stated that the Paint Creek Trailways Commission should remain in the Parks Budget, while RAYA and AYA should remain in the Mayor's Budget. He noted that the amount budgeted for Deer Management activities was added to Council's budget last year, and stated that this expenditure should be included under Parks or the Mayor's Budget. He noted that expenditures related to Cable services should not be included in Council's budget merely because Council voted on it.

Mr. Pixley noted the 15 percent reduction in Council's meeting budget, expressing his compliments to President Hooper for his efforts in meeting management. He questioned how Council's discussion on the placement of Cable, ICCA and PEG fees would be conveyed to the Administration for incorporation into the Budget.

President Hooper noted that Mr. Yalamanchi's and Mr. Rosen's suggestions to shift these items from Council's budget would go into the straw poll to Council.

Mr. Webber questioned what the City of Troy opted to do in conjunction with their funding of CMN, noting that Council recently opted to continue this funding.

President Hooper noted that Jay Wiencko of Community Media Network was in attendance and requested that he comment.

Jay Wiencko, Executive Director, Community Media Network, 508 Marquette, responded that the City of Troy has not yet voted to reduce CMN's fee; however, the proposal is to go from one-half of one percent to one-quarter of one percent.

Mr. Webber commented that the Deer Management Advisory Committee (DMAC) is a Council-created committee. As such, it is appropriate to keep DMAC expenditures in Council's budget. He reported that the DMAC voted at their August 17, 2010 meeting to expend the full amount allocated for FY 2010 and, in light of this commented that Council may wish to consider budgeting more than \$5,000 for FY 2011.

Mr. Klomp questioned where the PEG funds were previously allocated in the City's Budget, how the City can utilize the revenue, and whether the Inter-local Agreements were previously contained in the Parks budget. He commented that moving these items to Council's budget will allow more oversight.

Mr. Sawdon responded that the one-half PEG fee sent to ICCA and forwarded on to CMN has never appeared in the City's budget. He explained that it was treated as a payable and expended out. This year's budget recognizes both the PEG revenue and the expenditure. He commented that the City Attorney's opinion is based on a Court ruling from several years ago that PEG fees should be applied to brick-and-mortar capital improvements for either education or government broadcasting. He explained that as Council has an oversight on the allocation of funds for Inter-local Agreements, it was decided to move these to Council's budget. He noted that funds for Community Development remain in the Community Development portion of the Budget.

Mayor Barnett noted that the portion of the PEG fee not sent to ICCA has been accumulating in the Capital Improvement Fund.

Mr. Brennan stated that he was not in agreement with the movement of these funds to Council's Budget. He commented that he wished to see \$25,000 remain for Deer Management activities and mentioned that Council should continue its discussion regarding PEG fees.

President Hooper commented that Council previously discussed retaining membership in ICCA, including the potential for partial funding for CMN. He stated that he would include this item in the straw poll to Council.

Jane Leslie, City Clerk, gave the presentation for the Clerk's Office, including:

Elections (191)

Clerk's Department (215)

Cemetery (276)

Stoney Creek Perpetual Care (211)

- Clerk's Office is responsible for keeping all City records in a safe and secure manner according to Federal and State Laws as well as the City Charter.
- Conduct of voter registration and elections is charged to the Clerk's Office.
- Cemetery operations and record-keeping are also the responsibility of the Clerk's Office.

Staffing Levels:

- 16.7 percent reduction since 2006.

Elections - Significant Changes:

- Salaries and Wages decreased 15 percent (\$28,200) due to staff classification changes.
- Operating Supplies increased \$6,830 to reflect the City election year. In 2011, the City is required to purchase all ballots and election supplies.
- MIS increased \$11,320 due to the addition of laptop computers for implementation of Electronic Poll Books.
- Maintenance - Equipment increased \$4,800 to reflect the need for service agreements for election equipment, as the equipment received in 2005 is no longer under the State of Michigan's warranty.

Ms. Leslie noted that a portion of the costs required for the State's Electronic Poll Book program is covered through a grant. She noted, however, that MIS charges will increase resulting from the requirement to support the system. She reported that this year, 50 percent of voting equipment maintenance cost was covered by grant and warranty. Next year, the City will bear 100 percent of maintenance cost.

Clerk - Significant Changes:

- Professional Services increased \$54,800 (corresponding reductions in other departments) due primarily to the reclassification of all City-wide microfilming expenses to the Clerk's Department. In addition, legislative hosting services are being reallocated from MIS.
- MIS decreased \$74,540 due to the reallocation of legislative hosting services as well as a decrease in charges associated with the replacement of the Vital Statistics System that was not purchased.

Ms. Leslie stated that the City will join the State's online program for vital statistics.

Van Hoosen Jones - Stoney Creek Cemetery - Significant Changes:

- Operating Supplies: Monuments increased \$10,000. The City is proposing to offer grave monuments for purchase by customers. The expense will be offset by equal or greater revenues to the General Fund.
- Charges for Fleet Vehicles increased \$6,000 to reflect recent actual trends.

Ms. Leslie reported that the purchase of a backhoe had been postponed for several years. Now that this purchase has been made, Fleet charges are increased to reflect the new equipment.

PLANNING AND ECONOMIC DEVELOPMENT

Planning Commission (400)

Planning Department (401)

Zoning Board of Appeals (410)

Historic Districts Commission (804)

Brownfield Redevelopment (843)

Local Development Finance Authority (848)

SmartZone (851)

Economic Development Corporation (893)

Ed Anzek, Director of Planning and Development, reported that his Department is responsible for eight different cost centers, including the Planning Commission, Planning Department, Zoning Board of Appeals, Historic Districts Commission, Brownfield Redevelopment Authority, Local Development Finance Authority, SmartZone and the Economic Development Corporation. He displayed an Organizational Chart showing that the Department is not only responsive to the Mayor, City Council and Boards and Commissions, but to current and future citizens, businesses, institutions, property owners and the workforce. He gave the following presentation:

A Little History:

- In 2009, a reorganization of the Department was proposed for 2010. Greater emphasis is placed on Economic Development with no loss to other services. Two positions were restructured, one reassignment and one elimination, and one-half charged to the Local Development Finance Authority (LDFA).
- Early success of reorganization (pro) and projected revenue declines (con) put hiring of the Business Developer I position on hold.
- In May 2010, the Department experienced the unexpected loss of a staff member. This required staff to reassess workload, assignments and priorities.
- As the 2011 through 2013 Budget preparation evolved, the decision was made, based on declining revenues, to go forward with the same staffing levels in place now.

Significant Notes:

- Our efforts, goals and objectives **STRONGLY** support those of City Council's as evidenced on various pages of the Budget Plan Book.
 - * Eight different cost centers, highlighted on pages 151, 154, 155, 159, 174, 327, 320, 330, 333 and 336.
- Salaries and Wages decreased 20 percent (\$89,000) with the elimination of Business Developer I and Planning Assistant positions, adding back a part-time position. This is a 32.4 percent decrease since 2008.
- Professional Services decreased 93 percent (\$48,800) anticipating commitment of local match monies this year for the Second Phase of the Landfill Planning Area Study.
- Little changes in costs for Boards and Commissions: Planning Commission, Zoning/Sign Board of Appeals, Historic Districts Commission, Historic Districts Study Committee, Brownfield Redevelopment Authority, Local Development Finance Authority and Economic Development Corporation.
- The Planning and Economic Development Department is proposing a 21.3 percent decrease in expenditures for 2011.

Mr. Anzek reported that the Department's efforts are paying off, highlighting various projects undertaken and firms relocating and expanding in Rochester Hills. He noted that Kostal Kontakt Systeme will receive a Michigan Economic Growth Agency grant as it relocates to Rochester Hills and commented that the City's incentive package was in strong competition with Auburn Hills to attract this firm.

Accrued Investment:

- Builds tax base. \$370.3 million was invested in this community in the first six months of 2010.

New Investment Tax Generation:

- \$7.4 million will be paid in taxes.
- \$1.8 million will be paid in City taxes.
- Of that amount, \$700,000 will be paid to the General Fund.

Retained and New Jobs:

- It was estimated that 250 new jobs would be created for 2010.
- 639 new jobs were created in the first six months of 2010.
- 886 new jobs will be created, including Kostal Kontakt Systeme (November 1, 2010).

Mr. Anzek displayed charts noting the City's retained jobs and accumulated retained and new jobs since 2006. He pointed out that the vacancy rate for Industrial and High-Tech Buildings has declined from 15.5 percent to ten percent since 2005. He stated that the Mayor's Business Council/Rochester Hills Innovators and Senior Executives (RHISE) has evolved to help streamline City Ordinances and processes and noted that the group is privately sponsored and funded.

Department General Fund Costs:

- From 2008 to 2011, a 28.7 percent decline.

LDFA Fund:

- No major investments or expenditures are projected due to the uncertainty of the revenue stream.
 - * The Austin Drive extension was undertaken in 2008.
 - * Research Drive is slated for reconstruction in 2013 due to massive deterioration.

Staffing levels:

- Fifty percent reduction in staff since 2006.

Mr. Anzek displayed the proposed Departmental Organization Chart for 2011, noting the six boards and commissions supported, along with the Mayor's Business Council and the Historic Districts Study Committee, noting that this will be accomplished with five full-time positions plus part-time help. He noted that approximately 50 to 60 meetings per year of the various boards and commissions are required. He thanked Council for its support of economic development efforts and commented that a dedicated team throughout the City provides a great foundation.

Council Discussion:

Mr. Pixley commented that the Planning and Economic Development Department has worked hard and diligently and he pledged his continued support.

Discussed.

2010-0335 Discussion - Component Units (800's) - 2011 Budget

Attachments: [082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl RARA Presentation.pdf](#)
[Suppl OPC Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)

See Legislative File 2010-0328.

Discussed.

2010-0328 Discussion - General Fund (100's) - 2011 Budget

Attachments: [081610 Budget Presentation Schedule.pdf](#)
[082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl Gen Fnd Rev - Transfer Out Presentation.pdf](#)
[Suppl Mayors Dept Presentation.pdf](#)
[Suppl Building Ordinance Presentation.pdf](#)
[Suppl Crossing Guards Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Assessing - Treasury Presentation.pdf](#)
[Suppl Human Resources Presentation.pdf](#)
[Suppl Clerks Presentation.pdf](#)
[Suppl Planning & Ecn Devel Presentation.pdf](#)
[Suppl Parks and Forestry Presentation.pdf](#)

PARKS:

Michael Hartner, Director of Parks and Forestry, presented the Department's proposed budget and noted the following:

Parks Department (756):

- *Park Attendance shows growth over the past ten years. Last year, attendance topped one million visitors. This trend is expected to continue.*
- *Parks Annual Revenue is up substantially. Field Rental Rates and Vehicle Entry Rates were raised for FY 2010 for the first time in nine years. Neither increase resulted in a drop in park usage.*

Museum:

- *Attendance continues to increase with school groups utilizing the Museum programs to meet their Social Studies curriculum requirements in addition to the variety of programs, exhibits and special events.*
- *Volunteers are essential with Museum staffing declines requiring tracking*

hours and providing individual training as the volunteer pool turns over.

He noted that Pat McKay, Supervisor of Interpretive Services, is promoting services provided by the Museum to surrounding school districts.

Spencer Park:

- Vehicle permit sales, boat rentals, shelter rentals, and concession sales are projected to reach another new record high in 2010.
- Park attendance has increased with more day camps, more family gatherings, and more people in the water for lifeguards to watch.

Mr. Hartner reported that Spencer Beach has been the safest beach in Michigan for the last 26 years. He commented that the City's beach-front coordinator, Fred Carter, is fighting a major illness and has been hospitalized for most of the summer.

Bloomer Park:

- More community events and fund raisers are being held at Bloomer.
- Velodrome participants and race events have increased evening attendance.
- Demand for Cricket games and practice times still requires a lottery.
- Shelter rentals continue to increase as reservations now include weekdays.

Mr. Hartner noted that Bloomer Park attendance could top 200,000 visitors this year.

Yates Park:

- The great fishing at Yates is drawing more fishermen from surrounding communities.
- Many more kayak and canoe enthusiasts are using an improved Clinton River for recreation.

Borden Park:

- Continued strong soccer and ball field demand makes a lottery necessary for field usage reservations.
- More tournaments and special events are being held.

He pointed out that Borden Park is the City's most heavily used park, with attendance at 400,000 per season. He mentioned that the Festival of the Hills is held at Borden Park, with 100 percent of the Festival's cost raised through donations.

Parks Annual Expenses:

- The Proposed FY 2011 Budget calls for an 11 percent decrease from FY 2010.

2011 Service Level and Personnel Changes:

- *General Parks:*
 - * *Personnel Changes:*
 - *Overall personnel costs reduced by over 11 percent*
 - * *Services:*
 - *Decreased routine mowing of park properties (other than sports fields)*
 - *Reduced snowplowing to winter open days at Spencer and Bloomer*
 - *Reduced operating supplies, equipment and park maintenance*
- *Environmental Education Program Changes:*
 - * *New tenant at 1115 W. Avon*
 - * *Reassign Ranger/Naturalist to Parks and part-time Staff Assistant to Museum*
 - * *Relocating the Environmental Education Program utilizing various park sites*
 - * *Continue to provide many of the environmental services currently being offered by the City*

Mayor Barnett announced that the Clinton River Watershed Council will be going to their Board of Directors to request approval for the move to the property currently housing the Environmental Education Center (EEC). He commented that this is a win-win for both organizations.

Mr. Hartner continued:

- *Museum:*
 - * *Services*
 - *Seeking National Accreditation designation to open opportunities for additional private funding*
 - *Expanded Rochester Community Schools tours to all Kindergarten through Third Grades and 1840s one-room schoolhouse.*
 - * *Personnel Changes:*
 - *Eliminated full-time Museum Interpretive Specialist and part-time clerical position*
 - *Added part-time Museum Staff Assistant position for program and archival duties*
 - *Reassigned (from the Environmental Education Center) part-time Staff Assistant and a portion of the full-time Naturalist/Ranger II positions for programs and tours*
- *Spencer Park:*
 - * *Services:*
 - *Continued closure on Mondays, Tuesdays and Wednesdays from November 15 through March 15*
 - *Reduced summer beach hours to 11:00 a.m. to 7:00 p.m. for the season*
 - * *Personnel Changes:*
 - *Eliminated all three seasonal (fall/winter) Park Attendants*
 - *Eliminated two seasonal (spring/summer) Park Attendants*
- *Bloomer Park:*
 - * *Services*
 - *Continued closure on Mondays, Tuesdays and Wednesdays from November 15 through March 15*
 - * *Personnel Changes:*
 - *Eliminated one seasonal Summer Assistant*
 - *Reassigned (from EEC) Park Ranger II/Naturalist to Bloomer and Museum*

Forestry (774):

Mr. Hartner stated that the Forestry Division encompasses the following services:

- Pathway Clearance
- Clinton River Clearance for Canoes and Kayaks
- Street Tree Planting
- Storm Damage Cleanup
- Tree City USA

He noted that over 6,500 trees have been planted and maintained since 1985. The City contracts out 95 percent of planting services and one-third of street tree maintenance.

2011 Service Level:

- Maintenance of street trees on:
 - * 240 miles of subdivision local roads
 - * 38 miles of Hamlin, Livernois, Adams and Walton Boulevard plantings, and all City-owned properties.
- Two field rangers for all tree maintenance and 500 to 700 service requests on right-of-way and City property annually.

2011 Service Level Changes:

- Reduced street tree maintenance cycle rotation from five years to seven years.
- Delayed response time for service requests.
- Contracted services rebid for 2011.

2011 Operation Changes:

- Restructured full-time clerical position to share duties with Parks and Green Space.
- Transfer Annual Interest Generated on Tree Fund Balance to reduce Forestry costs from the General Fund.

Mr. Hartner displayed a chart showing reductions for the Parks and Forestry Budget encompassing a 25 percent decrease over the past three years.

Tree Fund (232)

- Transfer out of last year's interest earned into the General Fund for Forestry operations.
- Commit \$25,000 for planting trees on City right-of-way or as a match for tree planting grants.

Green Space (299)

- Revenue down as all millages for 2011.
- Continue seeking grants (Michigan Natural Resources Trust Fund of \$510,000 and "319" Grant of \$265,000).
- Evaluate and make recommendations on nominated properties.

Public Comments:

Melinda Hill, 1481 Mill Race, stated that the Parks Department has done an excellent job throughout the years, noting that parks contribute to the quality of life. She commented that when times are tough, people stay closer to home and utilize the amenities in their communities. She mentioned that it is unfortunate that when Police Services place a great burden on the General Fund, that often hurts other opportunities within the community. She questioned whether salaries and wages could be charged to Green Space funds, noting that these monies are there for the acquisition of property. Once acquired, the properties become parkland and should move to the Parks budget.

Lynn Loebs, 2845 Portage Trail, commented that projected user activity numbers for the Museum do not reflect the reallocation of EEC programs. She noted that the mission statement for both facilities are different and that staffing requires two different skill levels. She questioned whether funding similar to that provided to Dinosaur Hill might be explored, with volunteer labor utilized. She commented that the Clinton River Watershed Council now runs their programs out of a commercial building in downtown Rochester.

Council Discussion:

President Hooper requested clarification on the limitations for the use of Green Space funds.

Mr. Hartner responded that only direct staff time spent in the acquisition of properties is charged, including MIS charges in the preparation of maps used by the Green Space Advisory Board (GSAB) to make decisions.

President Hooper questioned what program changes would be made in relocating the EEC to the Museum and whether alternative revenue sources or a partnership with Dinosaur Hill Nature Preserve was explored.

Mr. Hartner responded that a small room at the Museum would be turned into a display area to interpret wildlife. Program activities will utilize the creek and Museum grounds, the acreage around City Hall, and Bloomer Park. He explained that Lance DeVoe, Park Ranger II, will still be available to answer resident questions and will run group programs in the parks. Day camps will be relocated to different locations within the City. He mentioned that the City will advertise where the various services will be located and stated that the goal is to keep every program currently available. He commented that he sees this as a temporary relocation, and the long-term goal as the economy improves is to have a new building available for the EEC. He mentioned that no recent discussions have been held

with Dinosaur Hill; however, the Administration continues to look to ways to share resources with organizations and surrounding communities.

Mr. Rosen questioned whether the Parks Department should consider raising rates again for those activities that are way oversubscribed. He commented that he was very impressed with the Parks Department fiscal performance, noting it is the only business in Rochester Hills that is continuing to improve.

Mr. Klomp expressed concern over reduced beach hours at Spencer Park and questioned what dollar amount would actually be saved by these shortened hours.

Alan Buckenmeyer, Parks Operations Manager, noted that the beach hours will be 11:00 a.m. to 7:00 p.m., seven days a week. He stated that in order to keep the same hours as this year, an additional Lifeguard would be required at a cost of \$7,500. To return to the hours 10:00 a.m. to 8:00 p.m., seven days a week, two lifeguards would be required.

Mr. Hartner noted that reducing these hours keeps lifeguard staff to one shift.

Mr. Klomp stated that he wished for this expenditure to be included in Council's straw poll, noting the rising beach attendance and increased revenues.

Mr. Brennan commented that he did not wish to see the EEC close nor have beach hours reduced. He stated that an increase in fees should be explored to fund these services. He questioned whether a "Friends of the EEC" could be formed as a fund raising opportunity.

Mr. Hartner explained that the net cost to run the EEC is \$43,000. He stated that while it pains him to make this decision, there is only so much funding available. He commented that it is his hope that this closure is a temporary situation.

Mr. Brennan questioned what the status is for development of Nowicki Park and whether plans include soccer and ball fields.

Mr. Hartner responded that while ideas were finalized two years ago for a mix of active and passive recreation in Nowicki Park, there is no money for development. He noted that eventual development could include unstructured open grass fields for practice and the potential for an active Little League ball field.

Mr. Brennan questioned whether corporate sponsorships for parks were explored.

Mr. Hartner responded that good ideas were brought forward in discussions with individuals at the Palace of Auburn Hills, noting that one idea mentioned was a billboard facing M-59 in Spencer Park to bring in up to six figures in revenue per year. He noted that sponsorships would provide a funding for future park development.

President Hooper noted that Pine Trace Golf Course is an active facility.

Mr. Hartner responded that the City owns the golf course property and receives revenues from its use, while a private entity runs the course.

Mr. Pixley questioned why the Museum numbers did not reflect increased usage from the relocation of EEC programs to the facility and whether the proposed lease of the EEC to the Clinton River Watershed Council addresses the City's continued use of the surrounding property.

Mr. Hartner responded that while it is expected that Museum usage will increase, the Administration wishes to be conservative and continue with actual numbers rather than estimate the increases. He noted that an updated five-year Recreational Master Plan will be presented to Council before the end of the year.

Mr. Webber concurred that any lease for the EEC facility should address how the City will interact with the property. He commented that decisions regarding Parks are not made in a vacuum and reflect efforts throughout the City to provide services at reduced costs. He pointed out that the Administration is also proposing no local road construction and stated that if Police Services were funded only through the Police Millage, the City could only fund 27 officers.

Mr. Rosen noted that Rochester Hills could be considered a brand, as the community itself attracts people. He commented that the City should be very careful not to spoil its own branding by allowing signage and sponsorships.

Mayor Barnett noted that the Proposed FY 2011 Budget is looking forward beyond one year, noting that another 11 to 12 percent reduction is projected. He commented that items should not be included in this year's budget unless there could be a firm three- to five-year commitment to continue funding. He stated that the Administration is pleased with the alternative presented for the EEC and pointed out that six months ago, plans were to shutter the building and leave it empty. He explained that the Administration is presenting a solution to provide 96 percent of the EEC's current services. He stated that the proposed lease will be for a five-year commitment with a five-year option.

President Hooper noted that Mr. Yalamanchi expressed concern over the progress to move the Museum toward becoming a nonprofit entity and requested the Administration provide a date-specific timeline for doing this.

Discussed.

2010-0329 Discussion - Special Revenue Funds (200's) - 2011 Budget

Attachments: [081610 Budget Presentation Schedule.pdf](#)
[082310 Budget Presentation Schedule \(Revised\).pdf](#)
[Suppl DPS Presentation.pdf](#)
[Suppl Special Police Presentation.pdf](#)
[Suppl RARA Presentation.pdf](#)
[Suppl OPC Presentation.pdf](#)
[Suppl Fire Presentation.pdf](#)
[Suppl Parks and Forestry Presentation.pdf](#)

See Legislative File 2010-0328.

Discussed.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Monday, September 13, 2010 - 7:00 PM

ADJOURNMENT

There being no further business before Council, President Hooper adjourned the meeting at 9:28 p.m.

*GREG HOOPER, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

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

Approved as presented at the (insert date, or dates) Regular City Council Meeting.