



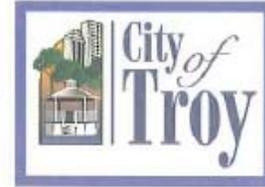
TROY CITY COUNCIL

REGULAR MEETING AGENDA

JUNE 18, 2012
CONVENING AT 7:30 P.M.

Submitted By
The City Manager

NOTICE: Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at (248) 524-3316 or via e-mail at clerk@troymi.gov at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.



TO: The Honorable Mayor and City Council
Troy, Michigan

FROM: Michael W. Culpepper, Acting City Manager

SUBJECT: Background Information and Reports

Ladies and Gentlemen:

This booklet provides a summary of the many reports, communications and recommendations that accompany your agenda. Also included are suggested or requested resolutions and/or ordinances for your consideration and possible adoption.

Supporting materials transmitted with this Agenda have been prepared by department directors and staff members. I am indebted to them for their efforts to provide insight and professional advice for your consideration.

As always, we are happy to provide such added information as your deliberations may require.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael W. Culpepper".

Michael W. Culpepper, Acting City Manager



TROY CITY COUNCIL

VISION STATEMENT AND GOALS

Adopted: Monday, February 7, 2011

VISION:

To honor the legacy of the past and build a strong, vibrant future and be an attractive place to live, work, and grow a business.

GOALS:

Provide a safe, clean, and livable city

- Practice good stewardship of infrastructure
- Maintain high quality professional community oriented police and fire protection
- Conserve resources in an environmentally responsible manner
- Encourage development toward a walkable, livable community

Provide effective and efficient local government

- Demonstrate excellence in community services
- Maintain fiscally sustainable government
- Attract and support a committed and innovative workforce
- Develop and maintain efficiencies with internal and external partners
- Conduct city business and engage in public policy formation in a clear and transparent manner

Build a sense of community

- Communicate internally and externally in a timely and accurate manner
- Develop platforms for transparent, deliberative and meaningful community conversations
- Involve all stakeholders in communication and engagement activities
- Encourage volunteerism and new methods for community involvement
- Implement the connectedness of community outlines in the Master Plan 2008

Attract and retain business investment

- Clearly articulate an economic development plan
 - Create an inclusive, entrepreneurial culture internally and externally
 - Clarify, reduce and streamline investment hurdles
 - Consistently enhance the synergy between existing businesses and growing economic sectors
 - Market the advantages of living and working in Troy through partnerships
-



CITY COUNCIL AGENDA

June 18, 2012 – 7:30 PM
Council Chambers
City Hall - 500 West Big Beaver
Troy, Michigan 48084
(248) 524-3317

INVOCATION: Pastor Dan Lewis – Troy Christian Chapel **1**

PLEDGE OF ALLEGIANCE: **1**

A. CALL TO ORDER: **1**

B. ROLL CALL: **1**

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS: **1**

C-1 Proclamation for Friends of the Troy Public Library – 2011 Baker & Taylor Award Recipient and Outstanding Friends of the Library Award Recipient Certificate **1**

C-2 Certificate of Appreciation to Barnes & Noble in Troy for Hosting the Troy Public Library Reading Celebration and Bookfair **1**

D. CARRYOVER ITEMS: **1**

D-1 No Carryover Items **1**

E. PUBLIC HEARINGS: **1**

E-1 No Public Hearings **1**

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INVOCATION: Pastor Dan Lewis – Troy Christian Chapel

PLEDGE OF ALLEGIANCE:

A. CALL TO ORDER:

B. ROLL CALL:

- a) Mayor Janice Daniels
Jim Campbell
Wade Fleming
Dave Henderson
Maureen McGinnis
Dane Slater
Doug Tietz

- b) Excuse Absent Council Members:

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **EXCUSES** the absence of _____ at the Regular City Council Meeting of June 18, 2012, due to _____.

Yes:

No:

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 Proclamation for Friends of the Troy Public Library – 2011 Baker & Taylor Award Recipient and Outstanding Friends of the Library Award Recipient Certificate

C-2 Certificate of Appreciation to Barnes & Noble in Troy for Hosting the Troy Public Library Reading Celebration and Bookfair

D. CARRYOVER ITEMS:

D-1 No Carryover Items

E. PUBLIC HEARINGS:

E-1 No Public Hearings

F. PUBLIC COMMENT:**In accordance with the Rules of Procedure of the City Council, Article 17 – Members of the Public and Visitors:**

Any person not a member of the City Council may address the Council with recognition of the Chair, after clearly stating the nature of his/her inquiry or comment. *City Council requests that if you do have a question or concern, to bring it to the attention of the appropriate department(s) whenever possible. If you feel that the matter has not been resolved satisfactorily, you are encouraged to bring it to the attention of the City Manager, and if still not resolved satisfactorily, to the Mayor and Council.*

- Petitioners shall be given a fifteen (15) minute presentation time that may be extended with the majority consent of City Council.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to five (5) minutes to address any Public Hearing item.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to five (5) minutes to address Postponed, Regular Business or Consent Agenda items or any other item as permitted under the Open Meetings Act during the Public Comment portion of the agenda.
- City Council may waive the requirements of this section by a majority of the City Council members.
- Agenda items that are related to topics where there is significant public input anticipated should initiate the scheduling of a Special meeting for that specific purpose.

The following has been approved by Troy City Council as a statement of the rules of decorum for City Council meetings. The Mayor will also provide a verbal notification of these rules prior to Public Comment:

The audience should be aware that all comments are to be directed to the Council rather than to City Administration or the audience. Also, there is a timer on the City Council table in front of the Mayor that turns yellow when there is one minute of speaker time remaining, and turns red when the speaker's time is up.

In order to make the meeting more orderly and out of respect, please do not clap during the meeting, and please do not use expletives or make derogatory or disparaging comments about any one person or group. If you do so, then there may be immediate consequences, including having the microphone turned off, being asked to leave the meeting, and/or the deletion of speaker comments for any re-broadcast of the meeting. Speakers should also be careful to avoid saying anything that would subject them to civil liability, such as slander and defamation.

Please avoid these consequences and voluntarily assist us in maintaining the decorum befitting this great City.

G. RESPONSE / REPLY TO PUBLIC COMMENT

H. POSTPONED ITEMS:

H-1 No Postponed Items

I. REGULAR BUSINESS:

I-1 Board and Committee Appointments: a) Mayoral Appointments – None; b) City Council Appointments – Building Code Board of Appeals; Employee Retirement System Board of Trustees/Retiree Health Care Benefits Plan & Trust; Historic District Commission; Traffic Committee

a) Mayoral Appointments - None

b) City Council Appointments

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPOINTS** the following nominated person(s) to serve on the Boards and Committees as indicated:

Building Code Board of Appeals

Appointed by Council

5 Regular Members

5 Year Term

Term: Per ORDINANCE

Michael Culpepper

(City Manager)

Employee Retirement System Board of Trustees/Retiree Health Care Benefits Plan & Trust

Appointed by Council

7 Regular Members and 2 Ordinance Members

3 Year Term

Term: Per ORDINANCE

Michael Culpepper

(City Manager)

Historic District Commission

Appointed by Council

7 Regular Members

3 Year Term

Term Expires: 5/15/2015**Doris Schuchter****Traffic Committee**

Appointed by Council
7 Regular Members
3 Year Term

Term Expires: 01/31/2013**Stevan Popovic**

Yes:

No:

I-2 Board and Committee Nominations: a) Mayoral Nominations – Local Development Finance Authority (LDFA); Planning Commission; b) City Council Nominations – Historic District Commission; Liquor Advisory Committee; Parks and Recreation Board

a) Mayoral Nominations**Suggested Resolution**

Resolution #2012-06-

Moved by

Seconded by

RESOLVED, That the Mayor of the City of Troy hereby **FORWARDS** the following nominated person(s) to serve on the Boards and Committees as indicated to the next Regular City Council Meeting for action:

Local Development Finance Authority (LDFA)

Appointed by Mayor

5 Regular Members; 2 City Council Member Alternates

Staggered 4 Year Term

Current Members:

Last Name	First Name	M I or Nickname	Appointment Expire	Notes 1	Notes 3
Adamczyk	Michael	M	6/30/2012	Resident Member	
Beltramini	Robin	E.	6/30/2014	Resident Member	
Bergeron	Stephanie	W	6/30/2012	Member	NO Reappointment
Kidder	Michael	J	6/30/2015	Member	
Krauss	Maureen	Donohue		Oakland County Designee	
McGinnis	Maureen	M.	11/11/2013	Alternate	
Slater	Dane	M.	11/11/2013	Alternate	

Szerlag	John		6/30/2015	Resident Member	Resigned
Vitale	Nickolas		6/30/2015	Resident Member	

Nominations to the Local Development Finance Authority (LDFA):

Term Expires: 06/30/2015 **(Resident Member)**
Term currently held by: John Szerlag

Term Expires: 06/30/2016 **(Resident Member)**
Term currently held by: Michael Adamczyk

Term Expires: 06/30/2016 **(Member)**
Term currently held by: Stephanie Bergeron

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 2
Hoef	Paul	11/21/2013	EDC exp. 4/30/2015
Sawyer Jr.	Thomas	2/3/2014	Municipal Bldg Authority exp. 01/31/2013
Sharp	John	7/15/2013	Economic Dev. Corp. exp. 04/30/2015
Shields	David	6/14/2014	
Wilberding	Bruce	2/8/2014	Brownfield Redev. Auth. exp 4/30/2013

Planning Commission

Appointed by Mayor
 9 Regular Members
 3 Year Term

Current Members:

Last Name	First Name	M I or Nickname	Appointment Expire	Notes 1
Edmunds	Donald	L	12/31/2013	EDC exp 4/30/3014
Huang	Eric		7/31/2012	Student
Hutson	Michael	W	12/31/2012	
Krent	Thomas	G	12/31/2013	
Maxwell	Mark		12/31/2013	Resigned 6/7/2012
Sanzica	Philip		12/31/2012	Alt. PC Rep on BZA
Schepke	Gordon		12/31/2014	
Schultz	Robert	M	12/31/2014	
Strat	Thomas		12/31/2014	

Tagle	John	J	12/31/2012	
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Term Expires: 12/31/2013

Term currently held by: Mark Maxwell (Resigned)

Interested Applicants:

Last Name	First Name	M I or Nickname	App Resume Expire	Notes 2
Binkowski	Sarah	E.	1/26/2014	Traffic Comm. exp 01/31/2013
Johansson	Steven		1/23/2014	
Kaltsounis	Andrew		2/13/2014	Liquor Advisory Comm. exp. 1/31/2013
Kaltsounis	Orestis	Rusty	1/20/2014	P&R Bd exp 9/30/2012; ZBA (Alt.) exp 1/31/2015
Kempen	Edward		2/1/2014	
Lambert	Dave		2/16/2013	ZBA exp. 4/30/2014
Lokken	Stephen	D.	1/23/2014	
Ragan	John		1/26/2014	
Waters	Roy	W.	2/6/2014	Full Disclosure mailed 2/6/2012
Ziegenfelder	Peter	F	12/14/2012	Traffic Committee exp 1/31/2014

Yes:

No:

b) City Council Nominations

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **FORWARDS** the following nominated person(s) to serve on the Boards and Committees as indicated to the next Regular City Council Meeting for action:

Historic District Commission

Appointed by Council

7 Regular Members

3 Year Term

Current Members:

Last Name	First Name	Appointment Expire	Notes 1	Notes 3

Chambers	Barbara	3/1/2014		
Doyle	Hugh Stephen	7/31/2013		Requests Reappointment
Kuppa	Padma	3/1/2014		
Partlan	Ann	3/1/2014	Historical Society Recommendation	
Rounds	Muriel	5/15/2012	Historical Society Recommendation	NO Reappointment
Schuchter	Doris	5/15/2012	Historical Society Recommendation	
Voigt	W. Kent	3/1/2013		

Nominations to the Historic District Commission:

Term Expires: 05/15/2015

Term currently held by: Muriel Rounds

Interested Applicants:

Last Name	First Name	App Resume Expire	Notes 2
Viola	Vincent J.	11/16/2013	Animal Control Appeal Bd. exp. 9/30/2012

Liquor Advisory Committee

Appointed by Council
7 Regular Members
3 Year Term

Current Members:

Last Name	First Name	Appointment Expire	Notes 1	Notes 3
Ehlert	Max K.	1/31/2015		
Godlewski	W. Stan	1/31/2014		Requests Reappointment
Hall	Patrick C.	1/31/2013		
Kaltsounis	Andrew	1/31/2013		Requests Reappointment
Ogg	David S.	1/31/2015	Liquor Adv exp 1/31/2015; Traffic Comm exp 1/31/2015	
Pappas	Jesse	7/31/2012	Student Rep.	Requests Reappointment
Payne	Timothy P.	1/31/2015		

Scherlinck	Gerard			
Scherlinck	Eun Joo Andrea	7/31/2012	Student Rep.	Requests Reappointment
Ukraineec	Bohdan	1/31/2014		

Nominations to the Liquor Advisory Committee:**Term Expires: 07/31/2013****(Student Rep.)****Term currently held by:** Jesse Pappas**Term Expires: 07/31/2013****(Student Rep.)****Term currently held by:** Eun Joo Scherlinck**Parks and Recreation Board**

Appointed by Council

7 Regular Members and 1 Troy School Board Member:

Regular Member: 3 Year Term / Troy School Board Member: 1 Year Term

Current Members:

Last Name	First Name	Appointment Expire	Notes 2	Notes 3
Biegler	Jeff			
Fejes	Kathleen M.	9/30/2013		
Gazetti	Tod	9/30/2013		
Hauff	Gary	7/31/2012	Troy School Dist. Rep. on P&R Board	
Kaltsounis	Orestis Rusty	9/30/2012	P&R Bd exp 9/30/2012; ZBA (Alt.) exp 1/31/2015	
Kovacs	Meaghan	9/30/2014		
Redpath	Stuart F.	9/30/2012		NO Reappointment
Stewart	Jeffrey L.	9/30/2013		
Yelamanchi	Aditya	7/31/2012	Student Rep.	
Zikakis	Janice	9/30/2014		

Nominations to the Parks and Recreation Board:**Term Expires: 07/31/2013****(Troy School Board Member)****Term currently held by:** Gary Hauff**Term Expires: 07/31/2013****(Student Rep.)****Term currently held by:** Aditya Yelamanchi

Yes:

No:

I-3 Request for Closed Session

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

BE IT RESOLVED, That Troy City Council **SHALL MEET** in Closed Session, as permitted by MCL15.268 (e) Pending Litigation – Margaret Black v City of Troy.

Yes:

No:

I-4 Bid Waiver – Security Access Control Upgrade

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

WHEREAS, SimplexGrinnell is an authorized, licensed installer in Michigan of the Andover Controls security system; and

WHEREAS, It is desirable to upgrade the Continuum NetController modules to be compatible with the current system software; and

WHEREAS, The Police Department has remote access to monitor video and alarms at all facilities from a central location with compatible equipment and software; and

WHEREAS, Due to the complexity of the system, it is desirable to allow the company who programmed and currently maintains the system to upgrade the NetController modules thus avoiding corruption of the programming;

NOW THEREFORE, BE IT RESOLVED, That Troy City Council hereby **WAIVES** formal bidding procedures and hereby **AUTHORIZES** the City of Troy to utilize the services of SimplexGrinnell of Farmington Hills, MI, to purchase and install the security access control upgrade for an estimated total cost of \$23,648.00, in accordance with their proposal dated 12-Jan-12, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Yes:

No:

I-5 2011/12 Budget Amendment No. 1

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPROVES** the 2011/12 Budget Amendment No. 1 as submitted, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Yes:

No:

I-6 Synthetic Drugs/K2 – Spice – Bath Salts, Etc.Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

WHEREAS, Due to recent media events and education and legislation, there has been an increased public awareness of the dangers of synthetic drugs, including but not limited to Spice/ K2, bath salts, synthetic cocaine, MXE and DMAA; and

WHEREAS, The ingestion or use of these synthetic drugs can lead to any or all of the following medical conditions: death, stroke, seizure, convulsion, irreversible brain damage, catatonic behavior, tremors, speech impediments, heart palpitations, hallucinations, physical paralysis, kidney injury, panic attacks and amputations; and

WHEREAS, The ingestion or use of these synthetic drugs has recently led to violent, bizarre, destructive and harmful behavior which has led to homicide and suicide; and

WHEREAS, There are manufacturers of synthetic drugs that constantly change the chemical compositions of these substances in an effort to circumvent the definitions of controlled substances under both federal and state laws which criminalize possession, use, sale, and distribution of controlled substances, as well as driving under the influence of such synthetic substances; and

WHEREAS, These types of synthetic drugs are currently packaged as benign items and marketed in a manner that is designed to encourage our youth and other persons to purchase and consume these types of synthetic drugs, since these drugs can be found in convenience stores and over the internet; and

WHEREAS, There has been a temporary federal ban on these types of synthetic drugs due to their dangerous and addictive propensities, and there have also been recent successful efforts to pass permanent federal and state laws that address these types of synthetic drugs by including them as illegal Schedule I drugs; and

WHEREAS, The City of Troy is committed to the evisceration of these types of synthetic drugs in our community and the surrounding communities, and has actively participated with the 52-4 Judicial District Court, the City of Clawson, the Troy Community Coalition, Oakland County,

Troy merchants, and the public in the education and awareness of these synthetic drugs, and many Troy merchants have pledged not to sell the these types of synthetic drugs, as evidenced by the attached press release, and as included on a website furthering this commitment, <http://nospicetroyclawson.org>.

NOW THEREFORE, IT IS HEREBY RESOLVED That the City of Troy **JOINS TOGETHER** with many other governmental entities, businesses and non-profit organizations and task forces in pledging their support for the federal, state and local legislation and other actions that combat the use and sale of synthetic drugs such as K2, Spice, Bath Salts, and others. This includes but is not limited to pending federal legislation, pending state legislation, actions of the Oakland County Board of Health, and others.

BE IT FURTHER RESOLVED, That this Resolution shall be **FORWARDED** to all elected persons representing the City of Troy, requesting the exercise of all diligent efforts to combat the use and sale of these types of synthetic drugs.

J. CONSENT AGENDA:

J-1a Approval of “J” Items NOT Removed for Discussion

Suggested Resolution

Resolution #2012-06-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPROVES** all items on the Consent Agenda as presented with the exception of Item(s) _____, which **SHALL BE CONSIDERED** after Consent Agenda (J) items, as printed.

Yes:

No:

J-1b Address of “J” Items Removed for Discussion by City Council

J-2 Approval of City Council Minutes

Suggested Resolution

Resolution #2012-06-

RESOLVED, That Troy City Council hereby **APPROVES** the Minutes of the Regular City Council Meeting of June 4, 2012, as submitted.

J-3 Proposed City of Troy Proclamations:

- a) **Proclamation for Friends of the Troy Public Library – 2011 Baker & Taylor Award Recipient and Outstanding Friends of the Library Award Recipient**

J-4 Standard Purchasing Resolutions:

a) **Standard Purchasing Resolution 1: Award to Low Bidder – Contract 12-03 – Fieldstone Sanitary Repair**

Suggested Resolution
Resolution #2012-06-

RESOLVED, That Contract No.12-03, Fieldstone Sanitary Repair be **AWARDED** to Superior Excavating, P.O. Box 4290, Auburn Hills, MI 48321 at an estimated total cost of \$79,650.00.

BE IT FURTHER RESOLVED, That the award is **CONTINGENT UPON** submission of proper contract and bid documents, including bonds, insurance certificates and all specified requirements, and if additional work is required such additional work is **AUTHORIZED** in an amount not to exceed 20% of the total project cost.

b) **Standard Purchasing Resolution 10: Travel Authorization and Approval to Expend Funds for Council Member Travel Expenses – Michigan Municipal League’s Annual Convention – October 3-5, 2012 Mackinac Island**

Suggested Resolution
Resolution #2012-06-

RESOLVED, That Council members are **AUTHORIZED** to attend the Michigan Municipal League’s Annual Convention on October 3-5, 2012 in Mackinac Island, Michigan, in accordance with accounting procedures of the City of Troy.

c) **Standard Purchasing Resolution 9: Approval to Expend Funds for Membership Dues and Renewals Over \$10,000 – Michigan Municipal League**

Suggested Resolution
Resolution #2012-06-

RESOLVED, That payment is **AUTHORIZED** for annual membership dues to the Michigan Municipal League, for the time period of May 1, 2012 through April 30, 2013, in the amount of \$11,301.

J-5 Acquisition of Property as a Result of Foreclosure for Non-Payment of Property Taxes

Suggested Resolution
Resolution #2012-06-

RESOLVED, That the Engineering Department is hereby **AUTHORIZED** to purchase a foreclosed property having Sidwell #88-20-03-103-005 for the amount of unpaid real property taxes, interest and finance charges in an amount not to exceed \$1,200 plus closing and administrative costs; and

BE IT FURTHER RESOLVED, That all currently active special assessments, if any, be **VACATED**.

J-6 Uniform Video Service Local Franchise Agreement with ComcastSuggested Resolution

Resolution #2012-06-

WHEREAS, Effective January 1, 2007, the Uniform Video Service Local Franchise Act, Act. No. 480 of the Public Acts of 2006, MCL 484.3301 et. seq. ("Act") went into effect; and

WHEREAS, Section 3 of the Act requires a Video Service Provider (Provider) to submit a complete franchise agreement with the local unit of government prior to offering video services within the boundaries of a local unit of government (Franchising Entity); and

WHEREAS, Section 3(2) of the Act sets a deadline for objecting to the completeness of a proposed Franchise Agreement or objecting to other non-compliance with the Act, and this deadline is 15 days after the Franchise Agreement is filed with the City; and

WHEREAS, Section 3(3) of the Act limits a Franchising Entity's review of a Franchise Agreement to the issue of completeness and compliance with State law, and also requires action on the proposed Franchise Agreement within 30 days; and

WHEREAS, On May 16, 2012, Comcast of the South, Inc, filed its Uniform Video Service Local Franchise Agreement (Agreement) with the City of Troy (Franchise Entity); and

WHEREAS, Comcast's Franchise Agreement submittal was reviewed by legal counsel, who forwarded a notice of completeness to Comcast on behalf of the City of Troy on June 7, 2012, which was timely filed; and

WHEREAS, Comcast's Franchise Agreement submittal has been reviewed by legal counsel, who has certified that the Comcast Franchise Agreement satisfies the legal and technical requirements of the Act; and

WHEREAS, The Troy City Council is therefore required by state statute to approve Comcast's Franchise Agreement on or before June 18, 2012, since Comcast has satisfied the legal and technical requirements of the Act;

NOW, THEREFORE, BE IT RESOLVED, That the Troy City Council hereby **FINDS** that the Agreement meets the legal and technical requirements of the Act, and solely for that reason, the Troy City Council hereby **APPROVES** the Agreement with Comcast, in compliance with Section 3(3) of the Act.

BE IT FURTHER RESOLVED, That such approval by the City is **GIVEN** only because it is required by the Act, and is **NOT AN INDICATION** of the City's agreement with or assent to any provisions of the Act or Agreement.

BE IT FURTHER RESOLVED, That the approval of the Comcast Franchise Agreement **DOES NOT WAIVE** the City's rights to challenge any provisions of the Act and/or any related provisions of the Agreement, including the argument that such provisions are invalid and unenforceable as violations of law or an unconstitutional impairment of the City's contractual

rights. Furthermore, the City **RESERVES** any and all rights stemming from any successful challenge to such provisions that are undertaken by any other local franchising entity.

BE IT FINALLY RESOLVED, That the Mayor and the City Clerk shall **SIGN** the Comcast Franchise Agreement, on behalf of the City of Troy, and a copy of the executed agreement shall be **ATTACHED** to the original Minutes, and the City Clerk shall **FORWARD** the executed agreement, in addition to a certified copy of this Resolution, to Comcast at the address indicated in the Franchise Agreement.

K. MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:

K-1 Announcement of Public Hearings: None Submitted

K-2 Memorandums (Items submitted to City Council that may require consideration at some future point in time): None Submitted

L. COUNCIL REFERRALS:

Items Advanced to the City Manager by Individual City Council Members for Placement on the Agenda

L-1 Mayor Daniels Referred Oakland County Board of Commissioners Resolution Regarding Smart Meters

L-2 Mayor Daniels Referral Regarding Synthetic Marijuana

- a) City of Troy Resolution Supporting Banning the Sale of K2-Spice
- b) Oakland County Board of Commissioners Resolution Regarding Synthetic Marijuana

M. COUNCIL COMMENTS

M-1 No Council Comments Advanced

N. REPORTS

N-1 Minutes – Boards and Committees:

- a) Planning Commission-Draft-May 22, 2012
- b) Planning Commission-Final-May 22, 2012

N-2 Department Reports:

- a) Penalty Hearing for Super City Smoker's Express – Liquor License Revoked
- b) Review of Outdoor Water Use Restrictions Ordinance
- c) Emergency Medical Service 2011 Annual Report

N-3 Letters of Appreciation:

- a) Letter of Appreciation to Chief Nelson from Lynne Bondy, Sister JoAnn Lucas and Sister Eugenia Obasi, Recognizing Troy Firefighters for Professionalism
- b) Letter of Appreciation to Kurt Bovensiep from Angie Morris of the March of Dimes, Thanking Him for Assistance

N-4 Proposed Proclamations/Resolutions from Other Organizations: None Proposed

N-5 City Assessing versus County Assessing, Formal Bid Process

N-6 Letter of Understanding from Rehmann Regarding Audit Services for Fiscal Year 2011/12

O. STUDY ITEMS

O-1 No Study Items

P. CLOSED SESSION:

P-1 Closed Session

Q. ADJOURNMENT

Respectfully submitted,



Michael W. Culpepper, Acting City Manager

FUTURE CITY COUNCIL PUBLIC HEARINGS:

SCHEDULED REGULAR CITY COUNCIL MEETINGS:

Monday, July 9, 2012	Regular Meeting
Monday, July 23, 2012	Regular Meeting
Monday, August 13, 2012	Regular Meeting
Monday, August 27, 2012	Regular Meeting
Monday, September 10, 2012	Regular Meeting
Monday, September 24, 2012	Regular Meeting
Monday, October 8, 2012	Regular Meeting
Monday, October 22, 2012	Regular Meeting
Monday, November 12, 2012	Regular Meeting
Monday, November 26, 2012	Regular Meeting
Monday, December 3, 2012	Regular Meeting
Monday, December 17, 2012	Regular Meeting

SCHEDULED SPECIAL CITY COUNCIL MEETINGS:

Proclamation
Friends of the Troy Public Library
2011 Baker & Taylor Award Recipient and
Outstanding Friends of Michigan Libraries Award Recipient

WHEREAS, The **Friends of the Troy Public Library** were founded in 1958 as a non-profit organization to promote and support the Troy Public Library; and

WHEREAS, The **Friends of the Troy Public Library** are one of three Friends organizations nationwide that have been recognized with the *2011 Baker & Taylor Awards* from the Association of Library Trustees, Advocates, Friends and Foundations, a division of the American Library Association for their outstanding efforts to support their library; and

WHEREAS, The Friends of Michigan Libraries also selected the **Friends of the Troy Public Library** as the 2011 Outstanding Friends of the Library (Class IV-VI); and

WHEREAS, The **Friends of the Troy Public Library** were chosen for their efforts in “carrying out an outstanding project or activity that had significant impact on their Library’s service to the community;” and

WHEREAS, The **Friends** won these two prestigious awards for “the successful activities that the **Friends** carried out that saved the Troy Public Library from closing,” and for working to ensure the continued operations of the Library for the next five years. The awards were based on the scope of the group’s activities and judged on planning, implementation, evaluation, innovation and community involvement; and

WHEREAS, The **Friends** understand the importance of well-funded libraries and advocate that our Library has the support it needs to provide a wide variety of services for all ages. The **Friends** have generated resources for much needed equipment, summer reading programs for children, Job Seekers classes, computer classes, Special Needs Collection, cultural and book programs and special events throughout the years; and

WHEREAS, The **Friends** continue to promote and support the Troy Public Library’s essential role as a valued community asset in Troy by fostering library initiatives through advocacy, volunteer assistance and fundraising;

NOW, THEREFORE, BE IT RESOLVED, That the Mayor and City Council of the City of Troy hereby congratulate the **Friends of the Troy Public Library** for being recipients of the 2011 Baker & Taylor Award and the Friends of Michigan Libraries 2011 Outstanding Friends of the Library Award, and thank them for their efforts to save the Library and their continued work to keep the Library a vibrant and active place in the heart of our community; and

BE IT FURTHER RESOLVED, That the Mayor and City Council invite all Troy residents to recognize their awards and encourage everyone to support the **Friends** through membership, by shopping the Friends Shop and Book Shop, and attending the many wonderful Library programs offered thanks to the **Friends of the Troy Public Library**.

Presented this 18th day of June 2012.

**Certificate of Appreciation
Barnes & Noble in Troy
for Hosting the Troy Public Library
Reading Celebration and Bookfair**

WHEREAS, On Saturday, April 21 and Sunday, April 22, **Barnes & Noble Booksellers in Troy** hosted the Troy Public Library Reading Celebration and Bookfair, a two-day extravaganza offering many exciting events and fun for both children and adults with special story times, entertainment, and crafts and games for kids and teens; and

WHEREAS, For every sale made during the Reading Celebration and Bookfair weekend at the Troy, Barnes & Noble contributed a percentage of the sales to the Troy Public Library; and

WHEREAS, Bookfair events included face painting; Earth Day celebration crafts, including planting materials donated by Troy Garden Club and Telly's Garden Center; teen origami crafts; NOOK eReader demonstrations for borrowing books from the library; and special author signings by Dr. Steven Craig and Carol McCloud; and

WHEREAS, The Troy Public Library appreciates the partnership with **Barnes & Noble** as well as the residents of the City of Troy and surrounding communities who helped support this special event. Proceeds from the Bookfair totaled over \$2,100 and will be used to support the Library's very popular eBook collection;

NOW, THEREFORE, BE IT RESOLVED, That the Mayor and City Council of the City of Troy hereby thank **Barnes & Noble Booksellers in Troy** at 396 John R Road for their support of the Troy Public Library, as well as all the residents who shopped at **Barnes & Noble** during the Reading Celebration and Bookfair weekend; and

BE IT FURTHER RESOLVED, That the Mayor and City Council invite all Troy residents to continue to support **Barnes & Noble** as a special partner of the Troy Public Library and recognize their generous contribution which supports the Troy Public Library's eBook collection.

Presented this 18th day of June 2012.



CITY COUNCIL AGENDA ITEM

June 1, 2012

To: Michael Culpepper, Acting City Manager

From: Susan A. Leirstein, Purchasing Director
Gert Paraskevin, Information Technology Director
Gary G. Mayer, Chief of Police

Subject: Bid Waiver – Security Access Control Upgrade

Background

In January of 2011, SimplexGrinnell informed us our older Network Controllers for the Access Control System had reached end of life and would no longer be supported in upcoming versions of the Andover Continuum software.

Although we are a few years away from needing the next software upgrade, there are other features in our current version of Andover Continuum that we can take advantage of once the Network Controllers are upgraded. One of the features is the ability to assign more than one device (cards or fobs) to an employee. Currently we have to create a second employee and manage their access rights in two places. However, once the upgrade is complete, we can start utilizing the Personnel Data Importer (PDI) received with our last software upgrade. PDI would greatly reduce staff time by eliminating the need to manually populate employee information into the system, allow us to apply access rights more uniformly across groups of employees, automate changes in access rights when an employee changes departments or positions, and automate the deactivation of an employee when they leave. PDI was piloted in the Fire Department in 2011 and used to automate creation and assignment of access rights for more than 200 current and retired members and has been very successful.

Recommendation

City management is requesting a waiver of the formal bid process as no benefit would be derived from soliciting formal bids, and authorize to use the services of SimplexGrinnell of Farmington Hills, an authorized licensed installer in Michigan for the Andover system to upgrade the existing Continuum NetController I modules to the new NetController II modules at an estimated cost of \$23,648.00.

Fund Availability

Funds are available in the Police Department Administration, Capital account for Office Renovation, and the operating accounts of the DPW, IT, Parks and Library budgets for the current fiscal year.

Prepared by: Ryan Wolf, Research & Technology Administrator



Fire & Security

SimplexGrinnell

A Division of TYCO International

QUOTATION

Date	Quotation No.
	12-Jan-12 520415-0112-12-03
Vendor Code No.	

Issuing Office: 24747 HALSTED ROAD, FARMINGTON HILLS, MI. 48335

TO: **City Of Troy Police Dept.**
 500 West Big Beaver Road
 Troy, MI. 48084
 Attn: Ryan Wolf

Job Name and Address
City Of Troy
Access Control System
Netcontroller II Upgrade
Proposal

Shipping Terms F.O.B. Shipping Point

Project/Reference No.	Page of
	1 1

ITEM	QUANTITY	MODEL NO.	DESCRIPTION	UNIT PRICE	EXTENSION
*** DTE / SECURITY ACCESS CONTROL / UPGRADE ***					
PROJECT DESCRIPTION: Provide materials and labor services to upgrade (10) existing Continuum NetController I modules to the new NetController II modules. Our proposal includes the necessary services, materials, engineering, programming, start-up and debug for the security card access control additions required for the above referenced scope of work.					
MATERIALS AND SERVICES:					
1	9	NC2-R-000000000	NetController II, 0-Nodes, NetLan, RS485 I/O Bus	\$1,517.00	\$13,653.00
2	9	-H	High encryption, NetController II option	\$722.00	\$6,498.00
3	9	-A	Advanced Alarming, NetController II option	\$145.00	\$1,305.00
4	18	Hours	Technical Services	\$112.00	\$2,016.00
5	2	Hours	Project Management	\$88.00	\$176.00
NOTES & CLARIFICATION TO OUR BID: 1) SimplexGrinnell Standard Terms and Conditons Apply. 2) All work based on normal working hours Mon-Fri 7:30am - 4:30pm 3) Warranty is for one year. 4) Owner to furnish network connection.					
Total:					\$23,648.00

SIMPLEXGRINNELL offers to furnish the above, subject to the terms and conditions appearing on the face and on the reverse side hereof, for the sum of

THIS QUOTATION DOES NOT INCLUDE ANY TAXES, INSTALLATION, INSTALLATION MATERIALS OR ANY LABOR OR SERVICES UNLESS SPECIFIED ABOVE.

Any alteration or change from the above will be performed following the acceptance by SIMPLEXGRINNELL of Purchaser's Written Order and will become an additional cost at GINNELL then current charges. This Quotation automatically expires __30__ days from the date shown above. All orders are subject to acceptance by SIMPLEXGRINNELL.

SIMPLEXGRINNELL	TITLE	J.KEITH
By:		SALES

ACCEPTANCE OF QUOTATION The prices, specifications, terms and conditions contained herein, including the reverse side hereof, are hereby accepted. U:\TROY\MISC\NETCONTROLLER II.XLS

Purchaser	Date	P.O. No.
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By:	Title
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CITY COUNCIL AGENDA ITEM

June 6, 2012

TO: The Honorable Mayor and City Council Members

FROM: Michael Culpeper, Acting City Manager
Thomas Darling, Director of Financial Services

SUBJECT: 2011/12 Budget Amendment No. 1

In June of every year, after May financials are complete, we review all budgetary centers in the General Fund and Special Revenue Funds to determine whether a budget amendment is necessary based on eleven months of actual expenditures and estimating June expenditures. This year only the General Fund requires amendment.

Tax Tribunal Refunds in excess of seven hundred thousand dollars requires a \$550,000 draw from the reserve for tax appeals.

City Management recommends Council approval of the 2011/12 Budget Amendment No. 1.



TO: Members of Troy City Council
FROM: Lori Grigg Bluhm, City Attorney
DATE: June 14, 2012
SUBJECT: Synthetic Drugs/ K2- Spice- Bath Salts, Etc.

At the June 4, 2012 meeting, all members of the Troy City Council expressed a desire to take affirmative action to support the community and legislative efforts to combat the sale and use of synthetic drugs, such as Spice, K2, bath salts, and other chemical compounds with extremely dangerous medical consequences that are purchased and used primarily by teens. Although these types of synthetic drugs have been temporarily banned by federal and state legislation, the manufacturers are continuously changing the chemical composition in order to circumvent these laws. Unfortunately, the current process for criminalizing the possession, use and distribution of each of these modified chemical compounds requires extensive testing. However, due to recent media events and an increased public awareness of the dangerous and addictive nature of these synthetic drugs, there has been a concerted effort to outlaw all possible chemical compositions of these types of synthetic drugs. On May 24, 2012, the U.S. Senate passed a new bill that would preclude all variations of Spice/K2/bath salts. In December 2011, the U.S. House passed its bill that is even more restrictive and Congressman Gary Peters has committed to using his efforts in getting federal legislation signed by the President on or before July 4, 2012. Additionally, the State Legislature has also passed a similar State law, which is expected to be signed by Governor Synder at the earliest opportunity. Oakland County has also pledged its support to combat these synthetic drugs. After the approval of this new federal and state legislation, then the City may also wish to research possible revisions to its ordinances that would expand the definition of controlled substances to refer to everything identified as a controlled substance by the State of Michigan or the U.S. Government.

In the meantime, the City of Troy has taken a very active role to combat these synthetic drugs, and has been successful in obtaining voluntary compliance and in generating public education and awareness. The attached press release is just one facet of the proactive work that has already been accomplished.



INTEGRITY * RESPECT * LAWS AND THE CONSTITUTION * ACCOUNTABILITY * PROBLEM SOLVING * PROFESSIONALISM

PRESS RELEASE

Lt. Robert Redmond – Public Information Officer
Telephone: 248-524-3447 – Cell: 248-680-7219 – Fax: 248-524-9023

June 7, 2012

K-2/SPICE

Officers from the Troy Police Department's Directed Patrol Unit and Community Services Section visited 42 establishments today in an attempt to gain a "pledge" from them to not sell K2 or other synthetic drug products. 39 of these establishments acknowledged the pledge and were given a Troy Police Department Placard to place in their window indicating this. 3 establishments were unable to make the pledge due to corporate rules and the Police Department will be following up with them to gain their pledge. It is important to note that "not one" of these locations was selling the products at the time of our visit. The Troy Police Department would like to publicly recognize these establishments for their commitment not to sell K2 or any other synthetic designer drugs. We offer our thanks to the following businesses:

Lucky's Market 4835 John R.
Citgo Gas Station 1654 Livernois
7-11 2910 John R.
7-11 5020 John R.
Troy Party Store 6990 John R.
Paul's Liquor 5903 John R.
Speedway 2980 John R.
Manny's Liquor 42951 Dequindre
Atlas Market 36949 Dequindre
7-11 1650 Crooks
7-11 2891 Crooks
Somerset Market 3095 Crooks
BP Gas Station 2989 Crooks
Vitamin Village 2971 E. Big Beaver
Shell Gas Station 2039 E. Big Beaver
Spencer Gifts 412 E. Fourteen Mile
Mobil Gas Station 1881 E. Fourteen Mile
John's Market 75 E. Square Lake
Shell Gas Station 2970 E. Long Lake
BP Gas Station 5977 Livernois

Bottle & Cork Party Store 1660 John R.
BP Gas Station 1601 Stephenson Hwy
Sunoco Gas Station 2017 Livernois
John's Liquor 4009 Livernois
Mr. Pizzo Bootleg 4973 Livernois
Red Wagon Liquor 1613 Livernois
Buscemi's 3176 Rochester
Kelly's Market 6037 Rochester
On the Go Gas Station 6951 Rochester
Shell Gas Station 3990 Rochester
Hungry Howie's 3615 Rochester
Wild Bill's Smokers Outlet 5086 Rochester
Sunoco Gas Station 3410 Rochester
Sunoco Gas Station 5012 Rochester
Troy Smoker's 186 W. Maple
Mobil Gas Station 1350 W. Maple
BP Gas Station 1980 E Maple
Mobil Gas Station 5015 Livernois
Troy Cheese & Wine 2558 Maple

Father Eric Fedewa from St. Anastasia Catholic Church performed the Invocation. The Pledge of Allegiance to the Flag was given.

A. CALL TO ORDER:

A Regular Meeting of the Troy City Council was held Monday, June 4, 2012, at City Hall, 500 W. Big Beaver Road. Mayor Daniels called the meeting to order at 7:33 PM.

B. ROLL CALL:

Mayor Janice Daniels
 Jim Campbell
 Wade Fleming
 Dave Henderson
 Maureen McGinnis
 Dane Slater
 Doug Tietz

C. CERTIFICATES OF RECOGNITION AND SPECIAL PRESENTATIONS:

C-1 City of Troy Employees' Casual for a Cause Presentation – January and February, 2012 – Cindy Stewart to Present \$755 to Beth Sowulewski, Senior Development Officer – MADD

D. CARRYOVER ITEMS:

D-1 No Carryover Items

E. PUBLIC HEARINGS:

E-1 No Public Hearings

F. PUBLIC COMMENT:

Binkowski, Matt	Spoke about Mayor Daniels and the recall efforts.
Butterbaugh, Ron	Spoke about the City of Troy, Mayor Daniels and the recall efforts.
Wilsher, Cynthia	Spoke about the upcoming search for City Manager and of Board and Committee members/applicants.
Peters, Richard	Spoke of free speech, bicycle paths/sidewalks, and other various topics.
Mitchum, Tracey	Spoke requesting City Council initiate a ban on K2.
Savage, James	Spoke in opposition to the recall petitions and also asks City Council to improve sidewalks in Troy.
Kajma, Linda	Spoke about a Board and Committee member.
Grix, James E.	Spoke in opposition of the millage increase for the Refuse Fund and of the Transit Facility.
English, Larry	Thanked City Council Members for their time and service to the community.
Cherasaro, Nicholas	Spoke about the persons supporting the recall efforts.

G. RESPONSE / REPLY TO PUBLIC COMMENT**H. POSTPONED ITEMS:****H-1** No Postponed Items**I. REGULAR BUSINESS:****I-1** Board and Committee Appointments: a) Mayoral Appointments – None; b) City Council Appointments – Zoning Board of Appealsa) Mayoral Appointments - Noneb) City Council AppointmentsZoning Board of Appeals

Appointed by Council

7 Regular Members

Tally of City Council Nominee Choices:

Each City Council Member should indicate two nominees to fill the vacancies on the Zoning Board of Appeals from the following list of individuals placed into nomination at the May 7, 2012 Regular City Council meeting:

NOMINEES:	COUNCIL MEMBERS: Select Two (2) Nominees
Michael W. Bartnik	Daniels, Campbell, Fleming, Henderson, McGinnis, Slater, Tietz
Barbara Chambers	Campbell, McGinnis, Slater
Glenn Clark	Daniels, Fleming, Henderson, Tietz

City Council Appointments

Resolution #2012-06-117

Moved by McGinnis

Seconded by Fleming

RESOLVED, That Troy City Council hereby **APPOINTS** the following nominated person(s) to serve on the Boards and Committees as indicated:

Term Expires: 04/30/2015**Michael W. Bartnik****Term Expires: 04/30/2015****Glenn Clark**

Yes: Daniels, Fleming, Henderson, Tietz

No: Campbell, McGinnis, Slater

MOTION CARRIED

I-2 Board and Committee Nominations: a) Mayoral Nominations – Local Development Finance Authority (LDFA); b) City Council Nominations – Building Code Board of Appeals, Employee Retirement System Board of Trustees/Retiree Health Care Benefits Plan & Trust, Historic District Commission, Traffic Committee

a) Mayoral Nominations

City Council took **NO ACTION** on this Item.

b) City Council Nominations

Resolution #2012-06-118

Moved by McGinnis

Seconded by Slater

RESOLVED, That Troy City Council hereby **FORWARDS** the following nominated person(s) to serve on the Boards and Committees as indicated to the next Regular City Council Meeting for action:

Building Code Board of Appeals

Appointed by Council

5 Regular Members

5 Year Term

Nominations to the Building Code Board of Appeals:

Term: Per ORDINANCE

Michael Culpepper

(City Manager)

Term currently held by:

John Szerlag

Employee Retirement System Board of Trustees/Retiree Health Care Benefits Plan & Trust

Appointed by Council

7 Regular Members and 2 Ordinance Members

3 Year Term

Nominations to the Employee Retirement System Board of Trustees/Retiree Health Care Benefits Plan & Trust:

Term: Per ORDINANCE

Michael Culpepper

(City Manager)

Term currently held by:

John Szerlag

Historic District Commission

Appointed by Council

7 Regular Members

3 Year Term

Nominations to the Historic District Commission:

Term Expires: 5/15/2015

Doris Schuchter

Term currently held by: Doris Schuchter

Traffic Committee

Appointed by Council
7 Regular Members
3 Year Term

Nominations to the Traffic Committee:

Term Expires: 01/31/2013

Stevan Popovic

Term currently held by: Vacancy

Yes: All-7
No: None

MOTION CARRIED

I-3 No Closed Session Requested

I-4 Proposed Amendment to Chapter 13 – Historic Preservation

Resolution #2012-06-119
Moved by Fleming
Seconded by McGinnis

RESOLVED, That Section 3 of Chapter 13 of the City Code is hereby **AMENDED** to eliminate 4820 Livernois as an historic district. A copy of the ordinance amending Chapter 13 shall be **ATTACHED** to the original Minutes of this meeting and a copy of that ordinance shall be **RECORDED** with the Oakland County Register of Deeds as required by state statute.

Yes: All-7
No: None

MOTION CARRIED

I-5 Appointment of SOCRRA Representative and Alternate

Resolution #2012-06-120
Moved by McGinnis
Seconded by Fleming

RESOLVED, That Troy City Council hereby **DESIGNATES** Tim Richnak as the SOCRRA Representative and Monica Irelan as the Alternate SOCRRA Representative with terms expiring on June 30, 2013.

Yes: All-7
No: None

MOTION CARRIED

I-6 Approval of Contract for Executive Search Firm for City Manager

City Council took **NO ACTION** on this Item.

I-7 Deficit Elimination Plans – Aquatic Center and Sanctuary Lake Golf Course

Resolution #2012-06-121
Moved by McGinnis
Seconded by Daniels

RESOLVED, That Troy City Council hereby **APPROVES and ADOPTS** the Aquatic Center and Sanctuary Lake Golf Course Deficit Elimination Plans presented at this meeting.

Yes: All-7
No: None

MOTION CARRIED**J. CONSENT AGENDA:**

J-1a Approval of “J” Items NOT Removed for Discussion

Resolution #2012-06-122
Moved by Fleming
Seconded by McGinnis

RESOLVED, That Troy City Council hereby **APPROVES** all items on the Consent Agenda as presented with the exception of Item(s) J-6, which **SHALL BE CONSIDERED** after Consent Agenda (J) items, as printed.

Yes: All-7
No: None

MOTION CARRIED

J-1b Address of “J” Items Removed for Discussion by City Council

J-2 Approval of City Council Minutes

Resolution #2012-06-122-J-2

RESOLVED, That Troy City Council hereby **APPROVES** the Minutes of the Regular City Council Meeting of May 14, 2012, as submitted.

J-3 Proposed City of Troy Proclamations: None Proposed

J-4 Standard Purchasing Resolutions:

a) Standard Purchasing Resolution 3: Exercise Renewal Option – Pool Maintenance and Repair Services

Resolution #2012-06-122-J-4a

WHEREAS, On June 21, 2010, Troy City Council awarded a two (2) year contract to furnish pool maintenance and repair services for both the indoor and outdoor pools at the Troy Family Aquatic Center and Community Center to the sole bidder, B & B Pools & Spas of Livonia, effective July 1, 2010 through June 30, 2012, with two (2) one-year options to renew (Resolution #2010-06-142-I-4b); and

WHEREAS, B & B Pools and Spas has offered to renew their contract for one (1) additional year under the same pricing structure, terms and conditions as the 2010 contract;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **EXERCISES AND APPROVES** the first one-year option to renew the contract with B & B Pools and Spas for pool maintenance and repair services at prices contained in the bid tabulation opened June 3, 2010, under the same terms and conditions as the 2010 contract to expire June 30, 2013.

b) Standard Purchasing Resolution 1: Award to Low Bidder – Overhead Door Maintenance and Repair

Resolution #2012-06-122-J-4b

RESOLVED, That Troy City Council hereby **AWARDS** a contract to furnish all necessary materials, labor and equipment to provide three-year requirements of repairs and general maintenance of overhead doors at various City Facilities to the low total bidder, Michigan Independent Door Company of Troy, Michigan, at unit prices contained in the bid tabulation opened May 17, 2012, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, to expire May 31, 2015.

BE IT FURTHER RESOLVED, That the award is **CONTINGENT UPON** contractor's submission of properly executed bid and contract documents, including insurance certificates and all other specified requirements.

J-5 Postage Cost for Mailing New Voter Identification Cards

Resolution #2012-06-122-J-5

RESOLVED, That Troy City Council hereby **AUTHORIZES** the City Clerk to expend necessary funds in excess of \$10,000 to mail new voter identification cards to all registered voters in the City of Troy, pursuant to MCL 168.499(3).

J-7 Request for Acceptance of a Water Main Easement from White Chapel Memorial Association, Sidwell #88-20-16-301-011

Resolution #2012-06-122-J-7

RESOLVED, That Troy City Council hereby **ACCEPTS** the water main easement from White Chapel Memorial Association owners of the property having Sidwell #88-20-16-301-011 and **AUTHORIZES** compensation in the amount of \$500.00; and

BE IT FURTHER RESOLVED, That the City Clerk is hereby **DIRECTED** to record the easement with the Oakland County Register of Deeds, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

J-8 Request for Acceptance of Two Warranty Deeds and Three Easements, Briggs Park Condominiums, APR Development, LLC – Section 14

Resolution #2012-06-122-J-8

RESOLVED, That City Council hereby **ACCEPTS** two Warranty Deeds for right-of-way and five easements for sanitary sewer, emergency ingress/egress and public utilities, and water main from property owner APR Development, LLC, having Sidwell #88-20-14-301-032, 004, 005, 006, 007, 008, 009, 028 & 029; and

BE IT FURTHER RESOLVED, That the City Clerk is hereby **DIRECTED** to record the Warranty Deeds and Easements with the Oakland County Register of Deeds, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Vote on Resolution to Separate Item J-6 Traffic Committee Recommendations and Minutes – May 16, 2012

Resolution #2012-06-123

Moved by Daniels

Seconded by Slater

RESOLVED, That City Council **SEPARATE** Item *J-6 Traffic Committee Recommendations and Minutes – May 16, 2012*.

Yes: All-7

No: None

MOTION CARRIED

Motion to Suspend Rules of Procedure for the City Council, Rule #6 – Order of Business

Moved by Fleming

Seconded by Henderson

RESOLVED, That Troy City Council hereby **SUSPENDS** Rules of Procedure for the City Council, Rule #6 *Order of Business* to hear public comment on Item *J-6 Traffic Committee Recommendations and Minutes – May 16, 2012 - Item #3 – Reconsideration – Remove No Parking Restrictions – Hickory, Plum to Kirkton.*

Vote to Amend Resolution to Suspend Rules of Procedure for the City Council, Rule #6 – Order of Business

Resolution #2012-06-124
 Moved by Fleming
 Seconded by Henderson

RESOLVED, That Troy City Council hereby **AMENDS** the Resolution to Suspend Rules of Procedure for the City Council, Rule #6 *Order of Business* to hear public comment, limited to 5 minutes, from anyone who wishes to speak on Item *J-6 Traffic Committee Recommendations and Minutes – May 16, 2012 - Item #3 – Reconsideration – Remove No Parking Restrictions – Hickory, Plum to Kirkton.*

Yes: All-7
 No: None

MOTION CARRIED

Vote on Resolution to Suspend Rules of Procedure for the City Council, Rule #6 – Order of Business J-6 Traffic Committee Recommendations and Minutes – May 16, 2012 as AMENDED

Resolution #2012-06-125
 Moved by Fleming
 Seconded by Henderson

RESOLVED, That Troy City Council hereby **SUSPENDS** Rules of Procedure for the City Council, Rule #6 *Order of Business* to hear public comment, limited to 5 minutes, from anyone who wishes to speak on Item *J-6 Traffic Committee Recommendations and Minutes – May 16, 2012 - Item #3 – Reconsideration – Remove No Parking Restrictions – Hickory, Plum to Kirkton, as amended.*

Yes: All-7
 No: None

MOTION CARRIED

J-6 Traffic Committee Recommendations and Minutes – May 16, 2012

Myke, James	Spoke in opposition of Item #3.
-------------	---------------------------------

Resolution #2012-06-126
 Moved by Daniels
 Supported by Fleming

Item #3 – Reconsideration – Remove No Parking Restrictions – Hickory, Plum to Kirkton

RESOLVED, That the “No Parking” zone on the south side of Hickory, between Plum and Kirkton, be **REMOVED**.

Yes: McGinnis, Fleming

No: Slater, Tietz, Daniels, Campbell, Henderson

MOTION FAILED**J-6 Traffic Committee Recommendations and Minutes – May 16, 2012**

Resolution #2012-06-127

Moved by Slater

Supported by McGinnis

Item #4 – Request to Establish No Parking Zone – Gloucester at Saint Alan Church

RESOLVED, That a “NO PARKING, TOW AWAY” zone be **ESTABLISHED** on the south side of Gloucester, from the driveway to the Saint Alan Church parking lot to a point 15 feet west.

Item #5 – Request to Extend No Parking Zone – Brooklawn Court

RESOLVED, That the existing “No Parking” zone be **EXTENDED** to encompass the entire Brooklawn Court cul-de-sac, ending at a point near the northeasterly edge of the driveway to 1080 Brooklawn Court.

Yes: All-7

No: None

MOTION CARRIED**K. MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:**

K-1 Announcement of Public Hearings: None Submitted

K-2 Memorandums (Items submitted to City Council that may require consideration at some future point in time): None Submitted

L. COUNCIL REFERRALS:

Items Advanced to the City Manager by Individual City Council Members for Placement on the Agenda

L-1 No Council Referrals Advanced

M. COUNCIL COMMENTS

M-1 No Council Comments Advanced

Council Member McGinnis announced that on June 19, 2012, the OverDrive's Digital Bookmobile community outreach vehicle will be at the Troy Public Library to promote downloadable eBooks, audiobooks, music, and video. The 74-foot, 18-wheel tractor-trailer will be parked in the Library's north parking lot from 12 Noon until 6:00 PM.

Council Member Slater supports the resolution presented on the table for a ban on K2/Spice and requests that the City Attorney draft language to bring back at a future City Council meeting. The City Attorney explained challenges with three current pending laws (e.g., Senate Bill 789) in Michigan Legislature regarding this subject and provided Judge Hartig's website www.nospicetroyclawson.org for more information. Council Member Fleming indicated he would like to include "Bath Salts" in the resolution and would like to explore options at the local level for restricting or banning K2/Spice/Bath Salts. Council Member Henderson supports efforts at the local level. Chief Mayer indicated that the police department is taking an active role to encourage community involvement and voluntary compliance.

Council Member Fleming spoke about the encouraging data contained in N-2a Building Department Activity Report – April, 2012.

Council Member Slater requested a status update on the Transit Facility.

Mayor Daniels spoke about drive-thru banking in the Big Beaver corridor. She also spoke about a letter from Planning Commission Chair, Mr. Maxwell, who provided an opinion on the comments of another Planning Commission Member.

N. REPORTS

N-1 Minutes – Boards and Committees:

- a) Employees' Retirement System Board of Trustees-Final-July 13, 2011
- b) Employees' Retirement System Board of Trustees-Final-August 10, 2011
- c) Employees' Retirement System Board of Trustees-Final-September 14, 2011
- d) Employees' Retirement System Board of Trustees-Final-October 12, 2011
- e) Employees' Retirement System Board of Trustees-Final-November 9, 2011
- f) Employees' Retirement System Board of Trustees-Final-December 14, 2011
- g) Employees' Retirement System Board of Trustees-Final-February 16, 2012
- h) Employees' Retirement System Board of Trustees-Final-March 14, 2012
- i) Liquor Advisory Committee-Final-April 9, 2012
- j) Employees' Retirement System Board of Trustees-Final-April 11, 2012
- k) Zoning Board of Appeals-Final-April 17, 2012
- l) Traffic Committee-Final-April 18, 2012
- m) Planning Commission-Special/Study-Final-April 24, 2012
- n) Planning Commission-Draft-May 8, 2012
- o) Planning Commission-Final-May 8, 2012
- p) Employees' Retirement System Board of Trustees-Draft-May 9, 2012
- q) Liquor Advisory Committee-Draft-May 14, 2012

Noted and Filed

N-2 Department Reports:

- a) Building Department Activity Report – April, 2012
Noted and Filed

N-3 Letters of Appreciation: None Submitted

Noted and Filed

N-4 Proposed Proclamations/Resolutions from Other Organizations:

- a) City of Southfield Resolution in Support of Full Replacement Funding for Revenue Loss Resulting from Elimination of the Personal Property Tax in the State of Michigan
Noted and Filed

N-5 SAFEbuilt Client Survey Results

Noted and Filed

N-6 Application Regarding New SDM License for Kamel Management, Inc. (Troy Smokers)

Noted and Filed

The Meeting **RECESSED** at 9:10 PM.

The Meeting **RECONVENED** at 9:18 PM.

O. STUDY ITEMS

O-1 Discussion Regarding Approval of Contract for Executive Search Firm for City Manager**Resolution for Approval of Contract for Executive Search Firm for City Manager**

Resolution #2012-06-128

Moved by Slater

Seconded by Fleming

WHEREAS, On Monday, May 14, 2012, Troy City Council received proposals from executive search firms to fill the vacancy of City Manager; and

WHEREAS, On May 14, 2012, Troy City Council approved the evaluation form for the purpose of rating the executive search firm proposals, and to conduct interviews if necessary, and follow the standard request for proposal evaluation process in making the selection of an executive search firm (Resolution #2012-05-112); and

WHEREAS, The scores of all City Council members have been averaged into one score for each consultant for this phase of the process, the results of which are detailed in Attachment K, and indicate the overall highest score was achieved by The Mercer Group with a total weighted score of 72.114 out of ninety (90) possible points; and

WHEREAS, The City Attorney has drafted a contract for executive search services with the highest rated firm, The Mercer Group;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **ENGAGES** the services of The Mercer Group to complete the executive recruitment process to fill the position of City Manager by September 15, 2012, in accordance with their proposal dated May 13, 2012, for an estimated cost not-to-exceed \$19,500.00, plus travel costs for finalists.

BE IT FURTHER RESOLVED, That Troy City Council hereby **APPROVES** the final contract for Executive Search Services with The Mercer Group, and hereby **AUTHORIZES** the Mayor and City Clerk to execute the document, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Yes: All-7

No: None

MOTION CARRIED

P. CLOSED SESSION:

P-1 No Closed Session

Q. ADJOURNMENT

The Meeting **ADJOURNED** at 9:50 PM.

Mayor Janice Daniels

M. Aileen Bittner, CMC
City Clerk



CITY COUNCIL AGENDA ITEM

Date: June 11, 2012

To: Michael W. Culpepper, Interim City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

Subject: Agenda Item – Standard Purchasing Resolution #1: Award to Low Bidder
Contract 12-03 – Fieldstone Sanitary Repair

Background

Bids were received and publicly read on June 8, 2012. The low bid of \$79,650.00 was submitted by Superior Excavating as can be seen in the attached bid tabulation summary. The engineer's estimate at the time of bidding was \$105,000.00. The low bid is therefore \$25,350.00 or 24.14% below the engineer's estimate.

A short segment of the existing sanitary sewer on Fieldstone has intermittently become clogged with debris. The DPW has been proactively cleaning the line to reduce the potential for blockages. Their TV investigation has confirmed that the sewer should be replaced. This project will replace the existing sanitary sewer, which is more than 20 feet deep and crosses a 84" diameter Detroit water main, with a new sewer that will be at a greater slope and slightly greater depth under the water main. The work is anticipated to start in July and be completed by September.

Recommendation

It is recommended that City Council award a contract for the Fieldstone Sanitary Repair project to Superior Excavating, P.O. Box 4290, Auburn Hills, MI 48321 for their low total bid amount of \$79,650.00.

In addition, we are requesting authorization to approve additional work, if needed, not to exceed 20% of the original project cost due to unknown underground conditions that may arise during construction.

Fund Availability

Funds for this work are included in the 2011-12 & 2012-13 Sewer Fund. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations

Work was competitively bid and publicly opened with Five (5) bidders responding. The award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

City of Troy

Bid Tabulation Summary

Contract ID: 12-3
Contract Year: 2012
Location: City of Troy
Description: Fieldstone Sanitary Repair

Project Number: 11.401.5	Project Engineer: Scott Fnlay
Estimate Number: 1	Date Created: 5/21/2012
Project Type: New Construction	Fed/State #:
Location: City of Troy	Fed Item:
	Control Section:

Description: Fieldstone Sanitary Repair

Rank	Vendor	Total Bid	% Over Low	% Over Est.
0	ENGINEER'S ESTIMATE	\$105,000.00	31.82%	0%
1	(_1) Superior Excavating	\$79,650.00	0%	-24.14%
2	(_70001) Bricco Excavating Company, L.L.C.	\$95,420.00	19.79%	-9.12%
3	(04719) Teltow Contracting, Inc.	\$99,834.00	25.34%	-4.92%
4	(_0002) Bedient construction	\$136,875.00	71.84%	30.35%
5	(02920) Pamar Enterprises, Inc.	\$163,273.00	104.98%	55.49%



CITY COUNCIL AGENDA ITEM

Date: June 4, 2011

To: Michael W. Culpepper, Acting City Manager

From: Beth Tashnick, City Manager's Office Coordinator

Subject: Standard Purchasing Resolution #10: Travel Authorization and Approval to Expend Funds for Council Member Travel Expenses – Michigan Municipal League's Annual Convention – October 3-5, 2012 Mackinac Island

Background

The Michigan Municipal League's Annual Convention is scheduled to take place October 3-5, 2012 in Mackinac Island, Michigan.

Recommendation

A resolution has been provided so that City Council may authorize and approve the expenditure of funds on travel expenses for any Council members interested in attending this conference.



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General Information

How can I register?

REGISTRATION IS NOW OPEN. [Click here](#) to register online with a credit card! If you need to set up a League account, visit [My League](#) using the log-in at [www.mml.org](#). [My League](#) is your secure, interactive online League account. It's available to all members and nonmembers, with a quick and easy sign-up process.

Via Payment with Check:

In order to reduce the amount of printed paper and increase member privacy, the League no longer accepts credit card payments on printable registration forms for League events. [Click here](#) to download and print a faxable registration form. Complete and fax to 734-669-4223, then mail with check payable to: Michigan Municipal League PO Box 7409 Ann Arbor, MI 48107-7409.

Meals

For attendees staying at the Grand Hotel, breakfast and dinner, as well as lunch on October 4 and 5, are included with the cost of your room. For those staying off property, meal tickets can be purchased directly from the Grand Hotel for the main dining room. Rates for non-hotel guests are as follows: Breakfast \$25.00, Luncheon Buffet \$30.00 and Dinner \$70.00.

Guests

Guests can be registered with Convention attendees to participate in the receptions at Convention. The Thursday evening banquet is included with your room, if you are staying at the Grand Hotel. If you are not staying at the Grand Hotel, additional banquet and meal tickets can be purchased directly from the hotel.

Attire

Dress for the Annual Convention is business casual attire. The Grand Hotel experience includes dressing for dinner. Evening wear is required in all areas of the hotel: coat and tie for gentlemen, and dress or pantsuit for ladies after 6:30 pm.

Weather

Weather on Mackinac Island in October can be somewhat unpredictable. You may need to be prepared for both cold and warm temperatures, as well as rain. The average highs are in the mid-50s, with lows in the 30s.

Register Online Here

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2012 Convention Agenda*

**Some details are still tentative and may be subject to change.*

Wednesday, October 3, 2012

9:00 am-5:00 pm	Registration Hours
9:00 am	League Board of Trustees Meeting
11:00 am-12:00 pm	Annual Business Meeting
12:00 pm	Michigan Women In Municipal Government Lunch
2:00-3:45 pm	Welcoming General Session Parade of Flags Community Excellence Awards
4:15-5:30 pm	Vendor Breakout Sessions
8:00 pm	Foundation Boat Cruise

Thursday, October 4, 2012

7:30 am-5:00 pm	Registration Hours
7:30-8:30 am	Michigan Association of Mayors Breakfast
8:30-10:50 am	General Session
10:45 am-3:15 pm	Silent Auction Bidding
11:00 am-12:15 pm	Breakout Sessions
12:30 pm	Networking Lunch
12:30 pm	Elected Officials Academy Board Meeting and Lunch
2:00-3:00 pm	Michigan Local Government Management Association Colloquium General Session
3:30-4:45 pm	Vendor Breakout Sessions
6:00-8:30 pm	Reception and Annual Awards Banquet
8:30 pm	Afterglow

Friday, October 5, 2012

8:30-10:00 am	Closing Breakfast & General Session Community Excellence Award "Race for the Cup" Winner Announced
10:00-11:00 am	Governance Committee Meeting
11:00 am-12:00 pm	Michigan Black Caucus of Local Elected Officials Meeting
1:00-4:00 pm	Post-Convention Workshops

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Michigan Municipal League :: 1675 Green Road, Ann Arbor MI, 48105 :: 734.662.3246 | 800.653.2483

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Housing and Travel

Host Hotel – Grand Hotel, Mackinac Island
Phone: (800) 334-7263

Grand Hotel Housing Reservation Process

Housing reservations will only be accepted for those who have registered for Convention. After registering for Convention, a confirmation email will be sent to you within 48 hours. The confirmation email will contain your registration information, your personalized housing registration code, and a link to the housing registration form. **The hotel requires that you provide this housing registration form with your personalized code in order to make reservations at the Grand Hotel during the League's Annual Convention.** A deposit of one night's daily rate is required at the time of reservation.

Grand Hotel Housing Rates

Standard - \$199 per person (double), \$323 per person (single)
Deluxe - \$229 per person (double), \$383 per person (single)
Group room rate cutoff is August 31, 2012.

Room rate includes breakfast and dinner, as well as lunch on October 4 and 5, 2012.

Rates do not include \$7.50 baggage handling fee, 6% Michigan Sales Tax, 19.5% Service Charge, and 2% Mackinac Island Occupancy Tax.

Grand Hotel Deposit and Cancellation Policy

Reservation requests received after the room block is filled will be contacted and given an option of being placed on a waitlist. The waitlist is not a guarantee of a room. Individual group reservations are subject to a 10-day cancellation policy. Reservation deposits will be refunded if cancelled 10 or more days prior to arrival, less a \$25.00 processing fee.

Reservations cancelled less than 10 days prior will forfeit the room deposit.

Once a guest confirms a departure date upon check-in, should check-out occur earlier than agreed, there will be a \$350.00 charge.

Meals

For attendees staying at the Grand Hotel, breakfast and dinner, as well as lunch on October 4 and 5, are included with the cost of your room. For those staying off property, meal tickets can be purchased directly from the Grand Hotel for the main dining room. Rates for non-hotel guests are as follows: Breakfast \$25.00, Luncheon Buffet \$30.00 and Dinner \$70.00.

Additional Travel Information

Arnold Ferry - \$18 Roundtrip ferry ride. Parking is free daily for self-park outside lot. Valet parking is \$5. Valet parking and inside lot is \$15.

Carriage Taxi – Rates range between \$4.75-\$7.25 per person depending on destination on Mackinac Island.

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CITY COUNCIL AGENDA ITEM

Date: June 4, 2012

To: Michael W. Culpepper, Acting City Manager

From: Thomas Darling, Director of Financial Services
Beth Tashnick, City Manager's Office Coordinator

Subject: Standard Purchasing Resolution 9: Approval to Expend Funds for
Membership Dues and Renewals Over \$10,000 - Michigan Municipal League

Background

The Michigan Municipal League (MML), a state association of cities and villages, is a nonpartisan, nonprofit association working cooperatively to strengthen the quality of municipal government and administration.

Benefits of membership include advocacy of municipal issues and low-cost education about effective and efficient governance.

Funds are available in City Council's membership and dues account, 102.7958.

Payment of the attached invoice is recommended for annual dues in the amount of \$11,301. These dues cover the time period of May 1, 2012 through April 30, 2013.



MICHIGAN MUNICIPAL LEAGUE
MEMBERSHIP RENEWAL INVOICE

2011 - 2012

michigan municipal league

Troy

Date: 03/01/2012

ID: 492

Membership Period: 05/01/2012 - 04/30/2013

	<u>Current Balance</u>
* MML Dues	10,274.00
** Legal Defense Fund	1,027.00
	\$11,301.00

Total Due by May 01, 2012: \$11,301.00

Please sign, date and return one invoice copy with your payment.

Make checks payable to the Michigan Municipal League and mail to the address below. Thank you.

(Signature)

(Date)

Acct# 101.102.7958

* MML dues include annual subscriptions to *The Review* for your officials at \$12.00 per subscription, which is 50% of the regular subscription rate.

** The Legal Defense Fund is an optional charge. The purpose of the Fund is to provide specialized legal assistance to member municipalities in cases that have significant statewide impact.

See what the League can do for you by visiting www.mml.org
--

Michigan Municipal League
P.O. Box 7409
Ann Arbor, MI 48107-7409
800-653-2483



CITY COUNCIL AGENDA ITEM

Date: June 14, 2012

To: Michael W. Culpepper, Interim City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer
Larysa Figol, Sr. Right-of-Way Representative

Subject: Acquisition of Property as a Result of Foreclosure for Non-Payment of Property Taxes

In accordance with Public Act 123, Section 211.78M(1), Oakland County Treasurer has offered the City of Troy the right of second refusal of properties located in our community that were foreclosed under Public Act 123 of 1999 as amended.

On Wednesday, February 8, 2012 a hearing on the petition by the Oakland County Treasurer to foreclose real property for failure to pay real property taxes was held. Title was forfeited and is free of all liens. Property owners were able to redeem their property by April 2, 2012. The State of Michigan is given first opportunity to purchase foreclosed property, and then the City of Troy, for the amount of delinquent taxes.

Staff has reviewed the parcels acquired by the Oakland County Treasurer and sees benefit in acquiring one of these parcels for City purposes:

The vacant parcel, having Sidwell #88-20-03-103-005, is an unbuildable parcel approximately 60'x400' located in Section 3. The parcel is encumbered with a public storm sewer, sanitary sewer and a 84" diameter Detroit water main. Acquisition of the forfeited property would allow the City an unfettered access to the public utilities and, at a future time, extend Nuthatch Drive to Donaldson Drive.

The tax sale addressed 2009 and 2010 delinquent tax years. The acquisition amounts would include any unpaid taxes, interest and finance charges, and any special assessments. The exact amount paid in this land sale will be determined by the amount of interest applied for the month in which the City purchases these properties. As of June the accumulated taxes, interest and penalties are \$961.62.

Acquisition of these properties will be made with monies from the Local Road fund.

Staff is seeking Council's approval to purchase this property in an amount not to exceed \$1,200.00



OAKLAND COUNTY TREASURER

1200 N. TELEGRAPH RD., DEPT 479
PONTIAC, MI 48341-0479

ANDY MEISNER
COUNTY TREASURER

JAMES VANLEUVEN
CHIEF DEPUTY TREASURER

June 11, 2012

CITY OF TROY
CLERK-TONNI BARTHOLOMEW
500 WEST BIG BEAVER
TROY, MI, 48084-5285

Dear TONNI BARTHOLOMEW,

Attached is the list of Oakland County Properties for your governmental entity that were foreclosed under Public Act 123 of 1999 as amended. The Circuit Court Hearing was held on February 8, 2012. The redemption period expired at the close of business, April 2, 2012.

This list is submitted in accordance with Public Act 123, Section 211.78M (1). The list is offered to you as your government has the right of second refusal. The list is sorted by the Parcel Identification Number, listing the parcel address, the State Equalized Value, the delinquent tax year(s) owed, and the amount due as of the end of the redemption period per the court's judgment. Additional fees, interests and cost may yet be added.

If you wish to purchase any of the properties so listed at the minimum bid price, please submit a written list to the Oakland County Treasurer's Office with the parcel numbers. We will attempt to respond to your requests as soon as possible after the State's right of refusal has expired, June 19, 2012, quoting the price for each parcel you listed. **We will need a copy of your council or board's resolution "not more than" approving the purchase of the properties.** In order that we have time to allow the County an opportunity to review the list and to take action, **we will need your response by the close of business Wednesday, June 20, 2012.** If a response is not received from you by the above due date, we will presume this to be a total refusal of all properties and continue with the rights to purchase or refuse as stipulated by law.

Sincerely,

Andrew E. Meisner
Oakland County Treasurer
(248) 858-1860
meisnera@oakgov.com

OAKLAND COUNTY TREASURER'S OFFICE
 FORECLOSED PARCELS FOR LAND SALE
 Municipality Report for June, 2012

Cvt: 88 City of Troy

Parcel Id	Property Address/Legal Description	Assessed Value	Tax Year	Tax Amount	Interest/Fees	Amount Due
20-02-103-007	1060 HARTWIG DR TROY MI 48085-1226 T2N, R11E, SEC 2 EYSTER'S SUBURBAN HOME SUB LOT 52	\$61,250	2009	\$156.51	\$548.01	\$704.52
					Total:	\$704.52
20-03-103-005		\$0	2009	\$131.82	\$366.69	\$498.51
			2010	\$197.74	\$265.37	\$463.11
					Total:	\$961.62
20-24-226-018	3540 FERNLEIGH DR TROY MI 48083-5771 T2N, R11E, SEC 24 EYSTER'S DEQUINDRE FARMS SUB NO. 5 S 140 FT OF LOT 10	\$150,290	2009	\$485.09	\$578.59	\$1,063.68
			2010	\$525.96	\$357.27	\$883.23
					Total:	\$1,946.91
20-25-326-074		\$34,000	2006	\$583.24	\$738.28	\$1,321.52
			2007	\$1,253.63	\$1,360.37	\$2,614.00
			2008	\$1,226.89	\$1,138.40	\$2,365.29
			2009	\$1,245.72	\$1,025.66	\$2,271.38
			2010	\$1,294.76	\$572.53	\$1,867.29



CITY COUNCIL AGENDA ITEM

Date: June 12, 2012

To: Mike Culpepper, City Manager *MC*
 Mark Miller, Director of Economic & Community Development *MM*

From: Cindy Stewart, Community Affairs Director *CS*

Subject: Uniform Video Service Local Franchise Agreement with Comcast

Attached are the "Uniform Video Service Local Franchise Agreement" and "Attachment 1- Uniform Video Service Local Franchise Agreement" between the City of Troy and Comcast. The agreements meet the statutory and regulatory criteria for approval at the Troy City Council Meeting on June 18, 2012.

The Intergovernmental Cable Communication Authority's (ICCA) counsel, upon review of the "Uniform Video Service Local Franchise Agreement" and "Attachment 1- Uniform Video Service Local Franchise Agreement", and upon review of Section 3 of MCL §484.3301, determined the agreements to be complete pursuant to the mandates of the statute.

Counsel for the ICCA has determined that there is no legal basis to object to the agreement. Therefore, it is recommended that Troy City Council approve the Franchise Agreement.

City Attorney's Review as to Form and Legality: *L. Sipe*

INSTRUCTIONS FOR UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

Pursuant to 2006 Public Act 480, MCL 484.3301 *et seq.*, any Video Service Provider seeking to provide video service in one or more service areas in the state of Michigan after January 30, 2007, shall file an application for a Uniform Video Service Local Franchise Agreement with the Local Unit of Government ("Franchising Entity") that the Provider wishes to service. Pursuant to Section 2(2) of 2006 PA 480, "Except as otherwise provided by this Act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under Section 3." Procedures applicable to incumbent video service providers are set forth below.

As of the effective date (January 1, 2007) of the Act, no existing franchise agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the agreement. The incumbent video Provider, at its option, may continue to provide video services to the Franchising Entity by electing to do one of the following:

1. Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.
2. Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.
3. Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video Provider with an expired franchise on the effective date has 120 days after the effective date of the Act to file for a uniform video service local franchise agreement.

On the effective date (January 1, 2007) of the Act, any provisions of an existing Franchise that are inconsistent with or in addition to the provisions of a uniform video service local Franchise Agreement are unreasonable and unenforceable by the Franchising Entity.

If, at a subsequent date, the Provider would like to provide video service to an additional Local Unit of Government, the Provider must file an additional application with that Local Unit of Government.

The forms shall meet the following requirements:

- The Provider must complete both the "Uniform Video Service Local Franchise Agreement" and "Attachment 1 - Uniform Video Service Local Franchise Agreement" forms if they are seeking a new/renewed Franchise Agreement, and send the forms by mail (certified, registered, first-class, return receipt requested, or by a nationally recognized overnight delivery service) to the appropriate Franchising Entity. Until otherwise officially notified by the Franchising Entity, the forms shall be sent to the Clerk or any official with the responsibilities or functions of the Clerk in the Franchising Entity. "**Attachment 2 - Uniform Video Service Local Franchise Agreement**" is not required to be filed at this time *unless* it is being used regarding amendments, terminations, or transfers pertaining to an existing Uniform Video Service Local Franchise Agreement. (Refer to Sections X to XII of the Agreement, as well as Section 3(4-6) of the Act.)
- Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and **MUST BE KEPT CONFIDENTIAL**.
 1. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

"[insert PROVIDER'S NAME]
[CONFIDENTIAL INFORMATION]"

2. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.
3. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

- Responses to all questions must be provided and must be amended appropriately when changes occur.
- All responses must be printed out, typed, signed/dated (where appropriate), and mailed (certified, registered, first class, return receipt requested, or by a national recognized overnight delivery service) to the appropriate party.
- The Agreement and Attachments are templates. Tab through the documents and fill in as appropriate, use the appropriate "dropdown box" (City/Village/Township) when indicated.
- For sections that need explanation, if the Provider runs out of space, the Provider should then submit the application with typed attachments that are clearly identified.
- The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by this Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the franchise agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- A Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the Franchise Agreement approved. The Provider shall notify both the Franchising Entity and the Michigan Public Service Commission of such an approved and completed Agreement by completing **Attachment 3 - Uniform Video Service Local Franchise Agreement**.
- For changes to an existing Uniform Video Service Local Franchise Agreement (amendments, transfers, or terminations), the Provider must complete the "**Attachment 2 - Uniform Video Service Local Franchising Entity**" form, and send the form to the appropriate Franchising Entity.
- For information that is to be submitted to the Michigan Public Service Commission, please use the following address:

Michigan Public Service Commission
Attn: Video Franchising
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Fax: (517) 241-6217

Questions should be directed to the Telecommunications Division, Michigan Public Service Commission at (517) 241-6200.

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 *et seq.*, (the "Act") by and between the City of Troy, a Michigan municipal corporation (the "Franchising Entity"), and Comcast of the South, Inc., a Colorado Corporation doing business as Comcast.

I. Definitions

For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

- A. "Cable Operator" means that term as defined in 47 USC 522(5).
- B. "Cable Service" means that term as defined in 47 USC 522(6).
- C. "Cable System" means that term as defined in 47 USC 522(7).
- D. "Commission" means the Michigan Public Service Commission.
- E. "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
- F. "FCC" means the Federal Communications Commission.
- G. "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
- H. "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
- I. "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider's existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
- J. "IPTV" means internet protocol television.
- K. "Local unit of government" means a city, village, or township.
- L. "Low-income household" means a household with an average annual household income of less than \$35,000.00 as determined by the most recent decennial census.
- M. "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 *et seq.*
- N. "Open video system" or "OVS" means that term as defined in 47 USC 573.
- O. "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
- P. "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
- Q. "Term" means the period of time provided for in Section V of this Agreement.
- R. "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
- S. "Video programming" means that term as defined in 47 USC 522(20).
- T. "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
- U. "Video service provider" or "Provider" means a person authorized under the Act to provide video service.
- V. "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.

II. Requirements of the Provider

- A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under **Section 3 of the Act** (except as otherwise provided by the Act).
- B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.
- C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.
- D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.
- E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.
- F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.
- G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309 (c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
 - i. Including but not limited to: MCL 445.902; MCL 445.903 (1)(a) through 445.903(1)(cc); MCL 445.903(1)(ff) through (jj); MCL 445.903(2); MCL 445.905; MCL 445.906; MCL 445.907; MCL 445.908; MCL 445.910; MCL 445.911; MCL 445.914; MCL 445.915; MCL 445.916; MCL 445.918.
- H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.
- I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.
- J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.
- K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.
- L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.
- M. The Provider provides an exact description of the video service area footprint to be served, pursuant to **Section 2(3)(e) of the Act**. If the Provider is not an incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under **Section 2(3)(e) of the Act** must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.
- N. The Provider is required to pay the Provider fees pursuant to **Section 6 of the Act**.

III. Provider Providing Access

- A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.
- B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
 - i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
 - ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 30% of the households with access to the Provider's video service are low-income households.
- C. **[If the Provider is using telecommunication facilities]** to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication

service area in Michigan within 3 years of the date it began providing video service under the Act and Agreement and to a number not less than 50% of these households within 6 years. **The video service Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least 30% of the households with access to the Provider's video service subscribe to the service for 6 consecutive months.**

- D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:
- i. The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.
 - ii. Developments or buildings not being subject to competition because of existing exclusive service arrangements.
 - iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.
 - iv. Natural disasters
 - v. Factors beyond the control of the Provider
- E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the Franchising Entity or Commission shall establish a new compliance deadline. If a waiver is granted, the Franchising Entity or Commission shall specify the requirement or requirements waived.
- F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the progress that has been made toward compliance with paragraphs B and C.
- G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the Act through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under Paragraph II(E) of this Agreement.

IV. Responsibility of the Franchising Entity

- A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service area footprint, as described in this Agreement and Attachments, as well as the Act.
- B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the Franchising Entity.
- C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under **Section 3(3) of the Act**, the Franchise Agreement shall be considered complete and the Franchise Agreement approved.
- i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail: certified or registered, or by fax) notice to the Franchising Entity and the Commission, using Attachment 3 of this Agreement.
- E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.
- F. The Franchising Entity may not discriminate against a video service provider to provide video service for any of the following:
- i. The authorization or placement of a video service or communications network in public right-of-way.
 - ii. Access to a building owned by a governmental entity.
 - iii. A municipal utility pole attachment.
- G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has

paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

- H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.
- I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by **Section 9 of the Act**.
- J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

V. Term

- A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by (a) the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or (b) the date the Agreement is deemed approved pursuant to **Section 3(3) of the Act**, if the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.
- B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under **Section 3(7) of the Act**.

VI. Fees

- A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
 - i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
 - ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of / % (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers
- B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.
- C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.
- D. For purposes of this Section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.
 - 1. **Gross revenues shall include all of the following:**
 - i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
 - ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
 - iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
 - iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider's video service.
 - v. All revenue derived from compensation arrangements for advertising to the local franchise area.
 - vi. Any advertising commissions paid to an affiliated third party for video service advertising.
 - 2. **Gross revenues do not include any of the following:**
 - i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
 - ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.

- iii. Any revenues received by the Provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionality integrated, with video service.
 - iv. Any revenues received by the Provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.
 - v. Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.
 - vi. Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the Provider, and required to be remitted to the taxing entity, including sales and use taxes.
 - vii. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.
 - viii. Sales of capital assets or surplus equipment.
 - ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.
 - x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.
- E.** In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.
- F.** Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.
- G.** The Provider is entitled to a credit applied toward the fees due under **Section 6(1) of the Act** for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under **Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act)**, 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the **METRO Act**. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the **METRO Act**.
- H.** All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
- I.** Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
- J.** The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(1) of the Act**, applied against the amount of the subscriber's monthly bill.
- K.** The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VII. Public, Education, and Government (PEG) Channels

- A.** The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the **effective date of the Act** or as provided under **Section 4(14) of the Act**.
- B.** Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the Franchising Entity and may be programmed at the Provider's discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.
- C.** The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the

particular network of the Provider, which is compatible with the technology or protocol utilized by the Provider to deliver services.

- D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider *shall not* exercise any editorial control over any programming on any channel designed for public, education, or government use.
- E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.
- F. If a Franchising Entity seeks to utilize capacity pursuant to **Section 4(1) of the Act** or an agreement under **Section 13 of the Act** to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under **Section 13 of the Act**. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.
- G. A PEG channel shall only be used for noncommercial purposes.

VIII. PEG Fees

- A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:
 - 1. If there is an existing Franchise on the effective date of the Act, the fee (enter the fee amount 1%) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;
 - 2. At the expiration of the existing Franchise Agreement, the amount required under (1) above, which is 1 % of gross revenues. (The amount under (1) above is not to exceed 2% of gross revenues);
 - 3. If there is no existing Franchise Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is ----- % of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues.); and
 - 4. An amount agreed to by the Franchising Entity and the video service Provider.
- B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.
- C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.
- D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
- E. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
- F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(8) of the Act**, applied against the amount of the subscriber's monthly bill.
- G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

IX. Audits

- A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under **Section 6 of the Act** to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity's submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity's reasonable costs of the audit.
- B. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.

X. Termination and Modification

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under **Section 9 of the Act**, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XI. Transferability

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

XII. Change of Information

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XIII. Confidentiality

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and **MUST BE KEPT CONFIDENTIAL**.

- A. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:
 "[insert PROVIDER'S NAME]
 [CONFIDENTIAL INFORMATION]"
- B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.
- C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

XIV. Complaints/Customer Service

- A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.
- B. The Provider shall be subjected to the penalties, as described under **Section 14 of the Act**, and the Franchising Entity and Provider may be subjected to the dispute process as described in **Section 10 of the Act**.
- C. Each Provider shall annually notify its customers of the dispute resolution process required under **Section 10 of the Act**. Each Provider shall include the dispute resolution process on its website.
- D. Before a customer may file a complaint with the Commission under **Section 10(5) of the Act**, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in **Section 10(2) of the Act**.
- E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in **Section 10(5) of the Act**.
- F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in **Section 10(6) of the Act**.
- G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-f) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by **Section 2(3)(l) in the Act**.

XV. Notices

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

If to the Franchising Entity:
(must provide street address)

If to the Provider:
(must provide street address)

City of Troy:

Attn: _____

Fax No.: _____

1.

41112 Concept Dr.

Plymouth, MI 48170

Attn: VP of Government Affairs

Fax No.: 248-233-4719

2.

600 Galleria Pkwy

Atlanta, GA 30339

Attn: Sen. Vice President, Government Relations

3.

One Comcast Center

Philadelphia, PA 19103

Attn: Government Affairs Department

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

XVI. Miscellaneous

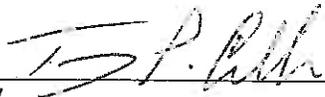
- A. **Governing Law.** This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.
- B. **The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.**
- C. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute on and the same agreement.
- D. **Power to Enter.** Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.
- E. **The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.**

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

City of Troy, a Michigan Municipal Corporation

Comcast of the South, Inc., a Colorado Corporation doing business as Comcast

By
Print Name
Title
Address
City, State, Zip
Phone
Fax
Email


By Timothy P. Collins
Print Name Regional Senior Vice President
Title 41112 Concept Drive
Address Plymouth, MI 48170
City, State, Zip 248-233-6736
Phone 248-233-4719
Fax Tim_Collins@cable.comcast.com
Email

FRANCHISE AGREEMENT (*Franchising Entity to Complete*)

Date submitted:
Date completed and approved:

ATTACHMENT 1

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT (Pursuant To 2006 Public Act 480)

(Form must be typed)

Date: May 4, 2012		
Applicant's Name: Comcast of the South, Inc.		
Address 1: 41112 Concept Dr.		
Address 2		Phone: 248-233-4700
City: Plymouth	State: MI	Zip: 48170
Federal I.D. No. (FEIN): 31-1063218		

Company executive officers:

Name(s): Timothy P. Collins
Title(s): Regional Senior Vice President

Person(s) authorized to represent the company before the Franchising Entity and the Commission:

Name: Leslie A. Brogan		
Title: Director, Government Affairs		
Address: 1401 E. Miller Rd., Lansing, MI 48911		
Phone: 517-334-5890	Fax: 517-334-1800	Email: Leslie_Brogan@cable.comcast.com

Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.) As an incumbent provider, Comcast, is satisfying this requirement by allowing a franchising entity to seek right-of-way related information comparable to that required by a permit under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120, as set forth in its last cable franchise entered before the effective date of this act.

[Option A: for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards]

[Option B: for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity]

[Option C: for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).

Date:

For All Applications:

Verification
(Provider)

I, Timothy P. Collins, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Timothy P. Collins, Regional Senior Vice President	
Signature: 	Date: 5-9-12

(Franchising Entity)

City of Troy, a Michigan municipal corporation

By

Print Name _____

Title _____

Address _____

City, State, Zip _____

Phone _____

Fax _____

Email _____

Date _____

6/11/2012 - GG Mtg.

MISCELLANEOUS RESOLUTION #12134

BY: Commissioners Jim Runestad, District #6

IN RE: BOARD OF COMMISSIONERS – SUPPORT FOR ELECTRIC UTILITY CUSTOMERS TO OPT OUT OF SMART METER INSTALLATIONS WITHOUT PENALTY

To the Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

WHEREAS Detroit Edison Company, Consumers Energy Company and other energy providers have been deploying “smart meters” in Michigan; and

WHEREAS the Michigan Public Service Commission, in an order dated January 12, 2012 directed electric utilities to provide information on several topics including “whether the electric utility intends to allow customers to opt out of having a smart meter” and “how the utility intends to recover the cost of an opt out program if one will exist.”; and

WHEREAS Michigan Attorney General Schuette, in his comments to the January 12, 2012 order dated April 16, 2012, identifies two issues that must be addressed before the MPSC approves further deployment of smart meters and recovery by the utilities of costs from ratepayers. “First there must be a sufficient demonstration that implementation of the smart meter programs will actually produce a net economic benefit to customers. Second, customers just be afforded a meaningful and fair opportunity to opt out of smart meter installation without being penalized by unwarranted and excessive costs”; and

WHEREAS there has been concern expressed by some electric customers that the smart meters are overly intrusive into their energy usage; and

WHEREAS some electric customers have alleged that emissions from the smart meters are actually dangerous to their health.

NOW THEREFORE BE IT RESOLVED that the Oakland County Board of Commissioners supports the ability of customers to opt out of the smart meter program on their homes.

BE IT FURTHER RESOLVED that the Oakland Board of Commissioners agrees with Attorney General Schuette that utility customers who opt out of the smart meter program should be able to opt out with no economic or any other penalty.

BE IT FURTHER RESOLVED that copies of this resolution be sent to Governor Snyder, the Oakland County delegation of the Michigan Legislature, the Michigan Attorney General, the Michigan Public Services Commission, the Michigan Association of Counties and the Oakland County Board of Commissioners’ Lobbyist.

Chairperson, I move the foregoing resolution.

JIM RUNESTAD, MIKE BOSNIC, MATTIE HATCHETT, BOB GOSSELIN, ANGELA RIVER, CRAIG COVEY, PHILIP WEIPERT, BETH NUCCIO

**RESOLUTION THAT THE CITY OF TROY
SUPPORT MAKING K2/SPICE ILLEGAL
AND BAN THE SALE OF K2/SPICE**

WHEREAS, Recent hospitalizations and deaths related to K2, or Spice, have prompted area groups and police departments to raise public awareness on the dangers of the drug; and

WHEREAS, In Troy, Police recently responded to a report of a 15-year-old girl "freaking out" in a park after smoking K2, arrested a 19-year-old driving under the influence of K2 and discovered a teen hiding in the trunk of a car and smoking K2; and

WHEREAS, Several groups in Michigan – including the Troy and Clawson Police Departments and Community Coalitions have organized informational sessions aimed at educating residents about K2/Spice; and

WHEREAS, K2/Spice is a dried herbal blend sprayed with an analgesic chemical, creating a high similar to marijuana, according to the Michigan Department of Community Health, Mental Health and Substance Abuse Administration; and

WHEREAS, The herbal essence is sold in Michigan stores as incense and side effects include heart palpitations, respiratory issues, panic attacks, hallucinations, delusions, vomiting and increased agitation; and

WHEREAS, Spice and K2 does not show up on a regular drug test, law enforcement must use a special test to have it show up positive. The substance has risen in popularity among teens because it is legal and very accessible, being sold at liquor stores and gas stations; and

WHEREAS, Michigan State Rep. George Darany (D-Dearborn) introduced legislation aimed to combat the sale and use of synthetic marijuana in the State of Michigan. This proposal comes after many local communities have rallied to have Spice banned; and

WHEREAS, A law to make K2 and other synthetic drugs illegal has been passed by both the US Senate and the US House of Representatives. Congress will send the law to the President's desk on July 4;

NOW, THEREFORE BE IT RESOLVED, That the Mayor and City Council of the City of Troy support the proposed legislature to make K2/Spice illegal and banned from local stores and gas stations; and

Signed this 4th day of June, 2012

Miscellaneous Resolution #

BY: Commissioner Bill Dwyer, District #14

RE: Board of Commissioners – Support for Federal and State Legislation Criminalizing the Sale, Display for Sale, and/or Possession of Synthetic Marijuana

TO: Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

WHEREAS synthetic marijuana/cannabinoids and products containing synthetic marijuana/cannabinoids are chemically engineered substances, similar to tetrahydrocannabinol (THC)—the active ingredient in marijuana—that, when smoked or ingested, can produce a high similar to marijuana. These substances have recently become a popular alternative to marijuana; and

WHEREAS synthetic marijuana/cannabinoids and products containing synthetic marijuana/cannabinoids, such as those marketed under the names K2, Spice, Blonde, Summit, Standard, Citron, Genie, Zohai, and Fire and Ice, are often more potent than THC; and

WHEREAS the health dangers associated with the ingestion and/or smoking of synthetic marijuana/cannabinoids and products containing synthetic marijuana/cannabinoids have prompted the banning and/or strict regulation of some or all marijuana/cannabinoids in the several countries, states and local jurisdictions; and

WHEREAS Michigan Senate Bill 1082 proposes to address this issue by amending the Public Health Code to prohibit and prescribe a criminal penalty for selling a named product that currently or previously contained a Schedule 1 controlled substance, without disclosing that it no longer contains the schedule ingredient or while representing that it currently contains the scheduled ingredient or a similar ingredient. A violation would be a misdemeanor punishable by up to 93 days' imprisonment, a maximum fine of \$5,000, or both; and

WHEREAS Michigan House Bill 5714 proposes to amend Section 48 of the Administrative Procedures Act to allow for the promulgation of emergency rules to schedule or reschedule a substance as a controlled substance under certain conditions.

WHEREAS, the sale and possession of synthetic marijuana/cannabinoids and products containing synthetic marijuana/cannabinoids present a serious health and safety danger to Oakland County's residents wherein local law enforcement need effective and consistent tools, such as federal or state legislation, in order to effectively suppress the spread of these insidious drugs; and

NOW THEREFORE BE IT RESOLVED that the Oakland County Board of Commissioners hereby supports Senate Bill 1082, House Bill 5714 and any other federal or state legislation that proposes to criminalize the sale, display for sale, and/or possession of synthetic marijuana/cannabinoids; and

BE IT FURTHER RESOLVED that the Oakland County Board of Commissioners requests that, if the Oakland County Health Department deems it appropriate and advisable, the Oakland County Health Department draft a proposed regulation on this subject and present it to the Oakland County Board of Commissioners for approval in accordance with MCL 333.2441 and MCL 333.3442.

Chairperson, we move the adoption of the foregoing Resolution.

Commissioner Bill Dwyer
District #14

O.C.C.
PASSED:
6-7-12
11:25 AM
LS TO O

Chair Maxwell called the Special/Study meeting of the Troy City Planning Commission to order at 7:00 p.m. on May 22, 2012 in the Council Board Room of the Troy City Hall.

1. ROLL CALL

Present:

Donald Edmunds
Michael W. Hutson
Tom Krent
Mark Maxwell
Philip Sanzica
Robert Schultz
Thomas Strat
John J. Tagle

Absent:

Gordon Schepke

Also Present:

Allan Motzny, Assistant City Attorney
R. Brent Savidant, Planning Director
Ben Carlisle, Carlisle/Wortman Associates, Inc.

2. APPROVAL OF AGENDA

Resolution # PC-2012-05-030

Moved by: Hutson
Seconded by: Edmunds

RESOLVED, To approve the Agenda as printed.

Yes: All present (8)
Absent: Schepke

MOTION CARRIED

3. MINUTES

Resolution # PC-2012-05-031

Moved by: Edmunds
Seconded by: Tagle

RESOLVED, To approve the minutes of the May 8, 2012 Regular meeting as published.

Yes: All present (8)
Absent: Schepke

MOTION CARRIED

4. PUBLIC COMMENT – For Items Not on the Agenda

There was no one present who wished to speak.

5. ZONING BOARD OF APPEALS (ZBA) REPORT

Mr. Strat presented the ZBA report.

6. DOWNTOWN DEVELOPMENT AUTHORITY (DDA) REPORT

Mr. Savidant presented the DDA report.

7. PLANNING AND ZONING REPORT

Mr. Savidant presented the Planning and Zoning report. He discussed an application to revise PUD 4, located on the north side of Big Beaver between Alpine and McClure. The applicant proposes to develop retail along Big Beaver, with 16 detached single family residential units to the north. They seek an aggressive review and approval schedule, as they would like to break ground as soon as possible.

OTHER ITEMS

8. REVISIONS TO CHAPTER 85 - SIGNS – Discussion of potential amendments

Mr. Savidant presented draft revisions to Chapter 85 Signs. He explained the City of Troy Zoning Ordinance was adopted on April 18, 2011 and became effective on April 28, 2011. During the comprehensive rewrite process, it was determined that sign provisions would remain in a separate Sign Ordinance. A Planning Commission recommendation is not required prior to consideration by City Council; however, City Management sought Planning Commission input for this item. There were many zoning districts modified or newly created; therefore, there are some inconsistencies between the Zoning Ordinance and Chapter 85 Signs.

Proposed revisions to Chapter 85 include the following:

1. The zoning districts were updated to bring the document into conformance with the Zoning Ordinance.
2. Provisions for the three new form-based districts were added.
3. Provisions to control the intensity of electronic message signs were added.

No other revisions are proposed at this time, as the City is involved with ongoing litigation related to Chapter 85, in particular as related to size and setback.

Mr. Strat suggested that more significant revisions should be made to the document to bring Troy in line with other communities with more strict sign provisions. With the exception of Mr. Strat, there was general support for the revisions, including some suggested minor modifications.

9. POTENTIAL CONDITIONAL REZONING APPLICATION – Northwest corner of Square Lake and Dequindre, Section 1, From NN Neighborhood Node to CB Community Business

Mr. Carlisle presented a report prepared by Carlisle/Wortman Associates, inc., which summarizes the rezoning request. The report referenced a memo to the applicant, prepared by the Planning Director, which denied the applicant's request to modify the Site Type from Type B to Type A. The applicant sought feedback from the Planning Commission on this matter, and provided a sketch of the potential development.

Mr. Hutson stated he would not support a rezoning, as the application was not compliant with the Master Plan.

There was general consensus that the applicant made a strong attempt to comply with the intent of the Neighborhood Node by placing the building close to the corner and providing outside seating between the building and Dequindre Road. Most members recognized the challenge of developing the subject site and indicated they could support a conditional rezoning.

The Planning Commission made some suggestions related to potential site design and operations. These included the following:

- Hours of operation
- Buffer between the subject property and the property to the west
- Potential for connection with property to the north
- Location of speaker box
- Size and location of dumpster

10. PLANNING COMMISSION GOALS

Chair Maxwell reminded the Planning Commission that the Master Plan was adopted in 2008. One of the responsibilities of the Board is to review the document within 5 years from time of adoption to determine if it needs to be updated. It is therefore soon time to start thinking about goals for the Planning Commission and City to help define a vision for the City moving forward.

The Planning Commission discussed a number of ideas related to marketing the City of Troy and encouraging development. These ideas included the following:

- Formation of Speakers Bureau
- Engagement of all residents, including children
- Design charettes to assist in determining uses for vacant buildings
- Contests for students to generate ideas
- Testimonials
- "Creative Troy"
- Teaching modules by professional organizations
- Public service announcements
- Public/private partnerships

- Involvement with City Council and staff

There was general consensus by the Planning Commission to continue to discuss goals and ideas at future meetings.

11. PUBLIC COMMENT

There was no one present who wished to speak.

12. PLANNING COMMISSION COMMENT

There was general discussion.

The Special/Study meeting of the Planning Commission adjourned at 9:10 p.m.

Respectfully submitted,

Mark Maxwell, Chair

R. Brent Savidant, Planning Director

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Resolution # PC-2012-05-030

Moved by: Hutson
Seconded by: Edmunds

RESOLVED, To approve the Agenda as printed.

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Absent: Schepke

MOTION CARRIED

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Moved by: Edmunds
Seconded by: Tagle

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MOTION CARRIED

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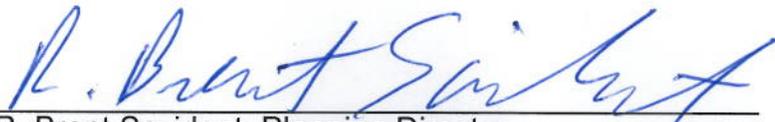
There was general discussion.

The Special/Study meeting of the Planning Commission adjourned at 9:10 p.m.

Respectfully submitted,



Mark Maxwell, Chair



R. Brent Savidant, Planning Director



CITY COUNCIL AGENDA ITEM

Date: May 31, 2012

To: Michael W. Culpepper, Interim City Manager

From: Gary Mayer, Chief of Police *GMM*
Captain Gerard Scherlinck *GS*

Subject: Penalty Hearing for Super City Smoker's Express - Liquor License Revoked

Background

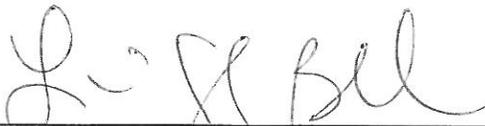
The Michigan Liquor Control Commission (MLCC) held a penalty hearing on May 24, 2012 regarding Super City Smoker's Express, located at 2981 E. Big Beaver in Troy. This tobacconist establishment was found responsible for five violations of selling alcohol to minors. Three violations occurred in July, and two occurred in November of last year.

As a result of the penalty hearing, the MLCC revoked the SDM liquor license previously held by Super City Smoker's Express. The Regional Manager for the MLCC stated that the license, and the entire alcoholic inventory, was removed from Super City Smoker's premises on May 24, 2012. This is considered a permanent revocation of the liquor license, but Super City Smoker's Express has the right to appeal the revocation in circuit court.

Before Super City Smoker's Express received their liquor license, the Troy Police Department recommended against it. This was based on concerns about this type of business potentially selling to minors, as well as issues that arose during the police investigation into the applicant. Troy City Council supported that recommendation, and the MLCC initially supported the City's recommendation against the issuance of the license. The applicant appealed the decision. The MLCC appeal board held a hearing. That board granted the appeal and issued the license, despite objections from Captain Gerard Scherlinck and City Attorney Lori Grigg Bluhm who were present at the hearing.

There have been five violations for selling alcohol to minors since the MLCC appeal board granted the license in May, 2011. Enforcement action under city ordinance was taken by the Troy Police Department, which resulted in fines and a short jail sentence imposed against the licensee. Administrative action was also taken against the licensee by way of MLCC violations filed by the Troy Police Department, which led to the revocation of the license.

Reviewed and approved:



Lori Grigg Bluhm, City Attorney



CITY COUNCIL AGENDA ITEM

Date: June 12, 2012

To: Michael W. Culpepper, Interim City Manager

From: Timothy Richnak, Public Works Director
Richard Shepler, Water and Sewer Superintendent

Subject: Review of Outdoor Water Use Restrictions Ordinance

Background

Established – May 2008 by Troy City Council Resolution

Goal – To shift peak hour water usage to between 11:00pm – 5:00am the Detroit Water & Sewerage Department (DWSD) daily exemption period.

The attached graph illustrates how successful Troy has been in shifting the peak water use to the DWSD exclusionary time of 11pm – 5am. The blue line represents the average hourly flow rates of the years 2003-2007 before the water restriction ordinance on the DWSD maximum water pumping day of each year. The red line represents the years 2008- 2011 after the water restriction ordinance was put in place.

There are 3 critical factors that weigh heavy on the rates that Troy gets charged from DWSD and that can be somewhat controlled.

- 1) Peak hour demand: The peak hour rate in which Troy is using, on the day that is the DWSD maximum pumping day. This day is not known until the end of the summer. (excluding 11pm - 5am)
- 2) Maximum day demand: The amount of water that Troy uses on the DWSD maximum pumping day.
- 3) Total annual consumption: The amount of water Troy uses from July 1 – June 30th of every year.

There are 2 other major factors that affect Troy's rate from DWSD and they are Distance and Elevation from the DWSD water treatment plants (we can't control these factors).

The DWSD model contract exhibits are up for renegotiation per the contract the second year after the initial signing, the 5th year and every 5 years until the 35th year. The exhibits were set up in the model contract so they could be changed during these periods without changing the model contract language. The exhibits include peak hour demand, max day demand, total volume and pressures.

Troy begins negotiating fall 2012 for our 5 year anniversary of the contract. The updated contract exhibits will begin July 1, 2013 and go through June 30, 2018. All the data needed to make the best decision possible for negotiating the contract exhibits. We were very successful at estimating these exhibits 3 years ago when



CITY COUNCIL AGENDA ITEM

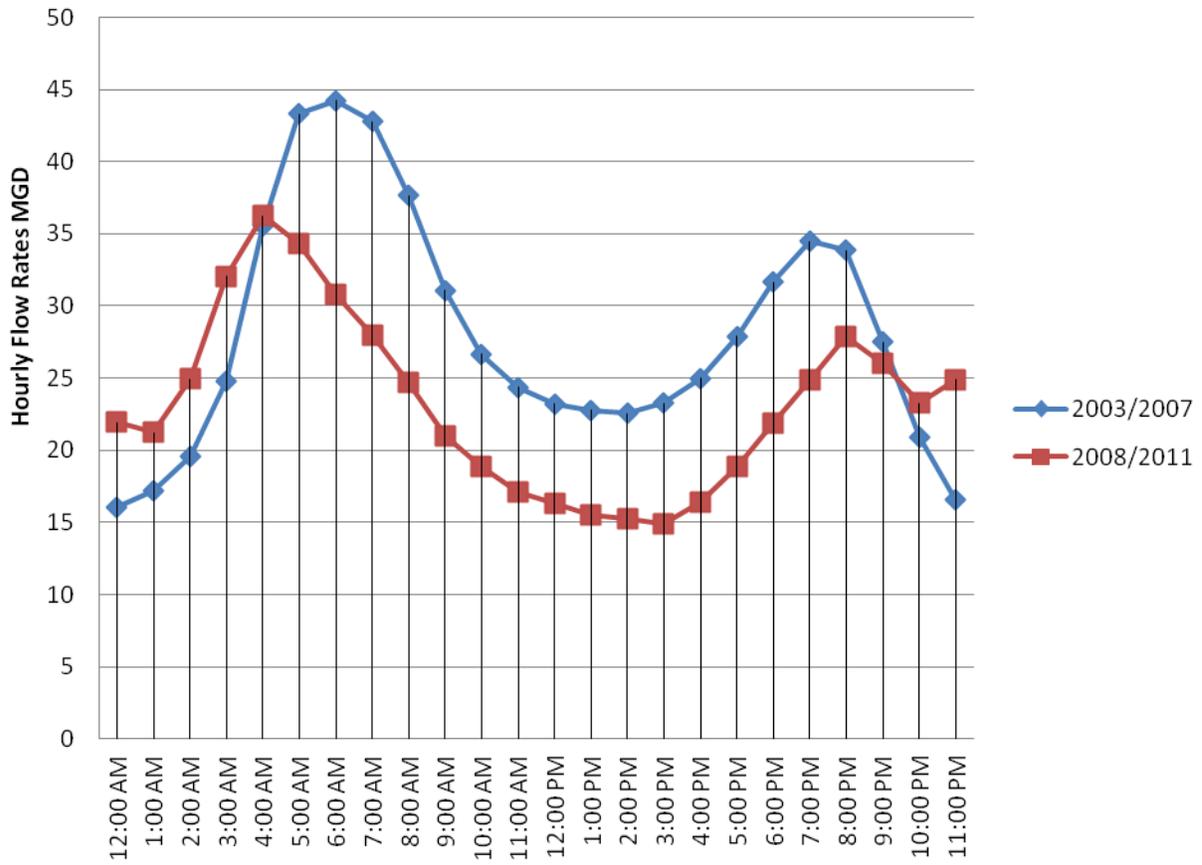
we last negotiated our contract. The real unknown is what the economy is going to do the next 5 years especially the commercial and industrial market and how many vacant properties we will have.

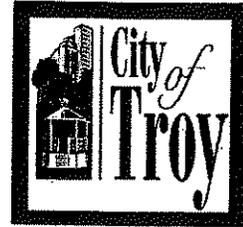
Educational Elements on the Outdoor Water Restriction Ordinance

- Spring newsletter every year
- Special note on spring water bills
- Website and local cable television
- Newspaper articles when appropriate
- Notice to sprinkler companies
- Special tag on outdoor seasonal water meters for irrigation only
- Special signs will be placed at entrances to subdivisions that require more intensive education
- Letters sent to property owners of reported violations explaining regulations with copy of city ordinance are attached (the initial philosophy of this ordinance was education before regulation)
- Second letter sent to reported violations as necessary
- Superintendent and/or staff make personal visits to violation locations

tlr\S:\Richnak Agenda Items\ Review of Outdoor Water Use Restrictions Ordinance June 2012

Peak Hour Averages Before vs After Sprinkler Ordinance





We noticed that you've been watering

Summer 2012

RE: Outdoor Automatic Sprinkler Restrictions

Dear Sprinkler System Owner,

The City of Troy has restricted the run time of underground irrigation systems effective June 5, 2008.

On May 19, 2008, Troy City Council approved the recommended ordinance change to restrict the usage of underground irrigation systems (sprinkler systems) to run only from **11pm until 5am daily**. (See Ordinance on back)

This letter is to inform you as an operator of an underground irrigation system of this change and to urge you to set your irrigation timers to go "on" and "off" between the hours of 11pm and 5am. By adjusting timers to this schedule, peak hour water use in the City can be shifted and an annual cost savings of approximately \$500,000 through rate reductions can benefit all water users in the City of Troy. The ordinance only restricts the timing of underground irrigation systems and does not pertain to the initial start up, maintenance or testing of the system.

The primary focus is to reduce peak usage. This is not an effort in conservation of water although conservation is recommended. It is our intent to gain compliance through education and cooperation with the water users in the City of Troy rather than resorting to issuing municipal civil infractions resulting in fines.

Thank you in advance for your cooperation.

Richard Shepler

Richard Shepler

Superintendent of Water & Sewer
City of Troy, Water Division

City of Troy Ordinance

Outdoor Water Use Restrictions

12.01 The City of Troy, through its contract with the Detroit Water and Sewerage Department, is obligated to take steps to insure that whenever possible, the use of the municipal water system shall be used during the non-peak hours of 11pm to 5am. To satisfy this contractual commitment, the following municipal water use regulations are in effect:

- A. For those properties in the City of Troy that are serviced by an underground irrigation system, outdoor watering, including the sprinkling of lawns and landscaping, shall only be done during the non-peak hours of 11pm to 5am.
- B. A water user may manually irrigate landscaping at any time, provided the irrigation is not connected to an underground system, and is attended and monitored by the water user.
- C. If the above provisions create a practical hardship for a municipal water user, the municipal water user can petition the Superintendent of the Department of Water and Sewer or his/her designee, asking for relief from one of the above referenced restrictions. The petition shall set forth the requested relief, and shall detail the extraordinary circumstances that would justify the requested relief, as well as the duration of the requested relief. The Director of Public Works or his/her designee can grant or deny or modify the petition, taking into consideration the contractual obligations of the City, as well as the articulated circumstances of the petitioner. The decision of the Director of Public Works or his/her designee shall be final.
- D. Any person, firm, or corporation violating any of the provisions, as set forth in paragraphs A and B, without obtaining relief, as provided in paragraph C, shall be responsible for a municipal civil infraction, in accordance with the provisions of Chapter 100 of the City of Troy ordinances.



CITY COUNCIL AGENDA ITEM

Date: May 30, 2012

To: Mike W. Culpepper, Interim City Manager *MC*

From: Gary Mayer, Chief of Police *GM*
William S. Nelson, Fire Chief *WSN*

Subject: Emergency Medical Service 2011 Annual Report

Background

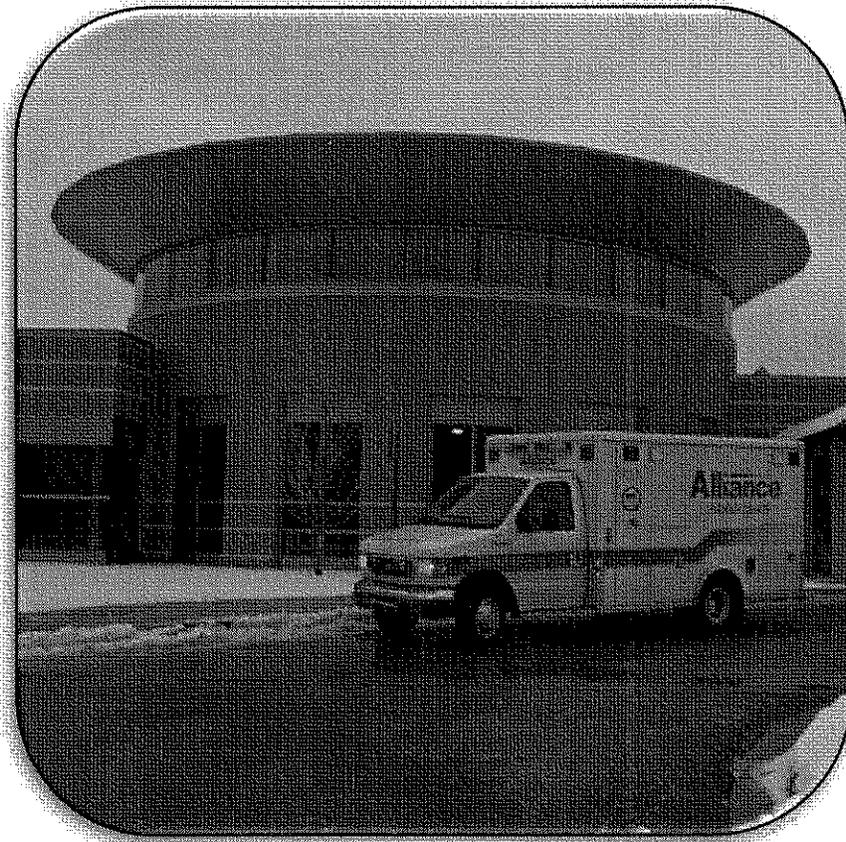
For the past 25 years, Troy has utilized an innovative service model for the provision of emergency medical services to the community. This model utilizes a private EMS provider which is operationally integrated with the police and fire departments. The EMS system is performance driven and provides a high level of service at the lowest possible cost.

Attached is the 2011 annual report from Alliance Mobile Health, the provider of this service for the past 8 years. Alliance Mobile Health has consistently met or exceeded the performance requirements of the contract since they were awarded the contract in September 2003.

Emergency Medical Services

City of Troy

2011 Annual Report



**Alliance Mobile Health
2045 Austin Dr
Troy MI, 48083**

How the EMS system works in the City of Troy

The Emergency Medical Service (EMS) system in the City of Troy is provided by a private ambulance provider selected by the City of Troy through a request for proposal (RFP). Alliance Mobile Health, a not for profit community based ambulance service, has provided the EMS in the City of Troy since October 2003. The contract requires both a first responder service as well as ambulance service.



The first response units are staffed with one paramedic and are known as paramedic first responders, or PFRs. PFR coverage is 24/7. Monday through Friday there are three PFR units deployed during the day and two units deployed at night. On weekends, there are two PFR units deployed day and night. PFR units are dedicated to the city at all times and must respond to all emergency medical calls in 5 minutes 00 seconds with 90% reliability. This component of the total services provided by Alliance Mobile Health is paid for by the City of Troy.

The ambulance service provided is required by contract to be advanced life support. This means that the ambulance is staffed with two paramedics capable of providing ECG monitoring, IV therapy, advanced airway interventions, and can administer medications. While these units are not dedicated to the City of Troy, a response time of 8 minutes 00 seconds is required for all emergency calls with 90% reliability. This service is not subsidized by the City of Troy. This service is paid for by the patients that utilize the services. In most cases, the services are covered by insurance companies.

When a citizen calls 911 for a medical emergency, the call is answered by the City of Troy's communication center. Once the information about the call is obtained by Troy, the call is transferred to Alliance Mobile Health's communication center to provide pre-arrival instruction to the caller. This assists the caller in rendering immediate aid to the patient before the first responder unit arrives. This pre-arrival care can range from controlling bleeding to cardiopulmonary resuscitation (CPR). At the same time instructions are given to the caller, both the first responder unit and an ambulance are dispatched to the address by Alliance Mobile Health's communication center. The dispatcher stays on the line with the caller until the first responder unit arrives at the address.



When Alliance Mobile Health's communication center receives a transferred call from the City of Troy, the call taker asks the caller a series of questions to determine the appropriate response to the ambulance request. Using a nationally recognized



algorithm, the call taker is able to determine whether the patient requires an emergency response with the use of emergency lights and sirens, known as a “priority 1” response, or an immediate response *without* the use of lights and sirens, known as a “priority 3” response. This differentiation is important because it reduces unnecessary emergency responses to stable patients and ensures emergency response to the patients that need it.

The Troy Police and Fire Departments and Alliance Mobile Health have regular communication about the EMS performance. Alliance Mobile Health provides monthly reports and an annual report on the ambulance and PFR response performance.

Incident volume and response time analysis – 2011

In 2011, Alliance Mobile Health responded to a total of 6,083 ambulance requests in the City of Troy. Of those, 3,474 were emergent, with the use of lights and sirens. This averages about ten emergency calls per day. The other 2,609 calls were non emergency, an immediate response without the use of emergency lights and sirens. Alliance Mobile Health transported 4,189 patients in 2011 which is 69% of the total calls to which units responded. A comparison in volume, on-time percentage, and average response times is shown below.

Two year comparison of EMS performance

	Ambulance			First response unit		
	2010	2011	% Change	2010	2011	% Change
Total emergency calls	2852 *	2783 *	-2.42%	2439 *	2557 *	4.84%
Calls within response time standard	2583 *	2588 *	0.19%	2200 *	2297 *	4.41%
Percentage within time standard	90.57%	92.99%	2.68%	90.20%	89.83%	-0.41%
50th percentile response time	0:06:07	0:06:06	-0.27%	0:04:04	0:04:02	-0.82%
Total Responses	5,847	6,083	4.04%	5,328	5,785	8.58%

*Not including exceptions for weather, construction or dangerous scenes

Patient Satisfaction Surveys

Alliance Mobile Health mails out patient satisfaction surveys in an ongoing commitment to patient satisfaction. This process asks the patient to rate different aspects of their experience from helpfulness of the call taker at the communication center to the professionalism of the ambulance crew to the cleanliness of the ambulance. The surveys help identify areas that Alliance can improve. It also provides the patient or family member an opportunity to voice concerns or praise the crew for service above and beyond the patient’s expectations. A summary of the survey results are provided to the City of Troy on a quarterly basis.

In 2011, the average score overall was a 3.71 on one to four scale, with four being excellent. The highest scores in 2011 were in the categories of medical dispatcher being courteous and the paramedics treating the patients in a kind and courteous manner. The survey results for 2011 and the last three quarters of 2010 are listed below.

Two year comparison on patient satisfaction surveys by quarter

	2nd/3rd/4th 2010	1st/2nd 2011	3rd/4th 2011
How would you rate the services provided	3.74	3.80	3.75
Was the medical dispatcher courteous, helpful	3.83	3.86	3.68
Did the ambulance arrive in a timely manner	3.90	3.82	3.68
Rate the paramedic's explanation of procedures	3.72	3.75	3.62
Did paramedics treat you in a kind/courteous manner	3.74	3.84	3.74
Condition of ambulance clean/presentable	3.63	3.80	3.61
Billing office helpful in answering your questions	3.63	3.88	3.20

Based on a 0 - 4 scale, where 4 is excellent

Alliance Mobile Health accreditation

Alliance Mobile Health has been accredited through the Commission of Accreditation for Ambulance Services (CAAS) since 2003. This accreditation means that Alliance meets the high standards set by this independent accrediting agency. The comprehensive standards comprise every aspect of the ambulance service from patient care to hiring practices. Alliance Mobile Health was the first ambulance service in Oakland County to be accredited.

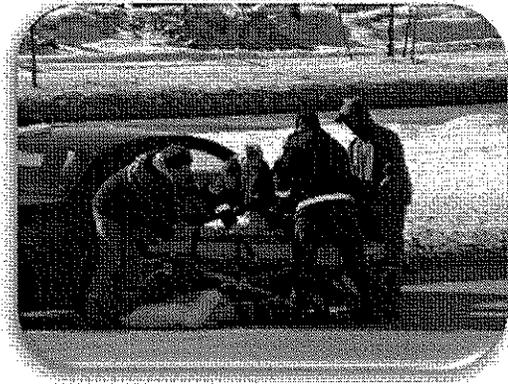


Special programs/Community involvement

- Tactical EMS team (TEMS) – These AMH paramedics train and respond alongside the Troy tactical support team. TEMS responds to high risk situations with the Troy tactical support team to provide emergency medical attention to any officers during tactical operations.
- Paramedic bike team – AMH paramedics that provide advanced life support for special events to maneuver quickly in large crowds in order to assess and treat patients during large events. The bike team is comprised of two paramedics riding bikes which are equipped with the same capabilities as an ambulance.
- CPR, blood borne pathogens, AED, and first aid training to Troy Police and Fire Depts.



- Firefighter rehabilitation – This is conducted during significant or long term fire incidents. Paramedics provide medical monitoring, including blood pressure, oxygen saturation levels, and ECG, to all firefighters that are involved in active firefighting in accordance with NFPA standard 1584.
- Carbon monoxide (CO) monitoring – PFR units respond to CO alarm calls to perform a preliminary check for CO.
- Translation services – Alliance employs a telephonic interpretation service available to all paramedics to better assess and communicate with patients and family members who do not speak English and have no interpreter available.
- Social worker program – For citizens that have underlying problems that place them in need of emergency medical care, the program puts the patient or family in touch with a social worker who can connect them with available resources to help the patient or family. An example of this would be a citizen who cannot afford to buy necessary medications.
- Evidentiary blood draws – Paramedics perform evidentiary blood draws under physician direction in the Troy lock up facility for individuals suspected of being under the influence of drugs / alcohol. This service saves the police department from escorting the patient to the hospital for the service.
- Nursing home evacuation training - Alliance Mobile Health and the Troy Fire Department conducted joint training on how to remove elderly patients out of nursing facilities during a fire.
- Troy People Concerned annual back pack event – Alliance hosts this annual event at their main station at 2045 Austin Dr. Alliance has several employees that participate in the event and the organization donates to the event as well. Alliance also donates office space for Troy People Concerned at their main building.
- Laurie Thiel, executive director for Alliance, is an active Kiwanis member. Alliance's involvement in Kiwanis includes financial support as well as volunteer support in the community
- Alliance has been a business sponsor for the Troy Community Coalition Prayer Breakfast
- Alliance is a business sponsor for Martin Luther King Day



observed their capability,
 professionalism and
 compassion as they attended
 to their work.

They are certainly to be
 commended and we ask
 you to share our
 gratitude for the work
 they do so many times
 when they're not observed.
 We glad we live in Troy.

Lynne Borty
 Dieter Palmer, President of
 Dieter Borty's Staff,
 20111111

June 2, 2012

Dear Chief Nelson,

Just before the Memorial
 weekend got underway, there
 was serious accident that
 occurred in front of my house
 in Waterloo.
 The 3 of us who live here
 went to see if we could be
 of help before the members of
 Police and Fire Department
 arrived.

We were very impressed
 with the members of your
 Fire Department and wanted
 you to know how we


Jo Ann Lucas, OP
2200 E Waffles Rd.
Troy, MI 48085-3666



Chief William Nelson

500 W. Big Beaver

Troy, MI

48084





March of Dimes Foundation

Metropolitan Detroit Division
27600 Northwestern Hwy#150
Southfield, MI 48034
Telephone (248) 359-1550
Fax (248) 213-4923
MI630@marchofdimes.com

marchofdimes.com/michigan

May 31, 2012

Mr. Kurt Bovensiep
City of Troy
Public Works Department
500 W. Big Beaver
Troy, MI 48084

RE: 2012 Troy March for Babies

Dear Kurt,

On behalf of the March of Dimes, I would like to express my deepest gratitude to you for your help in securing cones and saw horses for our Troy March for Babies walk on Sunday, April 29th!

Together we are helping to improve the health of babies by preventing birth defects, premature birth and infant mortality. As you may know, March for Babies makes up 50% of the funds for the March of Dimes and is vital to preserving our work in research, advocacy, community grants and education for both health professionals and the public.

Thank you for the time, energy and enthusiasm you gave to our 2012 March for Babies event. I look forward to working with you again!

Sincerely,

Angie Morris
Community Director
Direct: 248-359-1575

Tax ID: 13-1846366



CITY COUNCIL REPORT AND COMMUNICATION

June 6, 2012

TO: Michael Culpepper, Acting City Manager

FROM: Tom Darling, Director of Financial/Administrative Services
Nino Licari, City Assessor

SUBJECT: City Assessing versus County Assessing, Formal Bid Process

SUMMARY OF THE ISSUES:

On April 16, 2012, the City Council took no action regarding a report concerning City versus County Assessing functions. Two members of Council requested a formal quote for services from the County before a discussion should be brought forward.

In response to the request of the two council members, former City Manager, John Szerlag, made a written request of Oakland County Equalization Director, David Hieber, concerning a bid for services.

Subsequent communications with the County indicate multiple issues that preclude the County's desire to provide a formal bid. There will be substantial additional costs above the base bid that inhibit the realization of any efficiency in moving forward with the process.

Confirmation of estimated costs included in the original Report and Communication of April 16, 2012 (attached) support Management's conclusion that the existing service delivery method is more cost effective than outsourcing to the County for this particular service.

DETAIL:

As confirmed by the attached email from David Hieber, Oakland County Equalization Director, the County's base bid for services in Troy would be \$514,717.

Also confirmed in that same email is Mr. Hieber's statement that the base bid will not cover all services required to perform the assessing function in Troy. He states that the bid price will increase based on a final contract that specifies exactly what services will be required by the City.

As per the Report of 04/16/12, (dated 04/02/12), the current method of delivery is already more efficient than the base bid.

Mr. Hieber further states that it is already too late in the Assessment year for the County to take over the 2013 assessment roll (we start working on the next assessment year as of May 1 of any year). Assuming a contract acceptable to both parties could be drafted, their earliest start date would be April 1 of 2013. (since updated by Mr. Hieber on 06/07/12 to April 1, 2014)

ADDITIONAL COSTS:

Mr. Hieber and the City Assessor have spoken numerous times about the bid process since Mr. Szerlag made the request for a bid. He has confirmed the following additional charges that are not included in the base bid.

Legal Fees:

The City has over 300 pending appeals at the full Michigan Tax Tribunal (MTT), and anticipates 100 +, - Small Claims Appeals for the coming year.

The current department handles the legal work involved in; answering Petitions, Proof of Service, Motions, Stipulations, and Court appearances. The City's legal staff assists in matters of law, not value, in providing briefs and review.

Oakland County's Equalization Department does not perform this function. All legal work is sent to their Corporate Counsel, and they are billed back for this work.

Were the County to perform assessing functions in Troy, the City would be billed by the Oakland County legal team, individually on each item, for all actions they take on the City's behalf. This would minimally involve additional charges of \$50,000 per year to the City. These charges could be considerably higher dependant on the complexity of the appeal.

These costs were not anticipated in the 04/16/12 Report and signify that the current method of delivery is more cost effective than previously reported.

Staffing Charges:

If the County were to provide the clerical staff, the City's costs of the bid increases by 1 clerical staff that would be needed in the Treasurer's Office to partially offset the loss of 2 current staff members shared by both departments. This cost is \$75,000 per year.

As detailed in the 04/16/12 Report.

These aforementioned costs are also minimum costs that must be added to the base bid for comparative purposes. It is anticipated that there will be multiple types of other costs that would increase the final bid submitted by the County, as indicated below.

Additional Costs not Covered by the Base Bid:

There are numerous items that the existing Department is responsible for, and that the County would bid separately for. These include: tax abatements, special assessments, description change requests, millage certification, public hearings, Council appearances, any Court appearances for the MTT, and so on.

The additional bid charges for these services would be determined after a detailed analysis of time and costs studies based on the number of each occurrence.

This is another cost not anticipated in the 04/16/12 Report, and also increases the efficiency of the current method of delivery.

Where are we in the bidding process?

Conversations with Mr. Hieber and the City Assessor centering on the actual bidding process brought agreement that several meetings over a 1 to 2 month period are necessary to determine the exact scope of work expected of the County, above the costs already reported.

Mr. Hieber is skeptical of spending the time and resources necessary to formalize a full bid, when it is apparent that they cannot be competitive with the existing costs. He is aware that the current department performs many functions that the County does not currently provide, and that the County would have to charge for.

STAFF RECOMMENDATION:

Based on multiple conversations with Mr. Hieber, the Oakland County Equalization Director, it would be fiscally inefficient to work through a scope of work for this particular contract, for both parties. This is an issue that staff will review within the continuous improvement cycle and bring to Council again if/when it is cost effective to outsource this service.

Nino A Licari

From: Hieber, Dave [hieberd@oakgov.com]
Sent: Tuesday, May 29, 2012 9:24 AM
To: Nino A Licari
Subject: RE: Quote for Assessing Services in Troy

Nino

Question 1) The below rates for assessing services are correct. They are the standard rates adopted by the County Board of Commissioners.

Question 2) You are correct. The total contract price could change based on scope of services being requested. The price could go up depending on any additional level of service requested by the city.

Also, I want to let you know we would not be able to offer Troy a contract of the preparation of the 2013 assessment role. It is too far along in the assessing cycle to transition to the county.

If the city would like to discuss, please feel free to contact me.

Dave Hieber, Manager
Oakland County Equalization
248-858-0760

From: Nino A Licari [<mailto:LicariLA@troymi.gov>]
Sent: Friday, May 25, 2012 1:19 PM
To: Dave Hieber
Subject: Quote for Assessing Services in Troy

Dave,

That you for confirming receipt of Mr. Szerlag's request for a quote on Assessing Services, by the County, here in Troy.

From our conversations, I am of the understanding that the base quote will be as follows;

Parcels	Count	Per Parcel	Cost
Real	29,197	\$15.10	\$440,875
Personal	5,955	\$12.10	\$ 73,842
Total	35,152		\$514,717

For our Interim City Manager's information, can you:

Confirm that the estimate of the base quote above is accurate? And,

Confirm that the cost of services could increase above this level dependent upon the actual scope of work to be required of you by the City of Troy?

The answers to these two questions will help him in formulating his approach to the City Council.

Thank you for your help!

Nino

Leger A. (Nino) Licari | MMAO (4), PPE | City Assessor - City of Troy | 500 W Big Beaver, Troy, MI 48084 | ph 248 524-3305 | fax 248 524-3310 | Mon - Fri 8:00AM - 4:30PM |



CITY COUNCIL REPORT AND COMMUNICATION

April 2, 2012

TO: John Szerlag, City Manager

FROM: Tom Darling, Interim Director of Financial/Administrative Services
Nino Licari, City Assessor

SUBJECT: City Assessing versus County Assessing

THE QUESTION:

Is it more cost effective to have the City's in house staff perform the Assessing function, or to outsource this service to the County, based on a recent quote from them?

EXECUTIVE SUMMARY:

The short answer is that the current Assessing Department is more effective in all areas.

There are multiple issues involved in making this analysis;

Is the County quote less than the current costs?

The County quote is higher than current costs by \$12,345. (Attachment #1 page 1) *The current City staff is cost effective under this analysis.*

Is the County's quote realistic? (The detail for this section is important to note)

Based on information supplied by the County, and the recent ICMA analysis, it is apparent that the County quote will not cover their labor costs to assess the City of Troy, much less fixed costs that do not change regardless of who is performing the assessing duties. Equally important is an expected increase in the quote after 2 years. (Attachment #1 page 2). *This analysis makes the current City staff extremely cost effective.*

What do independent studies say about cost savings?

The ICMA study recognized that the current iteration of the Assessing Department is understaffed. An independent study out of Michigan State University estimates the actual costs of County assessing to be 10% higher than leaving the work at the local level.

DETAIL FOR THE EXECUTIVE SUMMARY CONCLUSIONS:

Is the County quote less than the current costs?

The County quote is a per parcel quote based on the 2012 parcel counts. It starts at \$514,717. Fixed costs must be added to the County quote to cover charges the City would incur, and charges the County would incur. (Attachment #1 page 1)

The Treasurer's Office and the Assessing Department share 5 clerical staff as a result of the restructuring to lower costs and increase efficiency, and the ICMA recommendations for consolidation (2 in Assessing and 3 in Treasurer).

As a consequence of County assessing, at a minimum, the Treasurer's Office will need 1 more FTE (full time equivalent) to cover the loss of the 2 current Assessing Department clerical staff (this does not include clerical work that the Assessing staff does for Community Affairs). Thus a total wage and benefit charge of \$71,500 is added as a fixed cost (Actual City cost).

One half of the current copier charges, which is now paid by the Assessing Department, will have to be absorbed by the Treasurer and Community Affairs. This adds an additional \$2,800 fixed cost to the County quote.

The Assessing Department's share of building maintenance and insurance will either have to be absorbed by the City, or charged to the County. This adds another \$2,200 fixed cost to the County quote.

Current staff in the Assessing Department has performed between 200 and 250 audits of Personal Property Accounts per year. These audits bring in an average of \$259,237 per year to the City. This is a deduction from the current department budget. Additionally, these audits bring in total tax revenue for all jurisdictions of \$1,102,525, with a net gain of \$843,288 for taxing authorities other than the City of Troy.

The County quote includes approximately 120 audits per year (2% of the parcel count), which will generate approximately \$102,417 per year. This is a deduction from the County quote costs, and is 39.5% of the City's own generation of revenue. The County's audits will only generate \$333,099 for the other taxing authorities, which is an annual loss to them of \$510,189.

Assessor Reviews of new assessments before the Board of Review save the Board Fund an additional \$3,850 per year, nominally, many years the savings is higher. (Attachment #1 page 3). As the County does not perform Assessor Reviews, it is a cost to the County quote.

Finally, there are legacy costs associated with pension and health care contributions to the Pension Fund that the Assessing Department budget is charged. These annual costs of \$52,692 would have to be covered by the General Fund, and are thus an additional cost of the County quote.

The total cost of the County quote is now \$545,342, compared to the net current City cost of \$532,997. The current City Assessing Department cost is \$12,345 less than the County quote.

Is the County's quote realistic?

With all we know about assessing a community of the size and valuation of Troy, it is clear that the County quote does not even cover their labor costs. (Attachment #1 page 2 for all of the following analysis)

Based on the analysis of the ICMA audited hours needed to assess the City of Troy, the County's labor costs, plus fixed costs, minus their auditing dollars, the County's costs for assessing the City of Troy come in at \$653,418.

The current net costs for the Assessing Department are \$532,997. This is \$124,347 less than the County's costs.

Also, there must still be a charge for the clerical staff that would be added to the Treasurer's Office at a cost of \$75,000. This makes the current department costs \$199,347 less than the estimated County cost of assessing the City of Troy.

Why is this section so important to this analysis?

If the County were to take over assessing in the City for 2 years at their quote price, it is probable that they would soon realize that they have dramatically under valued their services. It is likely that subsequent quotes would substantially increase to cover these costs. At that point, it would be cost prohibitive for the City to restart their own Assessing division with qualified personnel, and this does not include the loss in revenue from audits, and the loss in revenue to the other taxing jurisdictions.

It is also important to note that Macomb and Wayne Counties do not accept any more units to assess. They do not want to be both equalizers and assessors, citing both the workload and the cost.

What do independent studies say about cost savings?

The ICMA audit of the Assessing Department recommended some cost saving measures that basically involved cutting back on the services the Assessing Department provides, and eliminating some of the quality controls we formerly applied. The ICMA study also recognized that the current iteration of the department is understaffed, and recommended out sourcing some functions. The Assessing Department continues to perform those functions, as it is currently more cost efficient to leave them in house.

An independent study, authored by Eric Scorsone, PhD, from the Michigan State University Extension State and Local Government Program, estimates the actual costs of County assessing to be 10% higher than leaving the work at the local level.

Consider these items:

Troy is the 3rd largest City in Michigan by State Equalized Value (SEV), and yet is only the 11th largest city by population. Clearly there is an enormous amount of diversified and high value property in the City.

Based on State Equalized Value, Troy would be the 18th largest County in the State, out of 83 total counties (and will probably be the 17th largest for 2012). That means that Troy's SEV is larger than 66 of the 83 counties in the State. Troy is a County. Troy's staff currently does County assessing.

Troy's SEV is 8.9% of Oakland County's total SEV, and yet Troy only accounts for 3.8% of the County's land area.

The City of Troy Assessor and the County Equalization Director are both certified at the MMAO (4) level. This is the highest certification level in the State. They are both certified to appraise any single property, any City, may be the Equalization Director of any County, and fill any position on the State Tax Commission, or to hold a judge position on the Tribunal.

The Troy City Assessor is on site, and remains so. This will not happen with the County assessing the City, as they will not provide this certification level on site.

There will be no immediate access to a qualified Assessor for revenue estimates, millage limitations, DDA information, meetings, budget help, IFT qualification, description change verification, compliance with local ordinances, special assessment estimates, custom exports for other departments, FOIA requests, meetings with prospective and current taxpayers, Warrants or settlement work. All of this will have to either go out to the County offices, or be arranged by coordinating everyone's schedule, and waiting for someone to get back to you.

The County has residential appraisers, commercial and industrial appraisers, personal property appraisers, and description change specialists. Most of their other tasks are also compartmentalized.

The appraisers in the Troy Assessing Department are all cross trained and each performs all of these tasks.

It is apparent that the County cannot cover the nominal costs to provide an efficient and cost effective Assessing Department with this quote.

The current Assessing Department performs its duties efficiently, and is very cost effective. We are the on site source for all of the Assessing needs. We are extremely competent, and professional.

From Realtors, appraisers, accountants, property tax representatives to leasing agents, the Assessing staff is recognized as the best overall department around. We have dedicated our careers to serving the citizens of this community.

Current management practice is to leave the department head in place to manage the contractor (or County, in this case). This cost scenario was explored 3 years ago, and found to be very inefficient. The Assessing Department lost 2 staff members, and kept all of the duties in house, leaving the current iteration of the department.

The current staff is the finest I have worked with in my nearly 33 years of serving the City. They are well respected at the local, County and State level.

We believe that we have shown, without a doubt, that the current Assessing Department has earned the privilege of remaining the City of Troy's Assessing Department.

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**City of Troy - Assessing Department
Comparison of County Quote and Existing Costs
Assessing Department Services**

Oakland County Quote plus Costs*				Assessing Department Costs	
Parcels	Count	@	Total		
Real	29,197	\$15.10	\$440,875		
Personal	5,955	\$12.40	\$73,842		
Total Bid				35,152	\$514,717
				2012/2013 Budget	\$792,234
Plus Fixed Costs					
			Account Clerk (Treasurer's)	\$71,500	
			Legacy Costs (pension & health)	\$52,692	
			Copier (Assessing 1/2)	\$2,800	
			Bldg Costs (Assessing Portion)	\$2,200	
Total Fixed Costs				\$129,192	
Audit Revenue (39.5% of City)			(\$102,417)		Audit Revenue
Board of Review Extra Costs			\$3,850		(\$259,237)
Net City Cost w/Co. Assessing				\$545,342	
				Net Current City Cost	
				\$532,997	
				Net Differnce	
				(\$12,345)	

* The County quote is per parcel, for 2 years. Each new parcel, real and personal increases the cost of the re-bidding.

** Total average annual tax revenue from City Audits to all taxing jurisdictions is \$1,102,525

*** Total average annual tax revenue from City Audits is to all other taxing jurisdictions is \$843,288.

**** The County's estimated total annual tax revenue from audits to all other taxing jurisdictions is \$333,099, a loss of \$510,189 each year to all other authorities.

04/02/12

Attachment #1 Page 1 of 3

City of Troy - Assessing Department
 Comparison of County Quote and Existing Costs
 Assessing Department Services

Actual Minimum Costs for County Assessing in Troy	
ICMA Audit of Necessary Hours for Assessing in Troy	13,520
Absolute minimum hours needed for Assessing in Troy	<u>12,661</u>
Minus County Supplied 2 Clerical Staff FTE hours at the City	(4,160)
Remaining hours to be covered	<u>8,501</u>
Number of staff needed to cover hours (@2,080 hours each)	<u>4.09</u>
Wages and Benefits for 2 Clerical Staff (@\$75,000 each)	\$150,000
Wages and Benefits for 4.09 Appraisers(@\$118,179 each)	<u>\$483,352</u>
Total Labor Costs	<u>\$633,352</u>

Fixed Costs

	City	County @	Cost
Office Supplies	2,500	92%	\$2,300
Postage	17,000	100%	\$17,000
Contractual (copier)	2,800	100%	\$2,800
Computers (@3,300 ea.)	8	6	\$19,800
Printing	5,000	100%	\$5,000
Legal Notices	100	100%	\$100
Vehicles (County pays mileage)	23,700	92%	\$21,804
Bldg Maintenance & Insurance	2,200	100%	\$2,200
Misc Filings	100	100%	\$100

Fixed Costs Total	<u>\$71,104</u>
--------------------------	------------------------

Total County Costs for County Assessing in City	\$704,456
Minus County Audit Revenue (46% of City Rate)	<u>(\$47,112)</u>

Actual Cost of County Assessing in Troy	<u>\$657,344</u>
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Actual Cost of In-House Assessing	\$532,997
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Difference:	(\$124,347)
Plus 1 Clerical to Treasurer's Office	(\$75,000)

* Total Savings to City with In-House Assessing	<u>(\$199,347)</u>
--	---------------------------

* All other taxing jurisdictions audit revenue losses remain unchanged

04/02/12

Attachment #1 Page 2 of 3

City of Troy - Assessing Department
Comparison of County Quote and Existing Costs
Assessing Department Services

The City of Troy:

Troy is the 3rd largest City in Michigan by State Equalized Value while it is only the 11th largest in population

Troy would be the 18th largest County in the State by State Equalized Value (out of 83 total counties)

Troy's State Equalized Value is higher than 66 counties in the State.

Troy accounts for 8.9% of Oakland County's entire State Equalized Value while comprising only 3.8% of its land area

Troy currently has an MMAO Certified Assessor on site. State law requires this level of Certification to supervise and prepare the Assessment Roll. The County will not provide this certification level on site.

Appraisers in the Assessing Department completed 175 Assessor Reviews that required reductions in value, and an equal number of Reviews that did not result in a change, each saving a Board of Review Appointment. *(Oakland County does not preform Assessor Reviews. This inaction would add an additional 350 appointments to the Board of Review schedule. These appointments would add 14 more days to the Board of Review, with added costs of \$3,150 in Board stipends, and \$700 in meal costs.)*



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 www.rehmann.com

May 30, 2012

Honorable Mayor and City Council Members
 City of Troy
 500 W. Big Beaver
 Troy, MI 48084

We are pleased to confirm our understanding of the services we are to provide the *City of Troy* (the "City") for the year ended June 30, 2012. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of and for the year ended June 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Funding Progress and Employer Contributions - Employer Retirement System
3. Schedule of Funding Progress and Employer Contributions - Incentive Plan for Volunteer Firefighters
4. Schedule of Funding Progress and Employer Contributions - Other Post Employment Benefits

We have also been engaged to report on supplementary information other than RSI, such as combining and individual fund financial statements, that accompanies the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining and individual fund financial statements
2. Schedule of expenditures of federal awards

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Introductory section of the Comprehensive Annual Financial Report
2. Statistical section of the Comprehensive Annual Financial Report

Audit Objectives

The objective of our audit is the expression of opinions as to whether the City's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit of the City's financial statements does not relieve management or those charged with governance of their responsibilities. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of management, the body or individuals charged with governance, others within the entity, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinion are other than unqualified, we will discuss the reasons with management in advance. If circumstances occur and come to our attention related to the condition of the City's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware that information provided by the entity is incorrect, incomplete, or otherwise unsatisfactory which in our professional

judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote. For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting and financial reporting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of the City's financial statements, schedule of expenditures of federal awards, and related notes. Management is responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that management has reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, management is required to designate an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of these or other nonattest services performed by our Firm and understanding and accepting responsibility for the results of such services.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for ongoing monitoring activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and, where applicable, cash flows in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us, and for ensuring that management and financial information is reliable and properly recorded. Management's responsibilities also include identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any

uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We understand that management will provide us with such information required for our audit, including a reasonably adjusted trial balance, and that management is responsible for the accuracy and completeness of that information. Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

We will advise management about appropriate accounting principles and their application and may assist in the preparation of the City's financial statements, but the responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the City's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the City's internal control over financial reporting. Further, the City is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the conclusion of fieldwork. Management is responsible for the preparation of the supplementary information in conformity with accounting standards generally accepted in the United States of America. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. Management is also responsible for providing its views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

During the course of our engagement, we will request information and explanations from management regarding the City's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the

conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance about whether the financial statements are free from misstatement, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the City's attorneys as part of the engagement, and they may bill the City for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

We have advised the City of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets) not withstanding our obligations per the Single Audit Amendments of 1996 and OMB Circular A-133. We can, as a separate engagement, perform extended procedures specifically designed to potentially detect defalcations. Management acknowledges that the City has not engaged us to do so at this time.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its business environment, including internal control over financial reporting sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures that are appropriate in the circumstances. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial

statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control, to identify deficiencies in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards* and OMB Circular A-133. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the entity's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Generally accepted auditing standards do not require the independent auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the entity's attention by us.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

Our fees for the audit services for the year ending June 30, 2012 will be as follows:

Comprehensive Financial Statements and Single Audit	\$ 57,000
Downtown Development Authority Financial Statements	3,070
Brownfield Redevelopment Authority Financial Statements	1,800
Local Development Financing Authority Financial Statements	1,950

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from the City personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements.

If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate, which may or may not occur before we incur the additional time. In these circumstances, we may also issue a change order form (an attached example is provided).

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with management the electronic submission and certification. If applicable, we will provide copies of our reports for the City to include with the reporting package the City will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement ends on delivery of our audit report to the City Council at the Regular or Special Board meeting. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Honorable Mayor and City Council Members
City of Troy
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Government Auditing Standards require that we provide the City with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2011 peer review report accompanies this letter.

This engagement letter and the attached Rehmann Audit Engagement Letter Terms reflect the entire understanding between us relating to the audit services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the City and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included. This agreement is governed by the internal laws of the State of Michigan.

We appreciate the opportunity to be of service to the City and believe the arrangements outlined above and in the attached Rehmann Audit Engagement Letter Terms accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.



Gerald J. Desloover, CPA
Principal

Executive responsible for supervising the
engagement and signing our report

ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of *City of Troy*.

Name: _____

Printed Name: _____

Title: _____

Date: _____

Rehmann Audit Engagement Letter Terms

ADDITIONAL SERVICES - The Governmental Entity may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

CODE OF CONDUCT - Management is responsible for identifying any violations by employees of the Governmental Entity's code of conduct.

CHANGES IN STANDARDS, LAWS AND REGULATIONS - We perform services for the Governmental Entity based on present professional standards, laws and regulations. While we may on occasion be able to communicate with management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. The Governmental Entity can always obtain reassurance in this regard by contacting us for an updated review of the Governmental Entity's situation.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, misleading, incomplete or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures.

CLIENT ASSISTANCE - We understand that the Governmental Entity's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate and refile any documents selected by us for testing. In addition, management will provide us with copies of all minutes and other documents that we believe may have a bearing on our evaluation of the Governmental Entity's financial affairs.

WORK SPACE - The Governmental Entity shall provide reasonable work space for Rehmann personnel at audit work sites, as well as occasional clerical support services. The Governmental Entity understands that Rehmann's performance is dependent on the Governmental Entity's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by Governmental Entity personnel.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate and complete in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

EMAIL - The Governmental Entity acknowledges that (a) Rehmann, the Governmental Entity and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the Governmental Entity expressly requests otherwise, (b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Professional standards require us to be independent with respect to the Governmental Entity in the performance of our services. Any discussions that management has with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that management inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the Governmental Entity desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the Governmental Entity, a market-driven compensation placement fee may apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to

judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the Governmental Entity. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the Governmental Entity has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of Governmental Entity personnel, as required, and that there is a reasonable continuity of Governmental Entity personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the schedules and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will resume our work as soon as the schedules and records are provided to us and our professionals assigned to the engagement again become available.

As a result of well-publicized events, global economic convergence, and the continued evolution of the accounting profession, accounting and auditing standard setters and regulators are continually evaluating the need for changes that may affect the Governmental Entity. Such changes may result in changes in financial reporting and expanding the nature, timing and scope of activities we are required to perform to provide the services discussed in this letter. Proposed changes and shortened deadlines could result in a reduction of the level of assistance and preparedness the Governmental Entity is able to provide. We expect that our clients may continue to look to us to assist them with these changes. To the extent any changes require us to increase the time required to provide the services described in this letter or to complete new tasks required by such changes, we reserve the right to adjust our fees appropriately. We will endeavor to advise the Governmental Entity of anticipated changes to our fees on a timely basis.

In accordance with our Firm policies, work may be suspended if the Governmental Entity's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm administrator in Saginaw, Michigan. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The Governmental Entity will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our terms and conditions impose a late charge of 1.5% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1.5% will be applied to the entire past due amount.

CLAIMS - Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the Governmental Entity agrees that, notwithstanding the statute of limitations of the State of Michigan, any claim based on the audit engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our audit services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the audit and issued our signed auditors' report. The Governmental Entity is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

Rehmann Audit Engagement Letter Terms

We acknowledge the Governmental Entity's right to terminate our services at any time, and the Governmental Entity acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) the conditions in the first paragraph of the Audit Objectives section of this letter exist, (b) our independence has been impaired, (c) we can no longer rely on the integrity of management, or (d) management (or the Audit Committee, if applicable) fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, subject in either case to our right to payment for charges incurred to the date of termination or resignation.

In the event that we determine to resign, and the Governmental Entity seeks damages allegedly resulting from such resignation, our maximum liability to the Governmental Entity in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year audit work performed up to the date of resignation.

REPRODUCTION OF FINANCIAL STATEMENTS - If the Governmental Entity voluntarily intends to publish or otherwise reproduce its financial statements concurrently with the original issuance thereon of our audit report and/or make reference to our Firm name, such as for inclusion in an annual report (such as, for example, in a CAFR), prospectus or similar document, the Governmental Entity agrees to provide us with printer's proofs, drafts, or masters for our review and approval before printing. The Governmental Entity also agrees to provide us with a copy of the final reproduced material for our approval before it is distributed. Fees, if any, for issuance or inclusion of our audit report and/or any other reference to our Firm in such other document, will be based on our standard hourly rates

If the Governmental Entity decides to include, publish or otherwise reproduce the financial statements and our report thereon at a date subsequent to their original issuance, such as for inclusion in a Preliminary or Official Statement in connection with a sale of bonds or notes, or other securities, or in a prospectus or similar offering or other document (hereinafter referred to as the "document"), our Firm is presumed not to be associated with such document, and we have no obligation to perform any procedures with respect to such document. In these circumstances, the Governmental Entity agrees to include in the document a statement that we have not been engaged to perform and have not performed, since the date of our report being reproduced, any procedures on the financial statements contained in such document or on the unaudited financial or other information contained in the document, or on the document itself. If, however, management or the Government Entity's agent (such as an underwriter, bond counsel, financial advisor, etc.) takes certain actions, such as requesting from us a written acknowledgement (sometimes referred to as a "consent" or "agree to include") letter prior to including our audit report in such a document, or requesting us to assist in preparing or reviewing financial or other information contained in such document, our Firm then becomes associated with the document and in accordance with professional standards, we will be required to perform certain limited procedures with respect to this or other unaudited information contained in the document. Fees for reissuance or inclusion of our audit report in such a document will be based on our standard hourly rates. If the Governmental Entity wishes to make reference in such a document to our Firm's role in connection with the purpose of the document, the caption "Independent Auditors" may be used to title or label that section of the document. In accordance with professional standards, the caption "Experts" should not be used, nor should our Firm be referred to as "experts" anywhere in the document.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on the Governmental Entity's Internet Web site, the Governmental Entity understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

INFORMAL ADVICE - As part of our engagement we may provide advice on operating, internal control over financial reporting and other matters that come to our attention. Informal advice is not considered to be a consulting service unless we have entered into a separate engagement.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the Governmental Entity, we might be requested to provide information or documents to management or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the Governmental Entity as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for

our expenses (including legal fees) in complying with this request. For all requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request.

PEER REVIEW - Our Firm, as well as other major accounting firms, participates in a "peer review" program covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the Governmental Entity may be selected by the other firm for their review. If it is, the other firm is bound by professional standards to keep all information confidential. If management objects to having the work we perform for the Governmental Entity reviewed by our peer reviewer, please notify us in writing.

PROMOTIONAL MATERIALS - The Governmental Entity consents to Rehmann's use of your Governmental Entity name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

Example

REHMANN CHANGE ORDER

Client: *City of Troy* (the "City")

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$ _____

We believe it is our responsibility to exceed the City's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement, dated _____. The estimated fees for the above project have been mutually agreed upon by the City and Rehmann. It is our goal to ensure that the City is never surprised by the price for any Rehmann service and, therefore, we have adopted the Change Order Policy. The estimated additional amount above will be billed upon completion of the project.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. Retain a copy for your records. Thank you for letting us serve the City.

Agreed to and accepted:

Officer signature

Printed Name

Title

Date

SYSTEM REVIEW REPORT

To the Principals of Rehmann Robson
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson, a member of The Rehmann Group (the Firm) applicable to non-SEC issuers in effect for the year ended March 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and audits performed under the Federal Deposit Insurance Corporation Improvement Act (FDICIA).

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson applicable to non-SEC issuers in effect for the year ended March 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Rehmann Robson has received a peer review rating of *pass*.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
August 18, 2011