



# TROY CITY COUNCIL

## REGULAR MEETING AGENDA

NOVEMBER 26, 2012  
CONVENING AT 7:30 P.M.

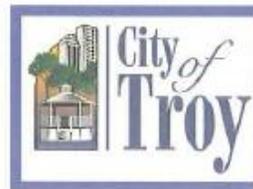
Submitted By  
The City Manager

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***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](mailto:clerk@troymi.gov) at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.***

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TO: The Honorable Mayor and City Council  
Troy, Michigan

FROM: Brian Kischnick, 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 blue ink, appearing to read "B. Kischnick".

Brian Kischnick, 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

November 26, 2012 – 7:30 PM  
Council Chambers  
City Hall - 500 West Big Beaver  
Troy, Michigan 48084  
(248) 524-3317

**INVOCATION: Reverend Joseph A. Bevelacqua from Life Christian Church** 1

**PLEDGE OF ALLEGIANCE: Brownie Troop #75261 – Wattles Elementary** 1

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**B. ROLL CALL:** 1

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C-2 Certificate of Recognition Presented to Michael Culpepper 1

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	Monday, July 22, 2013 Regular Meeting .....	11
	Monday, August 12, 2013 Regular Meeting .....	11

Monday, August 26, 2013	Regular Meeting	11
Monday, September 9, 2013	Regular Meeting	11
Monday, September 23, 2013	Regular Meeting	11
Monday, October 7, 2013	Regular Meeting	11
Monday, October 21, 2013	Regular Meeting	11
Monday, November 11, 2013	Regular Meeting	11
Monday, November 25, 2013	Regular Meeting	11
Monday, December 2, 2013	Regular Meeting	11
Monday, December 16, 2013	Regular Meeting	11

**SCHEDULED SPECIAL CITY COUNCIL MEETINGS: 11**

Monday, April 22, 2013	Regular Meeting	11
Monday, April 29, 2013	Regular Meeting	11



**INVOCATION: Reverend Joseph A. Bevelacqua from Life Christian Church**

**PLEDGE OF ALLEGIANCE: Brownie Troop #75261 – Wattles Elementary**

**A. CALL TO ORDER:**

**B. ROLL CALL:**

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

- b) Excuse Absent Council Members:

Suggested Resolution  
 Resolution #2012-11-  
 Moved by  
 Seconded by

RESOLVED, That Troy City Council hereby **EXCUSES** the absence of \_\_\_\_\_ at the Regular City Council Meeting of November 26, 2012, due to \_\_\_\_\_.

Yes:  
 No:

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

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**C-1 Introduction of Brian Kischnick to City Council and Community**

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**C-2 Certificate of Recognition Presented to Michael Culpepper**

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**C-3 University of Michigan – Dearborn iLabs eCities Research Recognizing Troy as a Top Performing Community**

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**C-4 Transit Center Presentation Update**

**D. CARRYOVER ITEMS:**

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**D-1 No Carryover Items**

**E. PUBLIC HEARINGS:**

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**E-1 No Public Hearings**

**F. PUBLIC COMMENT FOR ITEMS ON THE AGENDA:****In accordance with the Rules of Procedure for 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 three (3) 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 three (3) minutes total to address Postponed, Regular Business, Consent Agenda or Study items or any other item on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items On the Agenda* portion of the Agenda.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any topic not on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items Not on the Agenda* portion of the Agenda.
- All members of the public who wish to address the Council at a meeting shall be allowed to speak only if they have signed up to speak within thirty minutes before or within fifteen minutes after the meeting's start time. Signing up to speak requires each speaker provide his or her name and residency status (Troy resident, non-resident, or Troy business owner). If the speaker is addressing an Item (or Items) that appear on the pre-printed agenda, then the speaker shall also identify each such agenda item number(s) to be addressed.
- City Council may waive the requirements of this section by a majority vote 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. Anyone who wishes to address the Council is required to sign up to speak within thirty minutes before or within fifteen minutes of the start of the meeting. There are two Public Comment portions of the Agenda. For Items On the Agenda, speakers can sign up to address Postponed, Regular Business, Consent Agenda, or Study items or any other item on the Agenda. Speakers can sign up to address all other topics under Items Not on the Agenda. 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. CITY COUNCIL/CITY ADMINISTRATION RESPONSE/REPLY TO PUBLIC COMMENT:**

**H. POSTPONED ITEMS:**

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**H-1 No Postponed Items**

**I. REGULAR BUSINESS:**

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**I-1 Appointment of Mayor and Mayor Pro Tem**

**a) Appointment of Mayor**

Suggested Resolution

Resolution #2012-11-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPOINTS** \_\_\_\_\_ to serve as Mayor for the City Council of the City of Troy contingent upon City Council's acceptance of the Letter of Resignation.

Yes:

No:

**b) Appointment of Mayor Pro Tem**

Suggested Resolution

Resolution #2012-11-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **APPOINTS** \_\_\_\_\_ to serve as Mayor Pro Tem for the City Council of the City of Troy.

Yes:

No:

**c) Acceptance of Letter of Resignation**

Suggested Resolution  
 Resolution #2012-11-  
 Moved by  
 Seconded by

RESOLVED, That Troy City Council hereby **ACCEPTS** the Letter of Resignation of \_\_\_\_\_, which is necessary in order to serve as Mayor.

Yes:  
 No:

**I-2 Board and Committee Appointments: a) Mayoral Appointments – Downtown Development Authority; b) City Council Appointments – None**

**a) Mayoral Appointments – Downtown Development Authority**

Resolution #2012-11-  
 Moved by  
 Seconded by

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

**Downtown Development Authority**

Appointed by Mayor  
 13 Regular Members  
 4 Year Term

**Nominations to the Downtown Development Authority:**

<b><u>Term Expires: 9/30/2016</u></b>	<b><u>Gregory Carnago</u></b>	<b><u>(In District)</u></b>
	Term currently held by: Gregory Carnago	
<b><u>Term Expires: 9/30/2016</u></b>	<b><u>Laurence Keisling</u></b>	<b><u>(At Large)</u></b>
	Term currently held by: Laurence Keisling	
<b><u>Term Expires: 9/30/2016</u></b>	<b><u>Alan Kiriluk</u></b>	<b><u>(In District)</u></b>
	Term currently held by: Alan Kiriluk	
<b><u>Term Expires: 9/30/2016</u></b>	<b><u>Daniel MacLeish</u></b>	<b><u>(In District)</u></b>
	Term currently held by: Daniel MacLeish	
<b><u>Term Expires: 9/30/2016</u></b>	<b><u>Arkan Jonna</u></b>	<b><u>(In District)</u></b>
	Term currently held by: Harvey Weiss	

Yes:  
 No:

b) City Council Appointments - None

I-3 Board and Committee Nominations: a) Mayoral Nominations – None; b) City Council Nominations – None

a) Mayoral Nominations – None

b) City Council Nominations - None

I-4 No Closed Session Requested

I-5 Application Regarding SDM and Class C Quota Liquor Licenses – Sakura of Troy, Inc.

Suggested Resolution

Resolution #2012-11-

Moved by

Seconded by

(a) New Class C Quota License, and new SDM License, Sunday Sales Permits

RESOLVED, That Troy City Council hereby **CONSIDERS** for **APPROVAL**, above all others, a liquor license request as indicated below, 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.

<b>Liquor License Applicant :</b>	<b>Sakura of Troy, Inc.</b>
<b>Type of License Requested :</b>	<b>New Class C Quota liquor license and new SDM liquor license with new Sunday Sales Permit(PM), new Sunday Sales Permit(AM).</b>
<b>Located at :</b>	<b>3635 Rochester Road, Troy, MI 48098</b>
<b>MLCC Request # :</b>	<b>665656</b>

and

(b) Agreement

WHEREAS, The Troy City Council deems it necessary to enter into agreements with applicants for liquor licenses for the purpose of providing civil remedies to the City of Troy in the event licensees fail to adhere to Troy Codes and Ordinances;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **APPROVES**, above all others, an agreement with the liquor license applicant named in the approved resolution above, 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. The applicant agrees to return the Class C quota license to the City of Troy if they fail at their endeavor and a restaurant is not operated at 3635 Rochester Road, Troy, Michigan.

Yes:

No:

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**I-6 Revised Articles of Incorporation – Southeastern Oakland County Resource Recovery Authority**

Suggested Resolution

Resolution #2012-11-

Moved by

Seconded by

WHEREAS, SOCRRA is a 12 municipal corporation founded in the early 1950's to process refuse, recyclables and yard waste and covers approximately 283,000 residents and 75 square miles; and

WHEREAS, Articles of Incorporation were last amended in 1976 revising the name to SOCRRA, current member communities, statutory required changes, Roberts Rules of Order, stylistic/grammar changes, and headings; and

WHEREAS, SOCRRA is governed by a twelve member Board of Trustees, one member from each the municipalities of Berkley, Beverly Hills, Birmingham, Clawson, Ferndale, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak, and Troy;

THEREFORE, BE IT RESOLVED, That Troy City Council **APPROVES** the revised Articles of Incorporation, for the Southeastern Oakland County Resource Recovery Authority, as outlined in the memo by Robert Davis and 4 Exhibits; and

THEREFORE, BE IT FINALLY RESOLVED, That amendment changes are **CONTINGENT UPON** the approval of all 12 SOCRRA member communities.

Yes:

No:

**J. CONSENT AGENDA:**

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**J-1a Approval of "J" Items NOT Removed for Discussion**

Suggested Resolution

Resolution #2012-11-

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:

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

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**J-2 Approval of City Council Minutes**Suggested Resolution

Resolution #2012-11-

RESOLVED, That Troy City Council hereby **APPROVES** the following Minutes as submitted:

- a) Regular City Council Meeting – November 12, 2012

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**J-3 No Proposed City of Troy Proclamations:**

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**J-4 Standard Purchasing Resolutions:**

- a) **Standard Purchasing Resolution 1: Award to Low Bidder – Outdoor Light Maintenance and Repair**

Suggested Resolution

Resolution #2012-11-

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide two (2) year requirements of street, parking lot, and athletic field light maintenance, LED installation and replacement with an option to renew for one additional year to the low total bidder, Harlan Electric Company, of Rochester Hills, MI for all three Proposals - A, B and C at unit prices contained in the bid tabulation opened November 14, 2012, a copy of which shall be attached to the original Minutes of this meeting, the cost of which shall not exceed amounts budgeted.

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

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**J-5 Traffic Committee Recommendations and Minutes – November, 2012**

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Suggested Resolution

Resolution #2012-11-

**Item #3 – Request for No Stopping, Standing, Parking – Boulan, Alpine to Dead End**

RESOLVED, That the Traffic Committee recommends that the No Stopping, Standing, Parking signs on Boulan, from Alpine to the Dead End be **REVISED** to the hours of 7:00 a.m. to 4:00 p.m. School Days Only.

**Item #4 – Establish Fire Lanes at 651 Robbins**

RESOLVED, That the Traffic Committee recommends **ESTABLISHING** fire lanes at 651 Robbins.

**Item #5 – Discussion of Rochester/Stephenson No Right/Left Turn on Red**

RESOLVED, That the Traffic Committee **DIRECTS** the Traffic Engineer to conduct a mail poll of the Troy Mobile Home Villas on Stephenson Highway along with surrounding businesses to ascertain if the No Turn on Red signs are still needed.

BE IT FURTHER RESOLVED, That the Traffic Committee **DIRECTS** the Traffic Engineer to conduct a traffic study at northbound Rochester to southbound Stephenson Highway and the double-left cross over from southbound Stephenson Highway to northbound Stephenson Highway to verify current traffic volumes if a majority of the respondents to the mail poll respond in the affirmative.

**Item #7 – Cancellation of the December 2012 Traffic Committee Meeting**

RESOLVED, that the December 2012 Traffic Committee meeting be cancelled.

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**J-6 Acceptance of Scripps Howard Foundation Grant**Suggested Resolution

Resolution #2012-11-

RESOLVED, That Troy City Council hereby **AUTHORIZES** the Troy Fire Department to receive a Scripps Howard Foundation Grant and expend \$1,000 for the purchase of equipment in accordance with the award; and

BE IT FURTHER RESOLVED, That Troy City Council hereby **AMENDS** the Fire Department budget to receive the grant funding of \$1,000.

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**J-7 Preliminary Site Plan Review (File Number SP 975) – Site Improvements to Sears Holdings Technical Center, North of Big Beaver, West of Coolidge (2240 Cunningham), Section 19, Currently Zoned BB (Big Beaver) District (Consent Judgment)**Suggested Resolution

Resolution #2012-11-

RESOLVED, That the Troy City Council hereby **APPROVES** the Preliminary Site Plan for the addition of a security fence, including other site improvements, located north of Big Beaver Road and west of Coolidge Highway (2240 Cunningham), Section 19, as indicated on a Site Plan prepared by Nowak & Fraus Engineers. This site plan revises and updates the exhibits to the Consent Judgment in the Forbes/Frankel Troy Ventures, L.L.C. *et al v. City of Troy* lawsuit, Case Number 70-69246, and reflects the parties' agreement as to the proposed development on the property.

BE IT FURTHER RESOLVED, That the Troy City Council also **APPROVES** a Sixth Order Amending Consent Judgment to facilitate the development as proposed, and **AUTHORIZES** the Mayor and City Clerk to **EXECUTE** the document which incorporates the updated and

revised Preliminary Site Plan, after all other necessary parties have executed it. A copy of the executed document shall be **ATTACHED** to the original Minutes of this meeting.

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

**K-1 Announcement of Public Hearings: None Submitted**

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

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**L. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:****M. COUNCIL REFERRALS:**

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

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**M-1 No Council Referrals**

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**N. COUNCIL COMMENTS:**

**N-1 No Council Comments Advanced**

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**O. REPORTS:**

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**O-1 Minutes – Boards and Committees:**

- a) Traffic Committee-Final-October 17, 2012
  - b) Planning Commission Special/Study-Draft-October 23, 2012
  - c) Planning Commission Special/Study-Final-October 23, 2012
  - d) Building Code Board of Appeals-Draft-November 7, 2012
- 

**O-2 Department Reports:**

- a) SOCRRA Quarterly Report – October, 2012
  - b) Troy Transit Center Status Report – November 2012
  - c) City of Troy Incentive Plan for Volunteer Firefighters – 32<sup>nd</sup> Annual Actuarial Valuation Report – December 31, 2011
  - d) City of Troy Employees Retirement System – 48<sup>th</sup> Annual Actuarial Valuation – December 31, 2011
- 

**O-3 Letters of Appreciation:**

- a) Letter of Appreciation to Chief Gary Mayer from Shareen M. Lynch, Assistant Prosecuting Attorney Regarding the Assistance of Detective Kristine Shuler
- 

**O-4 Proposed Proclamations/Resolutions from Other Organizations: None Submitted**

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**O-5 Troy Recognized for Environmental Leadership**

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**P. STUDY ITEMS:**

**P-1** No Study Session Requested

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**Q. CLOSED SESSION:**

**Q-1** No Closed Session Requested

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**R. ADJOURNMENT:**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Kischnick". The signature is written in a cursive, somewhat stylized font.

Brian Kischnick, City Manager

**FUTURE CITY COUNCIL PUBLIC HEARINGS:****SCHEDULED REGULAR CITY COUNCIL MEETINGS:**

Monday, December 3, 2012.....	Regular Meeting
Monday, December 17, 2012.....	Regular Meeting
Monday, January 14, 2013.....	Regular Meeting
Monday, January 28, 2013.....	Regular Meeting
Monday, February 4, 2013.....	Regular Meeting
Monday, February 18, 2013.....	Regular Meeting
Monday, March 4, 2013.....	Regular Meeting
Monday, March 18, 2013.....	Regular Meeting
Monday, April 8, 2013.....	Regular Meeting
Monday, April 15, 2013.....	Regular Meeting
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Monday, October 21, 2013.....	Regular Meeting
Monday, November 11, 2013.....	Regular Meeting
Monday, November 25, 2013.....	Regular Meeting
Monday, December 2, 2013.....	Regular Meeting
Monday, December 16, 2013.....	Regular Meeting

**SCHEDULED SPECIAL CITY COUNCIL MEETINGS:**

Monday, April 22, 2013.....	Regular Meeting
Monday, April 29, 2013.....	Regular Meeting

**For Immediate Release –**

**UM-Dearborn's iLabs eCities Research Recognizes Troy  
as Top Community at Developing a Positive Entrepreneurial Climate**

**(TROY)** – Troy has been identified as one of eight top performing communities in the state of Michigan at fostering entrepreneurial growth and economic development in a study by researchers at iLabs, University of Michigan-Dearborn's Center for Innovation Research. Troy was also recognized as a five star community and has received top rankings for attracting and retaining entrepreneurial companies for the sixth straight year in the University of Michigan-Dearborn study of best practices.

“Being recognized as a top performing community in the state by the highly respected UM-Dearborn iLabs eCities program is a tremendous honor,” said Glenn Lapin, Troy's Economic Development Specialist. “With our flexible and market responsive zoning ordinance and customer-friendly Building Department Services by SAFEbuilt, Troy offers development services and processes that are fast, fair and predictable. Troy's Economic & Community Development Team looks forward to working with the business community to help them grow and prosper here in Troy,” Lapin added.

Troy is a place where families and businesses thrive. Recently recognized by CNN Money Magazine as the #1 best place to live in Michigan and 26<sup>th</sup> best in America, Troy stands out for its excellent quality of life, including being the “Safest City in Michigan,” offering an A+ rated school system, having one of the lowest tax rates in Oakland County, and providing outstanding City services. As one of Detroit's northern suburbs, Troy is home to 6,000 flourishing businesses — including some of the most advanced technology companies in the world — that employ 125,000 people.

In addition to performing well in the numerical portions of eCities 2012, the eight top performing communities are recognized for programs that aid entrepreneurial growth. “The top performing communities understand what small businesses need to be successful,” said Tim Davis, director, iLabs. “The communities communicate with their business owners and provide connections to broader resources and insight on trends.”

The annual eCities research project, which began in 2007, uses data supplied by the participants as well as other public records to assemble a six-factor, 32-item index of entrepreneurial activity, looking at such factors as clustering, incentives, growth, policies, community and education. The study focuses on entrepreneurship because of its importance to expansion and diversification of Michigan's regional economies and

the impact small businesses have on job creation. To date, 165 communities across Michigan have participated in the study.

**# # #**

#### About Troy

Troy is a place where families and businesses thrive. A community with 80,980 residents recognized for its excellent quality of life, this “safest city in Michigan” has an A+ rated school system and city services. In 2012, Troy was named #1 best city to live in Michigan and #26 best in the nation by CNN Money Magazine. As one of Detroit’s northern suburbs, Troy is home to 6,000 flourishing businesses — including some of the most advanced technology companies in the world — that employ 125,000 people. A strategic location also puts residents and visitors within easy reach of a wide variety of recreational and cultural opportunities. Troy’s unique location in the heart of Oakland County, only 20 minutes from Detroit with access to I-75, I-696 and M-59, offers residents and businesses a tremendous competitive advantage, including attractive neighborhoods, excellent schools, prime shopping and employment opportunities. Learn more at [www.troymi.gov](http://www.troymi.gov)



# ecities 2012 Luncheon

October 30, 2012

## Sharing the Best Practices of Michigan's Local Communities

### Program:

Welcoming Remarks

*Interim Dean Lee Redding*  
University of Michigan-Dearborn  
College of Business

Lunch

Introduction

Presentation of eCities 2012

*Tim Davis*  
Director of iLabs

Honoring of Star Communities

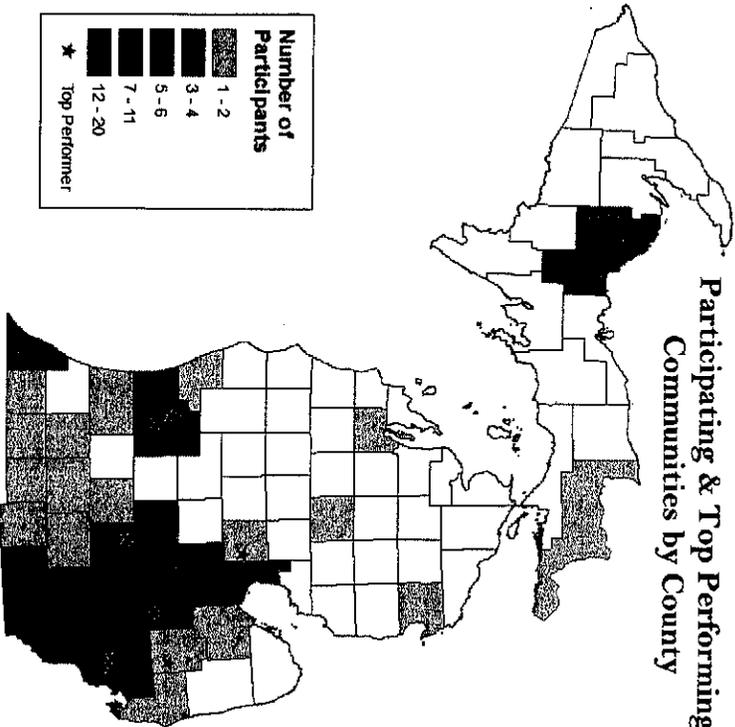
Recognition of Top Performing Communities:

- Alpine Township*
- City of Grand Blanc*
- City of Grand Rapids*
- City of Inlay City*
- Meridian Charter Township*
- City of Midland*
- City of Sterling Heights*
- City of Troy*

## A little more about the eCities 2012 Participating Communities . . .

- The 114 Participating Communities come from 40 Counties
- 165 Communities have participated in eCities over the past 6 years
- Home to 34% of Michigan's Residents
- Account for 50% of Michigan's Real Commercial Property
- Have over \$1.5 Billion in Commercial Construction
- Home to half of the State's College Graduates
- Home to over 125,000 Entrepreneurs
- Entrepreneurs report over \$3 Billion in self-employed income
- Over 70% share services with another municipality
- Have seen an increase of over \$450 Million in assets since last year

### Participating & Top Performing Communities by County



www.umdlabs.com/ecities  
 www.twitter.com/umdlabs  
 www.facebook.com/umdlabs



# M | eCities

DEARBORN

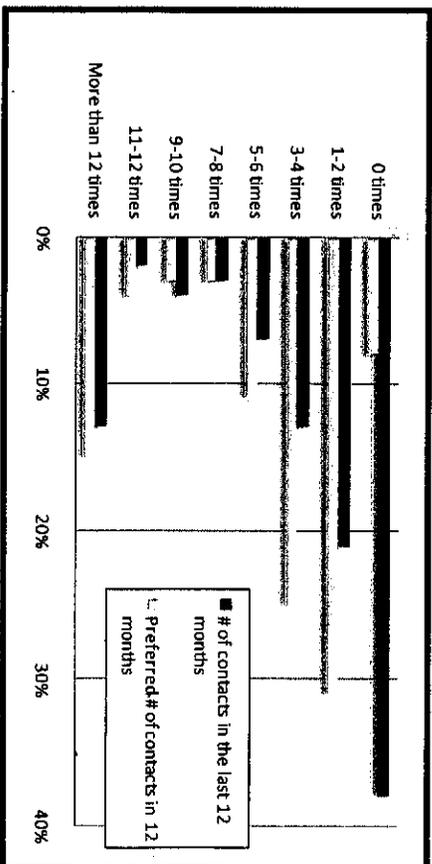
## eCities Business Retention Survey

Each year, iLabs provides a free business retention survey to help communities better understand local businesses' needs for communication, resources and information. For the 2012 eCities participating communities the survey will be available January 7, 2013. For more information, please visit [www.umdlabs.com/ecities/business](http://www.umdlabs.com/ecities/business). Below are findings from the 2010 survey. The next iteration of the survey will further add to our understanding of business perspectives on local government efforts to support economic development.

Learn more about the Business Retention Survey...



### Contacts in the Last Year vs. Preferred Number of Contacts



iLabs is available to create customized benchmarking reports for participating communities. For more information on detailed benchmarking reports, how to be involved in the Business Retention Survey or eCities 2013 please contact Nicole Mangis, Assistant Director of iLabs, at [nemangis@umd.umich.edu](mailto:nemangis@umd.umich.edu) or by phone at 313.593.4209.

Visit our Participating Community Information Page for updates and relevant information just for our Participating Communities.





## CITY COUNCIL AGENDA ITEM

Date: October 26, 2012

To: Michael W. Culpepper, Acting City Manager

From: Gary Mayer, Chief of Police *JGM*  
 Lieutenant Thomas Gordon *TL*  
 Sergeant George Zielinski *GZ #227*

Subject: Application regarding SDM and Class C Quota Liquor Licenses for Sakura of Troy, Inc.

### Background

Sakura of Troy, Inc. requests a new Class C Quota License “above all others” and new SDM license with new Sunday Sales Permit(PM), and new Sunday Sales Permit(AM) to be located at 3635 Rochester Road, Troy, MI 48098 {MLCC Request #665656}. The proposed name for the business is Sakura Japanese Steakhouse.

On September 10, 2012, Joseph Shallal, attorney for applicant, and applicants Ho Yin Yip and Li Zhang, were present to answer questions from the Liquor Advisory Committee. Mr. Shallal advised the Committee that the applicants currently own the Golden Harvest Restaurant in Warren. They have 20 years of experience in the Asian food business. They plan to open a Japanese hibachi-style steak house utilizing the “teppanyaki” cooking method. As is the practice in the Warren restaurant, there will be monthly staff meetings to reinforce all liquor license laws. The restaurant will be open seven days a week, from 11:00 a.m. to 10:00 p.m.

Mr. Shallal stated that the applicants would be willing to agree in advance to return the Class C license to the city’s quota system if they fail at their endeavor and a restaurant is not operated at this location.

The Police Department located two incidents that occurred at the Golden Harvest Restaurant in Warren in March of 2000 and July of 2000 involving Li Zhang. Both incidents involved contact with the Warren Police Department, no citations were issued, and they do not appear on the records of the Michigan Liquor Control Commission.

The investigation conducted by the Police Department did not reveal any issues that would cause us to recommend against this request based upon the guidelines outlined by the MLCC and the Troy City Ordinance Chapter 101. In addition, the Liquor Advisory Committee approved the request “above all others” pending approval of all final inspections and with a request to City Council to consider applicant’s offer to return liquor license to the city’s quota system if they fail at their endeavor and a restaurant is not operated at this location

The request complies with all applicable Troy City Ordinances and Michigan Liquor Control Commission Rules.

### Recommendation

Recommend approval of Sakura’s request, pending final inspections by the Fire Department, Building Department, and Health Department. The property taxes are all paid up.

Prepared by: Jeff Oberski

A regular meeting of the Liquor Advisory Committee was held on Monday, September 10, 2012 in the Lower Level Conference Room of Troy City Hall, 500 West Big Beaver Road. Chairman Max K. Ehlert called the meeting to order at 7:05 p.m.

**ROLL CALL:**

**PRESENT:** Max K. Ehlert, Chairman  
Patrick C. Hall  
Andrew Kaltsounis  
Bohdan L. Ukrainec

**ABSENT:** W. Stan Godlewski  
David S. Ogg  
Timothy P. Payne

**ALSO PRESENT:** Julie Dufrane, Assistant City Attorney  
Jeffrey Oberski, Analyst/Planner  
Jesse Pappas, Student Representative  
Pat Gladysz

**Resolution to Excuse Committee Members Godlewski, Ogg, Payne**

Resolution #LC2012-09-021  
Moved by Hall  
Seconded by Kaltsounis

RESOLVED, That the absence of Committee members Godlewski, Ogg, and Payne at the Liquor Advisory Committee meeting of September 10, 2012 be **EXCUSED**.

Yes: 4  
No: 0  
Absent: Godlewski, Ogg, Payne

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**Resolution to Approve Minutes of August 13, 2012 Meeting**

Resolution #LC2012-09-022  
Moved by Hall  
Seconded by Ukrainec

RESOLVED, That the Minutes of the August 13, 2012 meeting of the Liquor Advisory Committee be **APPROVED**.

Yes: 4  
No: 0  
Absent: Godlewski, Ogg, Payne

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**Agenda Items**

1. **7-Eleven, Inc.** requests a new SDM liquor license with Sunday Sales (AM) Permit, to be located at 4060 Rochester Road, Troy, MI 48084. *This is at the northeast corner of Rochester Road and Wattles.*

Present to answer questions from the Committee were Jason Canvasser, attorney for applicant, and Jim Carline, field consultant for applicant.

Applicant’s representatives advised the Committee that this will be the fifth 7-Eleven store in Troy. There has been one violation in the past four years. Applicant’s parent company has a comprehensive, computer-based alcohol training program that all employees must complete with a 100% score. All employees must repeat this training on an annual basis. This location is currently a corporate store, but will eventually be franchised. The liquor license will be in the corporation’s name with the franchisee as the co-licensee.

The Police Department had no adverse findings to report.

Resolution #LC2012-09-023  
Moved by Hall  
Seconded by Kaltsounis

RESOLVED, That the Liquor Advisory Committee recommends that the request of 7-Eleven, Inc. for a new SDM liquor license with Sunday Sales (AM) Permit, to be located at 4060 Rochester Road, Troy, MI 48084 be **APPROVED**, pending approval of all final inspections.

Yes: 4  
No: 0  
Absent: Godlewski, Ogg, Payne

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2. **Sakura of Troy, Inc.** requests a new Class C Quota License “above all others” and new SDM license with new Sunday Sales Permit (PM), and new Sunday Sales Permit (AM) to be located at 3635 Rochester Road, Troy, MI 48098. *This is just north of Colebrook Street.*

Present to answer questions from the Committee were Joseph Shallal, attorney for applicant, and applicants Ho Yin Yip and Li Zhang.

Mr. Shallal advised the Committee that the applicants currently own the Golden Harvest Restaurant in Warren. They have 20 years of experience in the Asian food business. They plan to open a Japanese hibachi-style steak house utilizing the “teppanyaki” cooking method. As is the practice in the Warren restaurant, there will be monthly staff meetings to reinforce all liquor license laws. The restaurant will be open seven days a week, from 11:00 a.m. to 10:00 p.m.

Building permits have been issued for interior renovations. The façade on the south side will be removed which will add parking spaces. However, the entire building will not be utilized for the restaurant since there would not be enough parking spaces for the square footage.

Mr. Shallal stated that the applicants would be willing to agree in advance to return the Class C license to the city’s quota system if they fail at their endeavor and a restaurant is not operated at this location. Assistant City Attorney Dufrane stated that she is unfamiliar with such an agreement and would research the concept.

Mr. Ukrainec expressed concerns about the inability to view plans for exterior improvements prior to making a decision. The Committee briefly discussed this issue in view of the fact that the applicants state that they will be investing a considerable amount of money in the façade on the south side of the building.

The Police Department reports that there are unpaid personal property taxes. There have been no final inspections.

Also, the Police Department located two incidents that occurred at the Golden Harvest Restaurant in Warren in March of 2000 and July of 2000 involving Li Zhang. Both incidents involved contact with the Warren Police Department, no citations were issued, and they do not appear on the records of the Michigan Liquor Control Commission.

Resolution #LC2012-09-024

Moved by Hall

Seconded by Kaltsounis

RESOLVED, That the Liquor Advisory Committee recommends that the request of Sakura of Troy, Inc. for a new Class C Quota License “above all others” and new SDM license with new Sunday Sales Permit (PM), and new Sunday Sales Permit (AM) to be located at 3635 Rochester Road, Troy, MI 48098 be **APPROVED** pending approval of all final inspections and with a request to City Council to consider applicant’s offer to return liquor license to the city’s quota system if they fail at their endeavor and a restaurant is not operated at this location.

Yes: Ehlert, Hall, Kaltsounis  
No: Ukrainec  
Absent: Godlewski, Ogg, Payne

Assistant City Attorney Dufrane advised the Committee that on September 20, 2012 a meeting will be held of the Michigan Association of Municipal Attorneys. One of the topics of discussion will be the changes of the MLCC regulations. She will report findings after that meeting.

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The meeting adjourned at 8:20 p.m.

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Max K. Ehlert, Chairman

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Patricia A. Gladysz, Secretary II

**AGREEMENT REGARDING LIQUOR LICENSE REQUEST**

Re: Applicant: Sakura of Troy, Inc.  
Address: 3635 Rochester Road  
City/State/Zip: Troy, MI 480

Date: \_\_\_\_\_  
Type of License/s: Class C/SDM  
MLCC Request ID: 665656

This Agreement, made by and between the CITY OF TROY, MICHIGAN, a municipal corporation, with offices located at 500 W. Big Beaver Road, Troy, Michigan, 48084, hereinafter known as THE CITY, and the Applicant as indicated above, hereinafter known as APPLICANT.

- The City Council of the City of Troy, for and in consideration of the following covenants and conditions, agrees to recommend to the Michigan Liquor Control Commission Approval of the requested Liquor License to be located as indicated above in Troy Michigan.
- In consideration of the City of Troy's recommendation for approval of the request, the applicant hereby agrees that:
  - It has read and is aware of the provisions of City of Troy Ordinances, Chapter No. 67, Chapter No. 68, Chapter No. 98 and Chapter No. 101, and agrees that it shall be deemed to have knowledge of any subsequent amendments to said Chapters which may become effective during the term of this agreement.
  - It agrees to observe and comply with all laws, statutes, ordinances, rules, regulations or resolutions of the United States government, State of Michigan, and the City of Troy, or any department or agency of the governmental entities, as well as the rules and regulations of the Michigan Liquor Control Commission as they pertain to the operation of a liquor licensed business in the City of Troy.
  - It agrees to immediately require all employees who serve/sell alcohol to attend a recognized alcohol awareness program, and forward the names of each certified employee to the Troy Police Department. The alcohol awareness program must either be recognized by the Troy Police Department (i.e. TIPS, TAMS), or the program must be reviewed by the Troy Police Department to insure that the program is comparable to the recognized programs.
- Applicant agrees that the recommendation for Approval agreed upon by the City Council is not a property right and is approved upon the express and continuing condition that no violation as set forth in paragraph 2 of this agreement shall occur.
- Applicant agrees that the recommendation for Approval agreed upon by the City Council is approved upon the express and continuing condition that the physical characteristics (including but not limited to the inside layout, building design and engineering, seating capacity, parking space allocations, fire exits, and other physical attributes); and also the nature and type of business intended to be conducted remain virtually the same.
- Applicant agrees that upon such violation, after full investigation and an opportunity for said applicant to be heard, upon a finding by the City Council that a violation as set forth in paragraph 2 of this agreement has occurred, the City Council shall have just cause for revocation of said recommendation for approval.

**LICENSEE AUTHORIZED REPRESENTATIVE**

Witnesses: *[Signature]* By: *[Signature]*

Subscribed and sworn to before me this 12th day of July 2012

Notary Public, Oakland County, MI

Acting in the County of Oakland

My commission expires: 09/23/2014

KRISTEN E. DAVIS  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Sep 23, 2014  
ACTING IN COUNTY OF Oakland

**CITY OF TROY**

Witnesses: \_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_ By: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_\_

Notary Public, \_\_\_\_\_ County, MI

Acting in the County of Oakland

My commission expires: \_\_\_\_\_



Application for New License, Permits, or Transfer of Ownership or Interest in License

Instructions: This application must be completed and returned with all inspection and base licensing fees before it can be considered. Make all checks or money orders payable to the State of Michigan.

1. Applicant Information

Name of entity/person that will hold the license: Sakura of Troy, Inc.

- Corporations/Limited Liability Company(s) - Name should be stated exactly how it was filed with the corporation division.
If your company is not filed in the State of Michigan, you must submit a copy of a filed certificate of authority to transact business in Michigan along with your application.

Street address of proposed licensed establishment: 3635 Rochester Road Zip Code: 48,098

City, Village: Troy Township: \_\_\_\_\_ County: Oakland

Contact person for your company: Li Zhen Zhang

Business Phone: 248-526-0908 Cell Phone: \_\_\_\_\_ E-mail address: \_\_\_\_\_

Do you have an attorney that you would like us to contact? No Yes - See below:

Attorney name and address: Joseph A. Shallal, 255 S. Old Woodward Avenue, Suite 310, Birmingham, Michigan 48009

Office Phone: 248-223-9830 Cell Phone: \_\_\_\_\_ E-mail address: \_\_\_\_\_

2. Transaction Information: Check boxes below (as applicable)

- New license Transfer stock/interest Add/Drop space Transfer location Transfer classification Change status (self incorporation)
New permit Transfer ownership Add/Drop partner Transfer limited partnership interest Other

Name(s) of current licensee: \_\_\_\_\_

Current licensed address: \_\_\_\_\_

3. Check type of licenses and permits requested with your application

License Types:

- SDD SDM Aircraft
Class C Brewpub Train
Tavern Club Watercraft
G-1 G-2
A-Hotel (beer & wine) B-Hotel (beer, wine & spirits)

Permit Types:

- Outdoor Service Dance Other:
Entertainment Beer & Wine Sampling Catering Permit Topless Activity
Sunday Sales Permit - Check type below: Banquet Facility
AM PM Both Additional Bar(s) (Indicate #):
Specific Purpose Permit (Indicate activity requested)

(Examples: Before and after hours sales for food, golf registration, bowling, etc.)

What are the hours needed for this permit? \_\_\_\_\_

Resort and other Types:

- Resort SDD Resort Class C
Resort B-Hotel Resort Tavern
Resort G-1 Resort G-2
New DDA License - Check type below:
Class C B-Hotel Tavern

Permissions:

- Off-Premise Storage On-Premise Seating Gas Pumps
Direct Connection(s) Living Quarters

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that submitting false or incomplete information is cause for denial of the license and is a violation of the Liquor Control Code pursuant to MCL 436.2003.

06/19/2012 Date LI Zhen Zhang Print name of applicant

Signature



## CITY COUNCIL AGENDA ITEM

Date: November 26, 2012

To: Brian Kischnick, City Manager

From: Timothy Richnak, Public Works Director

Subject: Revised Articles of Incorporation  
Southeastern Oakland County Resource Recovery Authority

### Background

- SOCRRA is a municipal corporation founded in the early '50s and last amended in 1976 to process refuse, recyclables and yard waste. SOCRRA consists of twelve member municipalities with a total population of approximately 283,000 and covers an area of 75 square miles.
- These revised article changes involve Name to SOCRRA, Current Member Communities, Statutory required changes, Robert's Rules of Order, Stylistic/Grammar changes and inclusion of headings for quick reference in reading.
- Member cities are Berkley, Beverly Hills, Birmingham, Clawson, Ferndale, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak and Troy.
- SOCRRA is governed by a twelve member Board of Trustees, one member representing each of the constituent municipalities.
- Attached are a cover memo by Robert Davis SOCRRA's Legal council and 4 Exhibits
  - Memo reference SOCRRA Articles of Incorporation
  - Joint Garbage and rubbish Disposal Act 179 of 1947
  - Articles of Incorporation of the Southeastern Oakland County Incinerator Authority (Amended as of February 1976)
  - Articles of Incorporation of the Southeastern County Resource Recovery Authority (Amended as of \_\_\_\_\_)
  - Summary of changes to Articles of Incorporation

### Recommendation

City Management recommends approval as printed of these revised Articles of Incorporation for the Southeastern Oakland County Resource Recovery Authority. Each of the 12 SOCRRA member communities must approve this identical document.

### City Attorney's Review as to Form and Legality

Approved as to Form and Legality:

\_\_\_\_\_  
Lori Grigg Bluhm, City Attorney

**DAVIS BURKET SAVAGE  
LISTMAN BRENNAN**

*Attorneys at Law*

# Memo

***PRIVILEGED AND CONFIDENTIAL***

TO: SOCRRA Board *via electronic mail*  
FROM: Robert Charles Davis  
RE: SOCRRA Articles of Incorporation  
DATE: August 29, 2012

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**I. INTRODUCTION**

The Articles were last amended in February 1976. Since then, the membership has changed, the name has changed, and the law has changed. The Articles need to be updated accordingly.

**II. APPROVAL PROCESS**

Amending the Articles requires a unanimous vote of the members of the SOCRRA Board and a favorable vote from the legislative body of each member community. This is the same process we followed for the Membership Agreements.

**III. GENERAL SUMMARY OF CHANGES**

The changes involve the following:

1. Name to SOCRRA;
2. Member Communities;
3. Statutory required changes;
4. Robert's Rules of Order;
5. Stylistic/grammar changes; and
6. Inclusion of headings for quick reference in reading.

All of the changes are detailed on the attached chart.

**IV. ENCLOSURES FOR REVIEW**

1. Copy of the enabling statute;
2. Copy of existing Articles;
3. Copy of proposed Amended Articles; and
4. Chart of changes to Articles.

A handwritten signature in cursive script, appearing to read "Robert Charles Davis", written in black ink on a white background.

Robert Charles Davis

/emm  
Attachments

# **EXHIBIT 1**

**JOINT GARBAGE AND RUBBISH DISPOSAL**  
**Act 179 of 1947**

AN ACT to provide for the incorporation of certain municipal authorities for the collection or disposal, or both, of garbage or rubbish, or both, and for the operation of a dog pound; and to prescribe the powers, rights and duties thereof.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—Am. 1955, Act 92, Imd. Eff. June 2, 1955.

*The People of the State of Michigan enact:*

**123.301 Garbage and rubbish disposal and dog pound authority; incorporation by municipality.**

Sec. 1. Any 2 or more cities, villages or townships, hereinafter referred to as "municipalities", or any combination thereof, may incorporate an authority for the purpose of the collection or disposal, or both, of garbage or rubbish, or both, and for the establishment and operation of a dog pound, by the adoption of articles of incorporation, by the legislative body of each such municipality. The fact of such adoption shall be endorsed on such articles of incorporation by the mayor and clerk of the city, the president and clerk of the village, or the supervisor and clerk of the township, as the case may be, in form substantially as follows:

"The foregoing articles of incorporation were adopted by the ..... of the ..... of ....., ..... county, Michigan, at a meeting duly held on the ..... day of ....., 19.... of said ..... Clerk of said ....."

The authority shall be comprised of the territory within such incorporating municipalities. The articles of incorporation shall be published at least once in a newspaper designated in said articles and circulating within the authority. One printed copy of such articles of incorporation certified as a true copy by the person or persons designated therefor, with the date and place of such publication, shall be filed with each the secretary of state and the clerk of the county within which such authority or the major portion thereof is located. Such authority shall become effective at the time provided in said articles of incorporation. The validity of such incorporation shall be conclusively presumed unless questioned in a court of competent jurisdiction within 60 days after the filing of such certified copies with the secretary of state and the county clerk.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.301;—Am. 1955, Act 92, Imd. Eff. June 2, 1955.

**123.302 Authority; articles of incorporation, contents.**

Sec. 2. Said articles of incorporation shall state the name of such authority, the names of the various municipalities creating the same, the purpose or purposes for which it is created, the powers, duties and limitations of the authority and its officers, the method of selecting its governing body, officers and employees, the person or persons who are charged with the responsibility of causing the articles of incorporation to be published and printed copies to be certified and filed as above provided or who are charged with any other responsibility in connection with the incorporation of said authority, all of which shall be subject to the provisions of the constitution and statutes of the state of Michigan and particularly of this act.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.302.

**123.303 Authority; corporate powers; construction of act.**

Sec. 3. Such authority shall be a body corporate with power to sue or be sued in any court of this state. It shall possess all the powers necessary to carry out the purposes of its incorporation, and those incident thereto. The enumeration of any powers in this act shall not be construed as a limitation upon such general powers.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.303.

**123.304 Authority; acquisition, management, sale or lease of land; condemnation.**

Sec. 4. For the purposes of its incorporation, the authority may acquire private property by purchase, lease, gift, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation, it may proceed under the provisions of Act No. 149 of the Public Acts of 1911 as now or hereafter amended, or any other appropriate statute.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.304.

**123.305 Authority; contracts; time limitations; charges.**

Sec. 5. (1) The authority may contract with any municipality that is a part of the authority for the collection

or disposal, or both, by the authority of garbage or rubbish, or both, originating in the municipality, or for the establishment and operation of a dog pound for the municipality, for a period not exceeding 40 years. The charges specified in the contract shall be subject to increase by the authority, if necessary, in order to provide funds to meet its obligations.

(2) For the purposes provided in subsection (1), the authority may also contract with a city, village, or township that is not a part of the authority. The contract may provide for charges greater than those to the municipalities that are a part of the authority. The contract shall be for a period not exceeding 40 years. The charges under the contract shall be subject to change from time to time.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.305;—Am. 1955, Act 92, Imd. Eff. June 2, 1955;—Am. 1962, Act 16, Imd. Eff. Mar. 26, 1962;—Am. 1992, Act 106, Imd. Eff. June 25, 1992.

### **123.306 Authority; right to make subcontracts.**

Sec. 6. The authority shall have the power to contract with any person, firm or corporation for the performance by the latter of any part of the work of collecting or disposing, or both, of garbage or rubbish, or both.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.306.

### **123.307 Authority; articles of incorporation, amendment.**

Sec. 7. Any city, village or township may become a part of such authority by amendment to the articles of incorporation, adopted by the legislative body of such city, village or township and by the legislative body of each city, village or township of which such authority is composed. Other amendments may be made to such articles of incorporation if adopted by the legislative body of each city, village or township of which the authority is composed. Any such amendment shall be endorsed, published and certified printed copies filed in the same manner as the original articles of incorporation, except that the filed printed copies shall be certified by the recording officer of the authority.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.307.

### **123.308 Power to raise and expend moneys; payment of contracts; taxing power denied authority.**

Sec. 8. The legislative body of each city, village or township which is a part of such authority is authorized to raise by tax or pay from its general funds, any moneys required to be paid by the articles of incorporation or by the terms of any contract between it and the authority, unless some other method is provided therefor in such articles of incorporation or contract. The authority shall have no direct taxing power.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.308.

### **123.309 Self-liquidating revenue bonds; issuance.**

Sec. 9. For the purpose of acquiring, constructing, improving, enlarging or extending facilities for the collection or disposal, or both, of garbage or rubbish, or both, or for the purpose of refunding bonds previously issued, the authority may issue self-liquidating revenue bonds in accordance with the provisions of Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Compiled Laws of 1948. No such bonds shall be a general obligation of the authority but shall be payable from revenues only.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.309;—Am. 1959, Act 205, Imd. Eff. July 23, 1959.

### **123.310 Powers additional.**

Sec. 10. The powers herein granted shall be in addition to those granted by any statute or charter.

**History:** 1947, Act 179, Eff. Oct. 11, 1947;—CL 1948, 123.310.

### **123.311 Entering or extending contract, obligation, bond, or note; sale or transfer of property; determination of current market value; withdrawal of member from qualified authority; payment; dissolution of authority; payment of environmental activities; distribution of assets; articles of incorporation; definitions.**

Sec. 11. (1) After the effective date of the 2002 amendatory act that added this section, a qualified authority shall not enter into or extend any contract, obligation, bond, or note that has, or as extended would have, a termination date after the termination date of the authority's most recently approved contract under section 5(1), unless the contract, obligation, bond, or note or extension thereof, is approved by all members.

(2) Within 90 days after a qualified authority decides to sell or transfer real property located within the territory of a member or former member, the member or former member may exercise the right of first refusal to purchase the real property at a price not less than the greater of the real property's current market value or

the highest price offered for the real property in an arm's length, bona fide offer by a third party. The current market value of such real property shall be determined by an appraiser acceptable to the authority and the interested member. Any dispute regarding a determination of current market value shall be resolved by independent arbitration.

(3) Unless its withdrawal would cause an impairment of any contract, a member may withdraw from a qualified authority if all of the following requirements are met:

(a) The legislative body of the member adopts a resolution stating that the authority is no longer effectively serving the member's needs and declaring its decision to withdraw from the authority on a date specified in the resolution.

(b) The withdrawal date specified in the resolution under subdivision (a) is not either of the following:

(i) Less than 60 days after the date the resolution is adopted.

(ii) Within 1 year before the termination date of the authority's most recently approved contract under section 5(1) unless the filings required by subdivision (c) are made more than 1 year before the specified withdrawal date.

(c) The clerk of the member promptly files a certified copy of the resolution adopted under subdivision (a) with the authority and the secretary of state.

(4) By the withdrawal date, the withdrawing member, at its option, either shall pay to the authority the amount of the withdrawing member's fair share of the negative equity of the authority, if any, determined as of the withdrawal date, or shall provide the authority with a bond or other independent, insured guarantee that any such amount will be paid not later than 30 days after the expiration date of the authority's most recently approved contract under section 5(1). This subsection does not relieve the withdrawing member from either of the following:

(a) The member's fair share of any obligation to reimburse the authority following the member's withdrawal for any environmental liabilities subsequently incurred by the authority, to the extent that the environmental liabilities result from the authority's disposal of the withdrawn former member's municipal solid waste, recyclable materials, or yard waste.

(b) The member's payment of any money damages, owed on account of its or the authority's default under a contract under section 6 if the default and damages result directly and solely from the member's withdrawal and are necessary to prevent an impairment of the contract. If 2 or more members withdraw, they are jointly liable for damages under this subdivision.

(c) The member's fair share of any obligation to reimburse the authority following the member's withdrawal for liability incurred by the authority as a result of litigation or arbitration proceedings that were initiated before the date of withdrawal, or litigation or arbitration involving a cause of action arising before the date of withdrawal, if the total amount of the member's fair share of the obligation cannot be exactly determined by the date of withdrawal.

(5) At the option of the authority, by the withdrawal date, the authority shall pay to the withdrawing member the withdrawing member's fair share of the equity of the authority, determined as of the withdrawal date, or shall provide the withdrawing member with a bond or other independent, insured guarantee that such amount will be paid no later than 30 days after the expiration date of the authority's most recently approved contract under section 5(1). If an authority elects to provide such a bond or other guarantee, the withdrawn former member may direct the bonding company or guarantor at any time thereafter to pay from the bond or other guarantee any obligation or liability owed to the authority by the withdrawn former member, including, but not limited to, an obligation described in subsection (4)(a) or (b).

(6) Unless it would cause an impairment of an authority contract under section 6, a qualified authority shall dissolve if both of the following requirements are met:

(a) The legislative bodies of 60% of the members, weighted by the percentage of recent waste delivery, each adopt a resolution stating that the authority is no longer effectively serving the public good for which it was created and directing that the authority be dissolved pursuant to this subsection and subsections (7) to (9).

(b) The clerk of each member whose legislative body adopts a resolution under subdivision (a) promptly files a certified copy of the resolution with the authority and the secretary of state.

(7) Within 6 months after the requirements of subsection (6) are met, the qualified authority shall establish a mechanism to manage and pay for environmental activities required under existing law and cease the activities described in section 1 for which it was incorporated. Within 6 months after ceasing activities described in section 1, the authority shall settle its accounts, including, but not limited to, all vested or accrued employee benefits, employment contracts, collective bargaining agreements, and unemployment compensation, and, subject to subsection (2), shall sell all of its property. In addition, the authority shall establish a mechanism for handling future environmental liabilities. A qualified authority with respect to which the requirements of subsection (6) have been met and a new authority incorporated under subsection

(10) may agree to the assignment of contracts from the qualified authority to the new authority.

(8) After the requirements of subsection (7) are met, the qualified authority shall distribute to each member that member's fair share of the authority's remaining assets.

(9) Upon distribution of the qualified authority's assets under subsection (8), both of the following apply:

(a) The authority is dissolved.

(b) All liabilities of each member and former member of the authority are terminated, except for both of the following:

(i) Any environmental liabilities attributed to the authority to the extent that the environmental liabilities result from the authority's disposal of the member's or former member's fair share of municipal solid waste, recyclable materials, or yard waste.

(ii) The member's fair share of any obligation to reimburse the authority following the dissolution for liability incurred by the authority as a result of litigation or arbitration proceedings that were initiated before the date of dissolution, or litigation or arbitration involving a cause of action arising before the date of dissolution, if the total amount of the member's fair share of the obligation cannot be exactly determined by the time the requirements of subsection (7) are met.

(10) Subsections (6) to (9) do not prevent the incorporation of a new authority by some or all of the members or former members of an authority with respect to which the requirements of subsection (6) have been met.

(11) If, after the effective date of the amendatory act that added this section, a qualified authority is incorporated or amends its articles of incorporation, the qualified authority shall include in its articles the provisions of subsections (3) to (9).

(12) As used in this act:

(a) "Appraiser" means an individual licensed under article 26 of the occupational code, 1980 PA 299, MCL 339.2601 to 339.2637.

(b) "Authority" means an authority incorporated under this act.

(c) "Corrective action" means that term as defined in section 11502 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11502.

(d) "Environmental liabilities" means the costs of landfill closure and postclosure obligations, the costs of corrective action, response activity costs, and fines, penalties, or damages required or assessed by the state under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

(e) "Equity of the authority" means the total fund equity of the authority excluding contributions of capital attributed to the clean Michigan initiative bond fund as set forth in an audit conducted for this purpose except that liabilities shall be reduced by any estimated liabilities that were included in determining total fund equity.

(f) "Former member" means a member that has withdrawn from a qualified authority under this section or a prior member of a qualified authority that has been dissolved under this section.

(g) "Impairment", in reference to an authority contract, means a material default in the contract that cannot be cured by the payment of monetary damages.

(h) "Member" means a municipality that incorporated a qualified authority under section 1 or that became part of a qualified authority under section 7 and that has not withdrawn from the authority under this section.

(i) "Member's fair share" means the percentage determined by taking the tonnage of municipal solid waste, recyclable materials, and yard waste contributed by the member and disposed of by the authority since its incorporation and dividing that amount by the tonnage of municipal solid waste, recyclable materials, and yard waste contributed by all members and disposed of by the authority since its incorporation, as determined, in the event of a dispute, by statutory and binding arbitration.

(j) "Percentage of recent waste delivery" means the amount of municipal solid waste, recyclable materials, and yard waste generated within a particular member's territory and disposed of by the authority during the latest full calendar year for which the authority disposed of such materials or waste generated within the territory of that member, divided by the sum of such amounts for all members, as determined, in the event of a dispute, by independent arbitration.

(k) "Qualified authority" means an authority that as of the effective date of this section or thereafter is composed of 10 or more members and has a population residing within its territory of 250,000 or more.

(l) "Response activity costs" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

**History:** Add. 2002, Act 598, Imd. Eff. Dec. 16, 2002.

**Compiler's note:** Former MCL 123.311 to 123.319, deriving from Act 345 of 1978, were repealed by Act 60 of 1995, Imd. Eff. May 24, 1995.

# **EXHIBIT 2**

ARTICLES OF INCORPORATION  
OF THE  
SOUTHEASTERN OAKLAND COUNTY INCINERATOR AUTHORITY  
(Amended as of February 1976)

These Articles of Incorporation are adopted by the incorporating municipalities for the purpose of creating an Authority under the provisions of Act No. 179 of the Michigan Public Acts of 1947.

ARTICLE I

The name of this Authority is changed by amendment to this Article from "Southeastern Oakland County Garbage and Rubbish Authority" to "Southeastern Oakland County Incinerator Authority". All contracts, agreements, covenants and obligations of the Southeastern Oakland County Garbage and Rubbish Authority shall remain and be equally effective and binding on the Southeastern Oakland County Incinerator Authority, the purpose of the amendment to this Article being solely to change the original name of the Authority without in any way affecting its corporate existence or its obligations and duties.

ARTICLE II

The names of the municipalities creating this Authority or later becoming a part thereof, and which are now constituent members thereof, are:

City of Berkley	City of Lathrup Village
Village of Beverly Hills	City of Madison Heights
City of Birmingham	City of Oak Park
City of Clawson	City of Pleasant Ridge
City of Ferndale	City of Royal Oak
City of Hazel Park	Township of Royal Oak
City of Huntington Woods	City of Troy

all in Oakland County, Michigan.

ARTICLE III

The purpose of this Authority is the collection and/or disposal of garbage and rubbish.

ARTICLE IV

This Authority shall be a body corporate with power to sue or to be sued in any court of this state. The Authority shall be comprised of the territory lying within the incorporating municipalities. No change in municipal jurisdiction over any territory within the Authority shall in any manner affect the Authority or its boundaries. It shall possess all the powers granted by statute and by these Articles, and all powers necessary to carry out the purpose of its incorporation and these incidents thereto. The enumeration of any powers herein shall not be construed as a limitation upon its general powers unless the context shall clearly indicate otherwise. It shall have a corporate seal.

ARTICLE V

This Authority shall continue in existence until dissolved by act of the parties or by law; provided, that it shall not be dissolved if such dissolution would operate as an impairment of any of its contracts.

ARTICLE VI

The fiscal year of the Authority shall commence on the first day of July in each year and end on the 30th day of June of the preceding year.

ARTICLE VII

The governing body of this Authority shall be a Board of Trustees (sometimes hereinafter referred to as the "Board") which shall be constituted of one (1) representative from each constituent municipality, who shall be appointed by the governing body of such municipality on or before the 15th day of June of each year, and shall serve during the next fiscal year and until his successor is appointed. The members of the Board of Trustees shall serve without compensation but the Board in its discretion may authorize the payment of the actual expenditures of any member, incurred in connection with the business of the Authority. The Board shall meet on the second Wednesday in July of each year, at 2:00 o'clock p.m., at the place of holding the meetings of the Board for the purpose of organization. At such organization meeting, the Board shall select a Chairman, a Vice-Chairman and a Secretary, who shall be members of the Board. At such organization meeting, the Board shall also select a Treasurer, a Finance Director, and an Assistant Secretary, who may or may not be members of the Board. The positions of Treasurer and Assistant Secretary may be held by the same person; or the position of Finance Director and Assistant Secretary may be held by the same person, but in that event such person shall not be authorized to act both as Assistant Secretary and Finance Director in signing and countersigning checks. Such officers

shall serve until the organization meeting of the following year and/or until their respective successors shall be selected. Providing that no person shall serve as Chairman, Vice-Chairman or Secretary after he ceases to be a member of the Board. Within twenty (20) days after this Authority shall become effective, the governing body of each constituent municipality shall select its representative on the Board to serve for the remainder of the then fiscal year and within thirty (30) days after such effective date the Board members shall meet for the purpose of organizing the Board for the balance of such fiscal year. The time and place of such meeting shall be fixed in writing by members of the Board holding at least fifty-one per centum of the voting power of the entire Board, and notice thereof served upon all members in the manner provided in Article X. The agreement for such meeting may name the temporary chairman thereof. The governing body of each constituent municipality shall at the time of appointing its regular representative on the Board of Trustees also appoint an alternate representative who shall have the right to act in the place of the regular representative in event of the latter's absence from any meeting of the Board of Trustees, but his authority shall be limited to the business conducted at such meeting. For any other purpose he shall not be considered a member of the Board. It shall not be necessary to serve notice of meeting upon such alternates. No appointment to the Board and no selection of an officer of the Board shall be deemed to be invalid because it was not made within or at the time specified in these articles.

Any board member or any alternate may be removed at any time by action of the governing body of the municipality which he represents. Any officer may be removed by action of the Board of Trustees.

#### ARTICLE VIII

In event of a vacancy on the Board, the governing body of the municipality entitled to such representative shall fill the vacancy for the unexpired term. In event of a vacancy in any office of the Board, such vacancy shall be filled by the Board for the unexpired term. In case of the temporary absence or disability of any officer, the Board may appoint some person to temporarily act in his stead except that, in event of the temporary absence or disability of the Chairman, the Vice-Chairman shall so act.

#### ARTICLE IX

The number of votes to which each representative on the Board of Trustees shall from time to time be entitled, shall be one vote for each 3,000 tons or fraction thereof, of garbage and rubbish delivered to the Authority during the then preceding fiscal year from the municipality which he represents; Provided that the representative of any municipality which, at any time has not delivered its garbage and rubbish to the Authority's disposal plant for all of the preceding fiscal year, shall be entitled to one vote.

#### ARTICLE X

Meetings of the Board shall be held at least bi-monthly at such times and place as shall be prescribed by resolution of the Board. Special meetings of the Board may be called by the Chairman, or any three (3) members thereof, by serving written notice of the time, place and purpose thereof, upon each member of the Board, personally, or by leaving it at his place of residence, at least twenty-four (24) hours prior to the time of such meeting, or by depositing the same in a United States Post Office or mail box within the limits of the Authority, at least seventy-two (72) hours prior to the time of such meeting, enclosed in a sealed envelope properly addressed to him at his home or office address, with postage fully prepaid thereon. Special meetings of the Board at which all members are present shall be deemed to be valid even though no written notice thereof may have been given as above provided. Any member of the Board may waive notice of any meeting either before or after the holding thereof. The presence of members of the Board holding more than fifty per centum of the total voting power of the entire Board shall be required for a quorum.

The Board shall act by motion, resolution, or ordinance. For the passage of any motion, resolution or ordinance, there shall be required the affirmative vote of members of the Board possessing more than one-half of the total voting power of the entire Board, except where a larger vote is required by these Articles. The Board shall have the right to adopt rules governing its procedures which are not in conflict with the terms of any statute or of these Articles. The Board shall keep a journal of its proceedings, which shall be signed by the Chairman and Secretary. All votes shall be by "Yeas" and "Nays". The journal shall show how each member voted and the total number of votes for and against each motion, resolution or ordinance.

#### ARTICLE XI

The Board of Trustees shall appoint a General Manager. The General Manager shall be the chief administrative officer of the Authority, and shall perform all of the purely administrative functions of the Authority, unless otherwise delegated in these Articles. All such functions shall be performed in harmony

with the adopted policies of the Board. The General Manager shall serve at the will of the Board and may be removed at any time by action of the Board.

#### ARTICLE XII

The Chairman of the Board shall be the presiding officer thereof. Except as herein otherwise provided, he shall not have any executive or administrative functions. In the absence or disability of the Chairman, the Vice-Chairman shall perform the duties of the Chairman. The Secretary shall be the recording officer of the Board. The Treasurer shall be custodian of the funds of the Authority. The Finance Director shall be the chief accounting officer of the Authority. All monies shall be deposited in a bank or banks, to be designated by the Board, and all checks or other forms of withdrawal therefrom shall be signed by the Treasurer, Chairman or Secretary of the Board and countersigned by the Finance Director or General Manager. The Assistant Secretary shall under all conditions and circumstances be authorized to act in place of the Secretary. Except as in these Articles otherwise provided, the Assistant Secretary shall have custody of the official records of the Authority. The Treasurer, and such other officers and employees as the Board shall determine, shall give to the Authority a bond in an amount as determined by the Board, or as required by statute, conditioned upon the faithful performance of the duties of their respective offices. The cost of said bonds shall be paid by the Authority. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board.

#### ARTICLE XIII

The Authority shall possess all the powers necessary to carry out the purposes thereof and those incident thereto. It may acquire private property by purchase, lease, gift, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation, it may proceed under the provisions of Act 149 of the Public Acts of 1911, as now or hereafter amended, or any other appropriate statute.

#### ARTICLE XIV

The Authority, and its several constituent municipalities, shall enter into a Contract or Contracts, for the disposal by the Authority of the garbage and rubbish originating in such municipalities, and for payment to the Authority, by the constituent municipality. Such Contract shall be for a period not exceeding thirty (30) years. The charges specified in such a Contract, for services rendered shall be subject to increase by the Authority, if necessary, in order to provide funds to meet its obligations. The Authority may also enter into such a Contract with any non-constituent City, Village or Township, or with any person, firm or corporation, for a reasonable period of time, but the charges thereunder shall be subject to change by the Authority from time to time.

There shall be established a uniform rate per ton for all material delivered to the Authority for disposal; provided, the rate may vary as between different classes of material delivered, in accordance with the regulations of the Authority. The rate shall be uniform for all constituent municipalities, and shall be uniform per ton, regardless of number of tons, for each method of disposal.

There shall be a "Ready-to-Serve Charge" included in the rate structure, which shall be based on the "Maximum Average Day". This "Maximum Average Day" shall be established by first determining the average day, in tons per working day, for each of the sixty (60) months immediately preceding each fiscal year. The "Maximum Average Day" shall be the average day with the greatest tonnage computed as specified above.

The amount paid by the constituent municipalities, to the Authority, as a Ready-to-Serve Charge, and the rates paid by the constituent municipalities for services rendered, shall be established by resolution of the Board. The initial rates shall be included in the Contracts to be entered into by the Authority and each constituent member thereof. Said rates shall be maintained to produce revenue sufficient to pay all operating and other expenses of the Authority, and to meet the conditions of any ordinance authorizing the issuance of revenue bonds, issued in accordance with provisions of Act 94 of the Public Acts of 1933, as new or hereafter amended or issued in accordance with any other act.

#### ARTICLE XV

The Authority shall have the power to contract with any person, firm or corporation for the performance by the latter of any part of the work of collecting and/or disposing of garbage and/or rubbish.

#### ARTICLE XVI

For the purpose of acquiring, improving, enlarging or extending facilities for the collection and/or disposal of garbage and/or rubbish, this Authority may issue self-liquidating revenue bonds, in accordance with the provisions of Act 94 of the Public Acts of 1933, as now or hereafter amended;

provided, that no such bonds shall be a general obligation of the Authority, but shall be payable from revenues only.

#### ARTICLE XVII

The Board shall have the power to secure all necessary services to carry out the functions of the Authority, and to fix the compensation of all of the employees of the Authority, and to provide Group Life Insurance, other group insurance, pensions and other benefits for the employees as are customarily provided by the constituent municipalities making up this Authority. No officer or employee of any constituent municipality shall receive any compensation from the Authority except by the vote of members of the Board possessing at least two-thirds (2/3) of the total voting power of the entire Board. The Board shall have power to enter into contracts with constituent municipalities, or other municipalities, for the providing of municipal services, to the Authority by such municipalities and for the use by the Authority of facilities of such municipalities and for the payment by the Authority to such municipality of the reasonable cost thereof.

#### ARTICLE XVIII

The Board shall cause an annual audit to be made of its financial transactions by a certified public accountant, and shall furnish a copy thereof to each constituent municipality.

#### ARTICLE XIX

If any constituent municipality shall refuse or neglect to enter into a contract for the disposal of its garbage and rubbish through the facilities of the Authority, then the Board by the vote of members thereof possessing at least two-thirds (2/3rds) of the total voting power of the entire Board, may expel such municipality as a constituent part of the Authority. The Board may not modify or cancel any contract upon which its revenues are based, if the same would impair the obligation of any bond contract.

#### ARTICLE XX

If for any reason the total income of the Authority during any fiscal year shall not be sufficient to satisfy its obligations accruing during such year, including payments to be made to the Bond and Interest Redemption Fund if revenue bonds are outstanding, then the amount of any deficiency shall be prorated among the constituent municipalities, in accordance with the tonnage of garbage and rubbish delivered to the Authority during such fiscal year, which amount shall be considered as an additional charge for disposal services.

#### ARTICLE XXI

These Articles shall be published once in The Daily Tribune, a newspaper circulating within the Authority. One printed copy of such Articles of Incorporation, certified as a true copy thereof, with the date and place of publication, shall be filed with each the Secretary of State and the Clerk of the County of Oakland, within thirty (30) days after execution has been completed. Edmund H. Waterhouse of the City of Huntington Woods, Michigan, is hereby designated as the person to cause these Articles to be published, certified and filed as aforesaid. In the event he shall be unable to act or shall neglect to act, then Ashton J. Berst of the City of Pleasant Ridge, Michigan, shall act in his stead.

# **EXHIBIT 3**

**ARTICLES OF INCORPORATION**  
**OF THE**  
**SOUTHEASTERN OAKLAND COUNTY RESOURCE RECOVERY AUTHORITY**  
**(Amended as of \_\_\_\_\_)**

These Amended Articles of Incorporation (“Articles”) are adopted by the defined Constituent Members for all purposes allowed under the provisions of Act No. 179 of the Michigan Public Acts of 1947, being MCL 123.301, et. seq. (“Enabling Law”). The Effective Date of the Articles is \_\_\_\_\_, 2012.

**ARTICLE I**

**Legal Name**

The name of this Authority shall, for all legal purposes, be Southeastern Oakland County Resource Recovery Authority (“SOCRRA”), with a principal place of business at 3910 W. Webster, Royal Oak, MI 48067. All contracts, agreements, covenants and obligations in any prior name of SOCRRA shall remain and be equally effective and binding on SOCRRA.

**ARTICLE II**

**Constituent Members**

The Constituent Members of SOCRRA as of the Effective Date are:

City of Berkley	City of Lathrup Village
Village of Beverly Hills	City of Oak Park
City of Birmingham	City of Pleasant Ridge
City of Clawson	City of Royal Oak
City of Ferndale	City of Troy
City of Hazel Park	
City of Huntington Woods	

All Constituent Members as of the Effective Date are located in the County of Oakland, State of Michigan.

### **ARTICLE III**

#### **Purposes of SOCRRA**

The purposes of SOCRRA are all lawful purposes allowed under the Enabling Law and these Articles.

### **ARTICLE IV**

#### **Powers of SOCRRA**

SOCRRA shall be a body corporate with the power to sue or to be sued in any Michigan Court, subject to the laws on jurisdiction and venue. SOCRRA shall be comprised of the physical territory lying within the Constituent Members. No change in municipal jurisdiction over any territory within SOCRRA shall in any manner affect SOCRRA or its boundaries unless set forth in a written Amendment to these Articles. SOCRRA shall possess all the powers granted by the Enabling Law, Michigan law and these Articles, and all powers necessary to, and incidental to, carrying out the purposes of SOCRRA. The enumeration of any powers in these Articles shall not be construed as a limitation upon SOCRRA's general powers unless the context of these Articles indicates otherwise. SOCRRA shall have a corporate seal. The powers granted to SOCRRA under the Enabling Law shall be in addition to those granted by any other state statute or these Articles.

### **ARTICLE V**

#### **Definitions**

As used herein, all words and phrases, unless specifically defined by law or MCL 123.311(12), shall have their plain meaning.

## ARTICLE VI

### Dissolution of SOCRRA

SOCRRA shall continue in existence until dissolved in accordance with the Enabling Law.

For this Article VI, the definitions at MCL 123.311(12) shall apply where applicable.

Unless it would cause an impairment of a SOCRRA contract under MCL 123.306, SOCRRA (if SOCRRA is a “qualified authority” as defined at MCL 123.311(12)(K)) shall dissolve if both of the following requirements are met:

- (a) The legislative bodies of 60% of the Constituent Members, weighted by the percentage of recent waste delivery, each adopt a resolution stating that SOCRRA is no longer effectively serving the public good for which it was created and directing that SOCRRA be dissolved pursuant to MCL 123.311(6)-(9); and
- (b) The clerk of each Constituent Member whose legislative body adopts a resolution under subdivision (a) above promptly files a certified copy of the resolution with SOCRRA and the Secretary of State.

Within 6 months after the requirements of MCL 123.311(6) are met, SOCRRA shall establish a mechanism to manage and pay for environmental activities required under existing law and cease the activities described in Article III. Within six (6) months of ceasing activities allowed under Article III, SOCRRA shall settle its accounts, including, but not limited to, all vested or accrued employee benefits, employment contracts, collective bargaining agreements, and unemployment compensation, and, subject to MCL 123.311(2), shall sell all of its property. In addition, SOCRRA shall establish a mechanism for handling future environmental liabilities. If the requirements of MCL 123.311(6) have been met and a new Authority is incorporated under MCL

123.311(10), SOCRRA may agree to the assignment of contracts from SOCRRA to the new Authority.

After the requirements of MCL 123.311(7) are met, SOCRRA shall distribute to each Constituent Member that Constituent Member's fair share of SOCRRA's remaining assets.

Upon distribution of SOCRRA's assets under MCL 123.311(8), both of the following apply:

- (a) SOCRRA is dissolved.
- (b) All liabilities of each Constituent Member and former Constituent Member of SOCRRA are terminated, except for both of the following:
  - (i) Any environmental liabilities attributed to SOCRRA to the extent that the environmental liabilities result from SOCRRA's disposal of the Constituent Member's or former Constituent Member's fair share of municipal solid waste, recyclable materials or yard waste.
  - (ii) The Constituent Member's fair share of any obligation to reimburse SOCRRA following the dissolution for liability incurred by SOCRRA as a result of litigation or arbitration proceedings that were initiated before the date of dissolution, or litigation or arbitration involving a cause of action arising before the date of dissolution, if the total amount of the Constituent Member's fair share of the obligation cannot be exactly determined by the time the requirements of MCL 123.311(7) are met.

MCL 123.311(6)-(9) do not prevent the incorporation of a new Authority by some or all of the Constituent Members or former Constituent Members of an authority with respect to which the requirements of subsection (6) have been met.

## **ARTICLE VII**

### **Fiscal Year**

The fiscal year of SOCRRA shall commence on the first day of July in each year and end on the 30th day of June of the subsequent year.

## **ARTICLE VIII**

### **The Board**

The governing body of SOCRRA shall be a Board of Trustees ("Board") which shall be comprised of one (1) representative from each Constituent Member, who shall be appointed by the governing body of such Constituent Member on or before the 15<sup>th</sup> day of June of each year, and shall serve during the next fiscal year and until his/her successor is appointed by the Constituent Member. The members of the Board shall serve without compensation but the Board, in its discretion, may authorize the payment of the actual expenditures of any Board member incurred in connection with the actual and approved business of SOCRRA.

The Board shall, at its July meeting of each year, place on its Agenda the issue of "organization". At the July organizational meeting, the Board shall select a Chairperson, a Vice Chairperson and a Secretary, who shall otherwise be existing members of the Board. At such July meeting, the Board shall also select a Treasurer, and a Finance Director, who may or may not be members of the Board. Such officers shall serve until the July organizational meeting of the following year and/or until their respective successors shall be selected. No person shall serve as Chairperson, Vice Chairperson or Secretary after he/she ceases to be a member of the Board.

The governing body of each Constituent Member shall, at the time of appointing its regular representative on the Board, also appoint an alternate representative who shall have the right to act in the place of the regular representative in event of the latter's absence from any meeting of the Board, but his/her authority shall be limited to the

actual business conducted at such meeting whether set forth on the agenda or not. For any other purpose, the alternate shall not be considered a member of the Board. It shall not be necessary to serve any notice of meetings upon such alternates. No appointment to the Board and no selection of an officer of the Board shall be deemed to be invalid because it was not made within or at the time specified in these Articles. Any Board member or any alternate may be removed at any time by action of the governing body of the Constituent Member which he/she represents. Any officer of SOCRRA may be removed by action of the Board by a majority vote of the Constituent Members.

## **ARTICLE IX**

### **Vacancies**

In the event of a vacancy on the Board, the governing body of the Constituent Member entitled to such representative shall promptly fill the vacancy for the unexpired term. In the event of a vacancy in any office of the Board, such vacancy shall be promptly filled by the Board for the unexpired term. In the case of the temporary absence or disability of any officer, the Board may appoint a qualified person to temporarily act in his/her stead except that, in the event of the temporary absence or disability of the Chairperson, the Vice Chairperson shall so act immediately.

## **ARTICLE X**

### **Voting Power**

The number of votes to which each representative on the Board of Trustees shall from time to time be entitled, shall be one vote for each 3,000 tons or fraction thereof, of contract waste delivered to the Authority during the then preceding fiscal year from the municipality which he represents; Provided that the representative of any municipality which, at any time has not delivered its contract waste to the Authority's disposal plant for all of the preceding fiscal year, shall be entitled to one vote.

## **ARTICLE XI**

### **Meetings and Voting**

All meetings of the Board shall comply with Michigan's Open Meetings Act, MCL 15.261, et. seq., including all future amendments. Meetings of the Board shall be held monthly at such times and places as shall be prescribed by resolution of the Board. Special meetings of the Board may be called by the Chairperson, or any three (3) Constituent Members of the Board, by serving written notice of the time, place and purpose thereof, upon each member of the Board, personally, or by leaving it at his/her office, at least twenty-four (24) hours prior to the time of such special Board meeting, or by depositing the same in a United States Post Office or mail box within the limits of SOCRRA, at least seventy-two (72) hours prior to the time of such special Board meeting, enclosed in a sealed envelope properly addressed to him/her at his/her home or office address, with postage fully prepaid thereon. Special meetings of the Board at which all Constituent Members are present shall be deemed to be valid even though no written notice thereof may have been given as above provided. Any Constituent Member of the Board may waive notice of any meeting either before or after the holding thereof. The presence of Constituent Members of the Board holding more than fifty per centum of the total voting power of the entire Board shall be required for a quorum.

The Board shall act by motion, resolution or ordinance. For the passage of any motion, resolution or ordinance, there shall be required the affirmative vote of Constituent Members of the Board possessing more than 50% of the total voting power of the entire Board, except where a larger vote is expressly required by these Articles or state statute. The Board shall have the right to adopt, from time to time, rules governing its procedures which are not in conflict with the terms of any statute or of these Articles. Board procedures shall be governed by Robert's Rules of Order, as amended from time to time. The Board shall keep minutes of its proceedings, which shall be approved and

signed by the Chairperson and Secretary. All votes shall be by “Yeas” and “Nays”. The minutes shall show how each Constituent Member voted and the total number of votes for and against each motion, resolution or ordinance.

## **ARTICLES XII**

### **General Manager**

The Board shall select and appoint a General Manager. The General Manager shall be the chief administrative officer of SOCRRA and shall perform all of the purely administrative functions of SOCRRA, unless otherwise expressly delegated in these Articles. All such functions shall be performed in harmony with the adopted policies and direction of the Board. The General Manager shall serve at the will and direction of the Board.

## **ARTICLE XIII**

### **Bonds and Finances**

The Board Chairperson shall be the presiding officer of the Board. Except as provided herein, he/she shall not have any executive or administrative functions. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson. The Secretary shall be the recording officer of the Board. The Treasurer shall be custodian of the funds of SOCRRA. The Finance Director shall be the chief accounting officer of SOCRRA. All monies shall be deposited in a bank or banks, to be designated by the Board, and all checks or other forms of withdrawal therefrom shall be signed by the Treasurer, Chairperson or Secretary of the Board and countersigned by the Finance Director or General Manager. The Treasurer, and such other officers and employees as the Board shall determine, shall give to SOCRRA a bond in an amount as determined by the Board, or as required by statute, conditioned upon the faithful performance of the duties of their respective offices. The cost of said

bonds shall be paid by SOCRRA. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board.

#### **ARTICLE XIV**

##### **Property**

SOCRRA shall possess all the powers necessary to carry out the lawful purposes of SOCRRA and all purposes incidental thereto. To carry out its powers and purposes, SOCRRA may acquire real property by purchase, lease, gift, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation, SOCRRA may proceed under the provisions of Act 149 of the Public Acts of 1911, as now or hereafter amended, or any other appropriate statute or law in Michigan governing condemnation proceedings.

#### **ARTICLE XV**

##### **Constituent Member Contracts**

SOCRRA, and its Constituent Members, shall enter into a Contract or Contracts, for services performed by SOCRRA, and for payment to SOCRRA, by the Constituent Members. Such Contract shall be for a period not exceeding thirty (30) years. The charges specified in such a Contract, for services rendered, shall be subject to increase by the SOCRRA Board, if necessary, in order to provide funds to meet SOCRRA's obligations. SOCRRA may also enter into such a Contract with any Non-Constituent Member City, Village or Township, or with any person, firm or corporation, for a reasonable period of time to be determined by the Board, but not to exceed thirty (30) years. The charges under any such Contract shall be subject to change by the SOCRRA Board from time to time to meet SOCRRA's obligations.

The amount paid by the Constituent Members to SOCRRA for services rendered shall be established by resolution of the Board. The rate shall be uniform for all

Constituent Members. Said rates shall be maintained to produce revenue sufficient to pay all operating and other expenses of SOCRRA, and to meet the conditions of any ordinance authorizing the issuance of revenue bonds, issued in accordance with provisions of Act 94 of the Public Acts of 1933, as new or hereafter amended or issued in accordance with any other act. The rates shall be reasonably related to the operational expenses and the anticipated capital expenditures.

## **ARTICLE XVI**

### **Third-Party Contracts**

SOCRRA shall have the power to contract with any person, firm or corporation for the performance of the work or any part of the work, of collecting, managing and/or disposing of contract waste, garbage and/or rubbish or otherwise carrying out the lawful purposes of SOCRRA.

## **ARTICLE XVII**

### **Bonds**

For the purpose of acquiring, improving, enlarging or extending facilities for the collection and/or disposal of garbage and/or rubbish, SOCRRA may issue self-liquidating revenue bonds, in accordance with the provisions of Act 94 of the Public Acts of 1933, as now or hereafter amended; provided, that no such bonds shall be a general obligation of SOCRRA, but shall be payable from revenues only.

## **ARTICLE XVIII**

### **Employment Contracts**

The Board shall have the power to secure all necessary services to carry out the lawful purposes of SOCRRA, and to fix the compensation of all of the employees of SOCRRA, and to provide group life insurance, other group insurance, pensions and other benefits for the employees as determined from time to time by the Board. No

officer or employee of any Constituent Member shall receive any compensation from SOCRRA except as allowed for expenditures under Article VIII above.

## **ARTICLE XIX**

### **Annual Audit**

The Board shall cause an annual audit to be made of its financial transactions by a certified public accountant, and shall furnish in a timely manner a copy thereof to each Constituent Member.

## **ARTICLE XX**

### **Expulsion**

If any Constituent Member shall refuse or neglect to enter into a Contract for SOCRRA to handle its solid waste through the facilities of SOCRRA, then the Board, by the vote of members thereof possessing at least two-thirds (2/3) of the total voting power of the entire Board, may expel such municipality as a constituent part of SOCRRA. The Board may not modify or cancel any contract upon which its revenues are based, if the same would impair the obligation of any bond contract.

## **ARTICLE XXI**

### **Insufficient Income**

If for any reason, the total income of SOCRRA during any fiscal year shall not be sufficient to satisfy its obligations accruing during such year, including payments to be made to the Bond and Interest Redemption Fund if revenue bonds are outstanding, then the amount of any deficiency shall be prorated among the Constituent Members, in accordance with the tonnage of garbage and rubbish delivered to SOCRRA during such fiscal year, which amount shall be considered as an additional charge for disposal services.

## **ARTICLE XXII**

### **Limitation on Contracts**

SOCRRA shall not enter into or extend any contract, obligation, bond, or note that has, or as extended would have, a termination date after the termination date of the authority's most recently approved contract under MCL 123.305 unless the contract, obligation, bond, or note or extension thereof, is approved by all Constituent Members.

## **ARTICLE XXIII**

### **Sale of Property**

Within 90 days after SOCRRA decides to sell or transfer real property located within the territory of a Constituent Member or former Constituent Member, the Constituent Member or former Constituent Member may exercise the right of first refusal to purchase the real property at a price not less than the greater of the real property's current market value or the highest price offered for the real property in an arm's length, bona fide offer by a third party. The current market value of such real property shall be determined by an appraiser acceptable to SOCRRA and the interested existing or former Constituent Member. Any dispute regarding a determination of current market value shall be resolved by independent arbitration.

## **ARTICLE XXIV**

### **Withdrawal of Constituent Members**

For this Article XXIV, the definitions at MCL 123.311(12) shall apply where applicable.

Unless its withdrawal would cause an impairment of any contract, a Constituent Member may withdraw from SOCRRA if all of the following requirements are met:

- (a) The legislative body of the Constituent Member adopts a resolution stating that SOCRRA is no longer effectively serving the Constituent

Member's needs and declaring its decision to withdraw from SOCRRA on a date specified in the resolution.

- (b) The withdrawal date specified in the resolution under subdivision (a) is not either of the following:
  - (i) Less than 60 days after the date the resolution is adopted.
  - (ii) Within 1 year before the termination date of SOCRRA's most recently approved contract under MCL 123.305 unless the filings required by subdivision (c) (immediately below) are made more than 1 year before the specified withdrawal date.
- (c) The clerk of the Constituent Member promptly files a certified copy of the resolution adopted under subdivision (a) with SOCRRA and the Secretary of State.

By the withdrawal date, the withdrawing Constituent Member, at its option, either shall pay to SOCRRA the amount of the withdrawing Constituent Member's fair share of the negative equity of SOCRRA, if any, determined as of the withdrawal date, or shall provide SOCRRA with a bond or other independent, insured guarantee that any such amount will be paid not later than 30 days after the expiration date of the authority's most recently approved contract under MCL 123.305. This provision does not relieve the withdrawing Constituent Member from either of the following:

- (a) The Constituent Member's fair share of any obligation to reimburse SOCRRA following the Constituent Member's withdrawal for any environmental liabilities subsequently incurred by SOCRRA, to the extent that the environmental liabilities result from SOCRRA's disposal of the

withdrawn former Constituent Member's municipal solid waste, recyclable materials, or yard waste.

- (b) The Constituent Member's payment of any money damages, owed on account of its or SOCRRA's default under a contract under MCL 123.306 if the default and damages result directly and solely from the Constituent Member's withdrawal and are necessary to prevent an impairment of the contract. If 2 or more Constituent Members withdraw, they are jointly liable for damages under this provision.
- (c) The Constituent Member's fair share of any obligation to reimburse SOCRRA following the Constituent Member's withdrawal for liability incurred by SOCRRA as a result of litigation or arbitration proceedings that were initiated before the date of withdrawal, or litigation or arbitration involving a cause of action arising before the date of withdrawal, if the total amount of the Constituent Member's fair share of the obligation cannot be exactly determined by the date of withdrawal.

At the option of SOCRRA, by the withdrawal date, SOCRRA shall pay to the withdrawing Constituent Member's fair share of the equity of SOCRRA, determined as of the withdrawal date, or shall provide the withdrawing Constituent Member with a bond or other independent, insured guarantee that such amount will be paid no later than 30 days after the expiration date of SOCRRA's most recently approved contract under MCL 123.305. If SOCRRA elects to provide such a bond or other guarantee, the withdrawn former Constituent Member may direct the bonding company or guarantor at any time thereafter to pay from the bond or other guarantee any obligation or liability owed to SOCRRA by the withdrawn former Constituent Member, including, but not limited to, an obligation described in MCL 123.311(4) (a) or (b).

**ARTICLE XXV**

**Publication of Articles**

These Articles shall be published once in a newspaper circulating within the SOCRRA Constituent Member communities. One printed copy of such Articles of Incorporation, certified as a true copy thereof, with the date and place of publication, shall be filed with the Secretary of State and the Clerk of the County of Oakland, within thirty (30) days after execution has been completed.

**ARTICLE XXVI**

**Amendment of Articles**

All Amendments to these Articles require a positive vote of the legislative body of each Constituent Member and a unanimous vote of the Board.

**ARTICLE XXVII**

**New Members**

A municipality may become a Constituent Member of SOCRRA by a positive vote of that municipality's legislative body and by an Amendment of these Articles consistent with the procedure set forth in Article XXVI above.

# **EXHIBIT 4**

**SUMMARY OF CHANGES TO ARTICLES OF INCORPORATION**

SECTION OF NEW ARTICLES	SECTION OF OLD ARTICLES	SUMMARY OF CHANGES	REASON FOR CHANGE
Title and Article I	Title and Article I	Name changed to Southeastern Oakland County Resource Recovery Authority ("SOCRRRA")	Correct the name of the organization
Each Article		Added heading to identify topic of Article	Clarity
Article II	Article II	Removed Madison Heights and Royal Oak Twp. as members	Correct the members of the organization
Article III	Article III	Purpose broadened to include all lawful purposes allowed under enabling law	Allows SOCRRRA to perform other possible functions within the scope of the enabling law
Article IV	Article IV	Expands powers of SOCRRRA to include any powers granted under the Enabling Law, any other State Statutes and the Articles	Allows SOCRRRA to perform other possible functions, within the scope of the enabling law and State statutes
Article V		Added to describe definitions	Clarity
Article VI	Article V	Completely revised to include dissolution provisions required under change in State law	Required under change in State Law (Public Act 598 of 2002, also known as Senate Bill 3)
Article VII	Article VI	Cleaned up language for clarity only	Clarity
Article VIII	Article VII	Removed second Wednesday at 2:00 requirement for Annual Meeting, removed Assistant Secretary position, deleted obsolete language about start up of Authority	Remove obsolete provisions
Article IX	Article VIII	No change	
Article X	Article IX	No change	
Article XI	Article X	Adopts Robert's Rules of Order and compliance with Michigan Open Meetings Act	Formally adopt the use of Robert's Rules, currently used informally, at all Board meetings. Clarifies that Board meetings will be in compliance with Open Meetings Act
Article XII	Article XI	No change	
Article XIII	Article XII	Deleted Assistant Secretary position	Remove obsolete provision
Article XIV	Article XIII	No change	
Article XV	Article XIV	Broadened rate language to cover all services provided by SOCRRRA, delete "Ready-to-Serve Charge"	Provide flexibility to SOCRRRA Board to set rates

Article XVI	Article XV	No change	
Article XVII	Article XVI	No change	
Article XVIII	Article XVII	Deleted requirement for staff benefits to be comparable to those of the member communities	Provide flexibility for Board to provide benefits for SOCRRA employees
Article XIX	Article XVIII	No change	
Article XX	Article XIX	No change	
Article XXI	Article XX	No change	
Article XXII		Added to include contract limitation provisions required under change in State law	Required under change in State Law (Public Act 598 of 2002, also known as Senate Bill 3)
Article XXIII		Added to include sale of property provisions required under change in State law	Required under change in State Law (Public Act 598 of 2002, also known as Senate Bill 3)
Article XXIV		Added to include withdrawal provisions required under change in State law	Required under change in State Law (Public Act 598 of 2002, also known as Senate Bill 3)
Article XXV	Article XXI	Deleted requirement to publish Articles in Daily Tribune, eliminates requirements for specific people to publish Articles	Remove obsolete provision, provide flexibility for publication of Articles
Article XXVI		Added to describe revisions to Articles	Clarity
Article XXVII		Added to describe how new members will be added	Clarity

Pastor Paul Monson from St. Augustine Lutheran 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, November 12, 2012, at City Hall, 500 W. Big Beaver Road. Acting Mayor McGinnis called the meeting to order at 7:32 PM.

### **B. ROLL CALL:**

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

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

**C-1** America Recycles Day 2012

**C-2** Proclamation for the 50<sup>th</sup> Anniversary of St. Augustine Lutheran Church

### **D. CARRYOVER ITEMS:**

**D-1** No Carryover Items

### **E. PUBLIC HEARINGS:**

**E-1** No Public Hearings

### **F. PUBLIC COMMENT FOR ITEMS ON THE AGENDA:**

Werpetinski, James	Spoke on Item O-05 Five Year Parks and Recreation Plan Update and recommends incorporating a dog park.
Behrendt, Adam	Spoke about I-04 Request for Closed Session representing Lamar Advertising.

### **G. CITY COUNCIL/CITY ADMINISTRATION RESPONSE/REPLY TO PUBLIC COMMENT:**

### **H. POSTPONED ITEMS:**

**H-1** No Postponed Items

**I. REGULAR BUSINESS:**

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**I-1 Installation Ceremony****a) Appointment of Mayor Pro Tem/Acting Mayor**

Resolution #2012-11-198

Moved by Campbell

Seconded by Tietz

RESOLVED, That Troy City Council hereby **APPOINTS** Dane Slater to serve as Mayor Pro Tem/Acting Mayor for the City Council of the City of Troy for a term scheduled to expire at 7:30 PM on Monday, November 11, 2013.

Yes: All-6

No: None

**MOTION CARRIED**

The Meeting **RECESSED** at 7:58 PM

The Meeting **RECONVENED** at 8:10 PM.

**b) Appointment of Acting Mayor**

Resolution #2012-11-199

Moved by Fleming

Seconded by McGinnis

RESOLVED, That Troy City Council **POSTPONES** *Item I-1b Appointment of Acting Mayor.*

Yes: All-6

No: None

**MOTION CARRIED****c) Adoption of Rules of Procedure**

Resolution #2012-11-200

Moved by McGinnis

Seconded by Campbell

RESOLVED, That City Council **POSTPONES** *Item I-1c Adoption of Rules of Procedure* until after the appointment of a new City Council Member.

Yes: All-6

No: None

**MOTION CARRIED**

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**I-2 Board and Committee Appointments: a) Mayoral Appointments – Downtown Development Authority; b) City Council Appointments – None**

**a) Mayoral Appointments – Downtown Development Authority**

Resolution #2012-11-201  
Moved by Slater  
Seconded by McGinnis

RESOLVED, That Troy City Council hereby **POSTPONES** *Item I-2a Mayoral Appointments – Downtown Development Authority* to the next Regular City Council Meeting.

Yes: All-6  
No: None

**MOTION CARRIED**

**b) City Council Appointments - None**

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**I-3 Board and Committee Nominations: a) Mayoral Nominations – None; b) City Council Nominations – None**

**a) Mayoral Nominations – None**

**b) City Council Nominations - None**

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**I-4 Request for Closed Session**

Resolution #2012-11-202  
Moved by Fleming  
Seconded by McGinnis

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

Yes: All-6  
No: None

**MOTION CARRIED**

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**I-5 Approval of Amendment to MDOT Capital Contract for the Troy Multi-Modal Transit Facility, MDOT Contract No. 2011-0231/A1**

Resolution #2012-11-203  
Moved by McGinnis  
Seconded by Campbell

WHEREAS, On September 12, 2011 City Council approved Capital Contract No. 2011-0231 with MDOT (Resolution No. 2011-09-210) for \$8,485,212 in federal funds for the final design and construction of the Troy Multi-Modal Transit Facility; and

WHEREAS, On January 17, 2012, City Council resolved that the total cost of the Troy Multi-Modal Transit Center shall not exceed \$6,272,500 (Resolution No. 2012-01-008).

THEREFORE BE IT RESOLVED, That Troy City Council hereby **APPROVES** Amendment A1 to MDOT Capital Contract No. 2011-0231 between the City of Troy and the Michigan Department of Transportation that reduces the funding amount from the original \$8,485,212 to the not to exceed amount of \$6,272,500 previously approved by City Council, and **AUTHORIZES** the Mayor and City Clerk to execute the documents, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Yes: All-6

No: None

#### **MOTION CARRIED**

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#### **I-6 Contract Amendment for Testing Services for the Troy Multi-Modal Transit Facility**

Resolution #2012-11-204

Moved by Tietz

Seconded by Fleming

WHEREAS, On January 17, 2012, City Council approved a contract with Hubbell, Roth and Clark, Inc. (HRC) for Architectural and Engineering Services (A/E) for the Multi-Modal Transit Facility (Resolution No. 2012-01-008); and

WHEREAS, The A/E contract as awarded included a place holder amount for construction testing services that would need to be adjusted based on the final design of the Transit Center and scope of testing work needed for its construction; and

WHEREAS, HRC has submitted a testing proposal based on the Transit Center's final design that keeps the project within the \$6,272,500 project cost limit previously set by City Council.

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **APPROVES** Amendment No. 1 to the Architectural and Engineering Contract between the City of Troy and Hubbell, Roth and Clark, Inc. for Testing Services in support of the Troy Multi-Modal Transit Facility in the amount of \$64,841.28.

Yes: All-6

No: None

#### **MOTION CARRIED**

**I-7 2013 City Council Meeting Dates**

Resolution #2012-11-205  
 Moved by Campbell  
 Seconded by McGinnis

RESOLVED, That Troy City Council **SHALL HOLD** Regular Meetings in 2013 according to the following schedule at 7:30 PM:

Monday, January	14 & 28
Monday, February	4 & 18
Monday, March	4 & 18
Monday, April	8 & 15
Monday, May	13 & 20
Monday, June	3 & 17
Monday, July	8 & 22
Monday, August	12 & 26
Monday, September	9 & 23
Monday, October	7 & 21
Monday, November	11 & 25
Monday, December	2 & 16

BE IT FURTHER RESOLVED, That Troy City Council **SHALL HOLD** Special Study Sessions for the purpose of budget discussions in 2013 according to the following schedule at 7:30 PM:

Monday, April	22
Monday, April	29

BE IT FURTHER RESOLVED, That Troy City Council **SHALL HOLD** Regular Liquor Violation Hearing Meetings in 2013 according to the following schedule at 7:30 PM:

Wednesday, February	6
Wednesday, February	20

BE IT FINALLY RESOLVED, That Troy City Council **MAY SCHEDULE** other Special Meetings as needed.

Yes: All-6  
 No: None

**MOTION CARRIED****J. CONSENT AGENDA:****J-1a Approval of "J" Items NOT Removed for Discussion**

Resolution #2012-11-206  
 Moved by Fleming  
 Seconded by McGinnis

RESOLVED, That Troy City Council hereby **APPROVES** all items on the Consent Agenda as presented.

Yes: All-6  
No: None

## **MOTION CARRIED**

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

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### **J-2 Approval of City Council Minutes**

Resolution #2012-11-206-J-2

RESOLVED, That Troy City Council hereby **APPROVES** the following Minutes as submitted:

- a) Regular City Council Meeting – October 22, 2012

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### **J-3 Proposed City of Troy Proclamations:**

- a) America Recycles Day 2012
- b) Proclamation for the 50<sup>th</sup> Anniversary of St. Augustine Lutheran Church

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### **J-4 Standard Purchasing Resolutions:**

- a) **Standard Purchasing Resolution 1: Award To Low Bidders – Water System Materials**

Resolution #2012-11-206-J-4a

RESOLVED, That Troy City Council hereby **AWARDS** contracts to provide one-year requirements of Water System Materials to the following low bidders: Gunners Meters & Parts of Pontiac, MI, SLC Meter Service, Inc. of Davisburg, MI, and EJ USA Inc. of East Jordan, MI, at unit prices contained in the bid tabulation opened October 15, 2012, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

BE IT FURTHER RESOLVED, That Gunners Meters & Parts are hereby **AWARDED** Item.6 – Mueller Improved Fire Hydrant Parts at prices as contained on the Hydraflo Replacement Parts List dated July, 2011.

- b) **Standard Purchasing Resolution 1: Award To Low Bidders - Contract 12-7 – Lovington Storm Sewer**

Resolution #2012-11-206-J-4b

RESOLVED, That contract No. 12-7, Lovington Storm Sewer, be **AWARDED** to DiPonio Contracting, Inc., 51173 Simone Industrial Drive, Shelby Township, MI 48316, for their low total bid amount of \$942,449.00.

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.

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**J-5 Traffic Committee Recommendations and Minutes – October 17, 2012**

Resolution #2012-11-206-J-5

**Item #3 – Request for Traffic Control – Vineyards at Vineyards Court**

RESOLVED, That the intersection control at Vineyards and Vineyards Court be **MODIFIED** from “no traffic control” to a STOP sign on the Vineyards Court northbound approach to the intersection.

**Item #4 – Request to Revise School Speed Zone Hours – Hamilton Elementary**

RESOLVED, That the supplementary plaques indicating School Speed Limit of 25 mph on Northfield Parkway, near Hamilton Elementary, be **REVISED** to the hours of 8:30 a.m. to 9:30 a.m. and 3:30 p.m. to 4:30 p.m.

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**J-6 Robert Davis v. City of Troy, Troy City Council et. al**

Resolution #2012-11-206-J-6

RESOLVED, That the City Attorney is hereby **AUTHORIZED** and **DIRECTED** to represent the Troy City Council in any and all claims and damages in the matter of *Robert Davis v. City of Troy, Troy City Council et. al. (Wayne County Circuit Court, Case No. 12-013884 AW)* and to retain any necessary expert witnesses or pay any necessary costs to adequately represent the City.

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**J-7 National Public Finance Guarantee Corp. v. City of Troy**

Resolution #2012-11-206-J-7

RESOLVED, That the City Attorney is hereby **AUTHORIZED** and **DIRECTED** to represent the Troy City Council in any and all claims and damages in the matter of *National Public Finance Guarantee Corporation v. City of Troy, Troy City Council et. al. (Oakland County Circuit Court, Case No. 2012-129991-CZ)* and to retain any necessary expert witnesses or pay any necessary costs to adequately represent the City.

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

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**K-1 Announcement of Public Hearings: None Submitted**

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

**L. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

Klein, Barbara	Spoke in support of the current City Council.
Dabish, Andrew	Spoke in reference to his resume submitted for Mayor.
Neate, Ed	Spoke about the recent election.
Schmidt, William	Requests that national politics and ideologies be kept at the national level, not at the local level.
Landmesser, Avis	Spoke about the recent election.
Fucinari, Cathy	Spoke in support of the current City Council moving forward making decisions in the best interest of the City.
Wilsher, Cynthia	Inquired about the application process for the City Council appointment.
Hodorek, Lynne	Spoke in support of City Council and requested nomination of Maureen McGinnis as appointed Mayor.
Yagley, Barbara	Spoke regarding the former Mayor.
Peters, Richard	Spoke about recent election and of gun violence.
Hendrickson, Rhonda	Spoke about change and moving forward in Troy.
Murrish, Dale	Nominated Wade Fleming for Mayor and Ed Kempen as Council appointment and spoke regarding the former Mayor.
Kulesz, John	Spoke of optimism and requests that City Council follow the Golden Rule.
Bernardi, Maryanne	Spoke regarding the former Mayor.
Kajma, Linda	Spoke in support of the current City Council.
Stine, Jeanne	Spoke in support of the current City Council.
Werpetinski, James	Spoke about finding common ground and respecting each other despite having differing opinions.

**M. COUNCIL REFERRALS:**

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

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**M-1 No Council Referrals**

**N. COUNCIL COMMENTS:**


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**N-1 Council Comments**

Council Member Henderson addressed resident comments regarding the grass growth on the street medians. Administration indicated that the mowing is scheduled for Thursday and that the delay in mowing was due to weather conditions.

**O. REPORTS:**

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**O-1 Minutes – Boards and Committees:**

- a) Brownfield Redevelopment Authority-Final-April 17, 2012
  - b) Joint Local Development Finance Authority Troy Subcommittee-Final-April 23, 2012
  - c) Zoning Board of Appeals-Final-September 18, 2012
  - d) Traffic Committee-Final-September 19, 2012
  - e) Building Code Board of Appeals-Draft-October 3, 2012
  - f) Planning Commission-Draft-October 9, 2012
  - g) Planning Commission-Final-October 9, 2012
  - h) Brownfield Redevelopment Authority-Draft-October 16, 2012
  - i) Joint Local Development Finance Authority Troy Subcommittee-Draft-October 22, 2012  
Noted and Filed
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**O-2 Department Reports:**

- a) 2012 Year-To-Date Calls for Police Service Report
  - b) ICMA Implementation Plan and Progress Report / Police Department
  - c) September 30, 2012 – Quarterly Financial Report  
Noted and Filed
- 

**O-3 Letters of Appreciation:**

- a) Letter of Appreciation to Michael Culpepper from A. Frank Gerstenecker Commending Street Repairs
  - b) Letter of Appreciation to Mayor and City Council from Kathy DiMambro Thanking Cathy Russ for Support to Diversity Council at Beaumont Hospital Troy  
Noted and Filed
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**O-4 Proposed Proclamations/Resolutions from Other Organizations: None Submitted**

Noted and Filed

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**O-5 Five Year Parks and Recreation Plan Update**

Noted and Filed

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**O-6 Travel Expense Report – MML 2012 Convention – Mayor Pro Tem McGinnis**

Noted and Filed

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**O-7 Water Damaged Buildings**

Noted and Filed

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**O-8 Notice of Hearing for the Electric Customers of Detroit Edison Company Case No. U-17097**

Noted and Filed

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**O-9 Notice of Hearing for The Natural Gas Customers of Consumers Energy Company Case No. U-16855**

Noted and Filed

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The Meeting **RECESSED** at 9:20 PM.

The Meeting **RECONVENED** at 9:32 PM.

**P. STUDY ITEMS:**

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**P-1 Succession Process**

**Q. CLOSED SESSION:**

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**Q-1 Closed Session**

**R. ADJOURNMENT:**

The Meeting **ADJOURNED** at 11:10 PM.

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Acting Mayor Dane Slater

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M. Aileen Bittner, CMC  
City Clerk



## CITY COUNCIL ACTION REPORT

November 19, 2012

To: Brian M. Kischnick, City Manager

From: Susan A. Leirstein, Purchasing Director  
Timothy L. Richnak, Public Works Director  
Kurt Bovensiep, Superintendent Parks, Streets, and Drains

Subject: Standard Purchasing Resolution 1: Award To Low Bidder– Outdoor Light Maintenance and Repair

### **Background**

On November 14, 2012, bids were opened to provide two (2) year requirements of street, parking lot, and athletic field light maintenance, LED installation and replacement with an option to renew for one additional year. One-hundred seven (107) vendors were notified via the MITN website with four (4) bidders responding. Harlan Electric Company, of Rochester Hills, MI was the low total bidder.

All bidders were given the opportunity to respond with their level of interest in furnishing all labor, materials, tools, equipment, transportation services and traffic controls for outdoor light maintenance and repairs.

ITB-COT12- 22 to complete the Outdoor Light Maintenance Program was competitively bid as required by City Charter and Code. The award is contingent upon the recommended bidder's submission of proper contracts and bid documents, including bonds, insurance certificates and all other specified requirements.

### **Recommendation**

City management recommends awarding a contract to provide two (2) year requirements of street, parking lot, and athletic field light maintenance, LED installation and replacement with an option to renew for one additional year to the low total bidder, Harlan Electric Company, of Rochester Hills, MI for an estimated total cost of \$118,036.40, at unit prices contained in the bid tabulation with all work not to exceed budgetary limitations.

### **Fund Availability**

Funds are available in the various operating and capital accounts of the Public Works department.

Prepared by: Marina Basta-Farouk, Project Manager

Opening Date --11/14/12  
Date Reviewed -- 11/18/12

CITY OF TROY  
BID TABULATION  
STREET LIGHTING

ITB-COT 12-22  
Pg 1 of 8

VENDOR NAME:	Harlan Electric Company	Northern Sign Co. Inc.
CHECK # --	564787	9028106081
CHECK AMOUNT --	\$2,500	\$2,500

**PROPOSAL A: MAINTENANCE**

ITEM	DESCRIPTION	EST QTY/YEAR	UNIT PRICE Labor Only	Total	UNIT PRICE Labor Only	Total
1	Replace Lamp	500	\$ 14.40	\$ 7,200.00	\$ 58.00	\$ 29,000.00
2	Replace Ballast	80	\$ 21.55	\$ 1,724.00	\$ 88.00	\$ 7,040.00
3	Replace Starter	60	\$ 21.55	\$ 1,293.00	\$ 58.00	\$ 3,480.00
4	Replace Fuse	100	\$ 43.10	\$ 4,310.00	\$ 48.00	\$ 4,800.00
5	Replace Lens	20	\$ 14.40	\$ 288.00	\$ 58.00	\$ 1,160.00
6	Replace Photo Cell	50	\$ 14.40	\$ 720.00	\$ 58.00	\$ 2,900.00
7	Replace Breakers	20	\$ 43.10	\$ 862.00	\$ 70.00	\$ 1,400.00
8	Tighten and Lubricate	200	\$ 21.55	\$ 4,310.00	\$ 60.00	\$ 12,000.00
9	Remove & Replace Fixture	5	\$ 86.25	\$ 431.25	\$ 100.00	\$ 500.00
<b>Estimated Total Proposal A - Labor</b>			<b>\$</b>	<b>21,138.25</b>	<b>\$</b>	<b>62,280.00</b>

ITEM	DESCRIPTION	EST QTY/YEAR	UNIT PRICE Material Only	Total	UNIT PRICE Material Only	Total
10-A	400 WATT Lamp 1	350	\$ 11.92	\$ 4,172.00	\$ 11.50	\$ 4,025.00
10-B	250 WATT Lamp 1	150	\$ 11.92	\$ 1,788.00	\$ 11.50	\$ 1,725.00
11-A	400 WATT Ballast	60	\$ 89.17	\$ 5,350.20	\$ 78.50	\$ 4,710.00
11-B	250 WATT Ballast	20	\$ 89.17	\$ 1,783.40	\$ 68.50	\$ 1,370.00
12	Starter	60	\$ 96.82	\$ 5,809.20	\$ 19.50	\$ 1,170.00
13-A	5, 10, 15 AMP Fuse	100	\$ 6.90	\$ 690.00	\$ 10.00	\$ 1,000.00
13-B	30 amp Fuse	10	\$ 6.90	\$ 69.00	\$ 10.00	\$ 100.00
13-C	100 amp Fuse	10	\$ 27.85	\$ 278.50	\$ 14.50	\$ 145.00
14	Photo Cell	50	\$ 5.60	\$ 280.00	\$ 14.50	\$ 725.00
15	1 1/2" Rigid Plastic Conduit	120	\$ 0.52	\$ 62.40	\$ 0.70	\$ 84.00
16	No. 8 AWG Cable Red	160	\$ 0.42	\$ 67.20	\$ 0.40	\$ 64.00
17	No. 8 AWG Cable Black	160	\$ 0.42	\$ 67.20	\$ 0.40	\$ 64.00
18	No. 10 AWG Cable Bare	40	\$ 0.18	\$ 7.20	\$ 0.28	\$ 11.20
19	40' Wood Light Pole	1	\$ 295.00	\$ 295.00	\$ 440.00	\$ 440.00
20	40' Self-weathering Steel Pole	1	\$ 3,477.00	\$ 3,477.00	\$ 3,900.00	\$ 3,900.00
21	8' Mastarm	1	\$ 873.85	\$ 873.85	\$ 780.00	\$ 780.00
22	15' Mastarm	1	\$ 1,229.00	\$ 1,229.00	\$ 1,270.00	\$ 1,270.00
23	250 Watt HPS Fixture	1	\$ 256.00	\$ 256.00	\$ 200.00	\$ 200.00
24	400 Watt HPS Fixture	1	\$ 256.00	\$ 256.00	\$ 200.00	\$ 200.00
<b>Estimated Total Proposal A - Materials</b>			<b>\$</b>	<b>26,811.15</b>	<b>\$</b>	<b>21,983.20</b>
25	Hourly labor rate per Crew	40	\$ 140.00	\$ 5,600.00	\$ 140.00	\$ 5,600.00
<b>Estimated Grand Total Proposal A-Labor &amp; Materials</b>			<b>\$</b>	<b>53,549.40</b>	<b>\$</b>	<b>89,863.20</b>

Opening Date --11/14/12  
Date Reviewed -- 11/18/12

CITY OF TROY  
BID TABULATION  
STREET LIGHTING

ITB-COT 12-22  
Pg 2 of 8

VENDOR NAME:

Harlan Electric Co

Northern Sign Co. Inc.

**PROPOSAL A: MAINTENANCE CONTINUED**

25 Hourly labor rate per Crew		PRICE/HOUR/CREW	PRICE/HOUR/CREW
40 Hrs	Regular Time	\$ 140.00	\$ 140.00
	Overtime Time	\$ 194.00	\$ 190.00
	Holiday Time	\$ 247.00	\$ 240.00
26 Journeyman Electrician		PRICE/HOUR/ELECTRICIAN	PRICE/HOUR/ELECTRICIAN
	Regular Time	\$ 70.00	\$ 70.00
	Overtime Time	\$ 100.00	\$ 95.00
	Holiday Time	\$ 130.00	\$ 130.00
27 Hourly rate for Backhoe		PRICE/HOUR INCL OPERATOR	PRICE/HOUR INCL OPERATOR
	Regular Time	\$ 130.00	\$ 110.00
	Overtime Time	\$ 160.00	\$ 145.00
	Holiday Time	\$ 195.00	\$ 175.00
28 Hourly rate for Service Truck with Crane		PRICE/HOUR INCL OPERATOR	PRICE/HOUR INCL OPERATOR
	Regular Time	\$ 140.00	\$ 110.00
	Overtime Time	\$ 170.00	\$ 145.00
	Holiday Time	\$ 205.00	\$ 175.00
29	<b>Non-Contract Replacement Parts:</b> Discount + or -	+5%	+15%
	Parts List:	N/a	
	Dated:	N/a	
<b>OR</b>	Invoices will be supplied	Y	
	Parts quoted are manufactured by:	N/a	

**PROPOSAL B: INSTALLATION AND REPLACEMENT**

ITEM	DESCRIPTION	EST QTY/YEAR	Lump Sum Total Price for One (1)		Lump Sum Total Price for One (1)
1	Remove existing self-weathering steel Light Pole	1 ea	\$	337.00	No Bid
2	Remove Existing wood Light Pole	1 ea	\$	337.00	No Bid
3	Remove Concrete Foundations	1 ea	\$	715.00	No Bid
4	Installation of Concrete Foundations	1 ea	\$	1,335.00	No Bid
5	Install 40' Light Ornamental Pole with mast arms-with one luminaire	1 ea	\$	735.00	No Bid
6	Install 40' Light Ornamental Pole with mast arms-with two luminaires	1 ea	\$	950.00	No Bid
7	Install 40' Light Wood Pole with mast arms-with one luminaire	1 ea	\$	900.00	No Bid
8	Install 40' Light Wood Pole with mast arms-with two luminaires	1 ea	\$	1,065.00	No Bid
9	New installation of 40' Street Light Pole with concrete foundation	1 ea	\$	2,095.00	No Bid
10	Cut & Weld Street Light Base H Base for EH-409	1 ea	\$	330.00	No Bid
11	Hourly labor rate per Crew	40	\$140.00	\$ 5,600.00	N/a
<b>Estimated Total Proposal B</b>			\$	<b>14,399.00</b>	<b>No Bid</b>

Opening Date --11/14/12  
 Date Reviewed -- 11/18/12 VENDOR NAME:

CITY OF TROY  
 STREET LIGHTING

ITB-COT 12-22  
 Pg 3 of 8

Harlan Electric Co	Northern Sign Co. Inc.

**PROPOSAL B: INSTALLATION AND REPLACEMENT CONTINUED**

<b>11</b>	<b>Hourly labor rate per Crew</b>		<b>PRICE/HOUR/CREW</b>	<b>PRICE/HOUR/CREW</b>
	40 Hrs	Regular Time	\$ 140.00	\$ 140.00
		Overtime Time	\$ 194.00	\$ 190.00
		Holiday Time	\$ 247.00	\$ 240.00
<b>12</b>	<b>Journeyman Electrician</b>		<b>PRICE/HOUR/ELECTRICIAN</b>	<b>PRICE/HOUR/ELECTRICIAN</b>
		Regular Time	\$ 70.00	\$ 70.00
		Overtime Time	\$ 100.00	\$ 95.00
		Holiday Time	\$ 130.00	\$ 130.00
<b>13</b>	<b>Hourly rate for Backhoe</b>		<b>PRICE/HOUR INCL OPERATOR</b>	<b>PRICE/HOUR INCL OPERATOR</b>
		Regular Time	\$ 130.00	\$ 110.00
		Overtime Time	\$ 160.00	\$ 145.00
		Holiday Time	\$ 195.00	\$ 175.00
<b>14</b>	<b>Hourly rate for Service Truck with Crane</b>		<b>PRICE/HOUR INCL OPERATOR</b>	<b>PRICE/HOUR INCL OPERATOR</b>
		Regular Time	\$ 140.00	\$ 110.00
		Overtime Time	\$ 170.00	\$ 145.00
		Holiday Time	\$ 205.00	\$ 175.00
<b>15</b>	<b>Non-Contract Replacement Parts:</b> Discount + or -		+5%	+15%
	Parts List:		N/a	
	Dated:		N/a	
<b>OR</b>	Invoices will be supplied	Y or N	Y	
	Parts quoted are manufactured by:		N/a	

**PROPOSAL C: REPLACEMENT AND INSTALLATION OF LED FIXTURE**

ITEM	DESCRIPTION	EST QTY/YEAR	Unit Price	Total	Unit Price	Total
1	Remove existing fixture and replace with CREE/BETA LED Type III parking lot luminaire with fixture pole bracket or approved equal - labor and material	1	\$ 987.00	\$ 987.00	\$ 1,070.00	\$ 1,070.00
2	Remove existing fixture and replace with CREE/BETA LED Type II parking lot luminaire with fixture pole bracket or approved equal - labor and material	12	\$ 987.00	\$ 11,844.00	\$ 1,070.00	\$ 12,840.00
3	Remove existing fixture and replace with CREE/BETA LED type V parking lot luminaire with fixture pole bracket or approved equal - labor and material	36	\$ 987.00	\$ 35,532.00	\$ 1,070.00	\$ 38,520.00
4	Remove existing fixture and replace with LED road way labor only/per fixture	20	\$ 86.25	\$ 1,725.00	\$ 100.00	\$ 2,000.00
<b>Estimated Total Proposal C</b>			<b>\$</b>	<b>50,088.00</b>	<b>\$</b>	<b>54,430.00</b>
<b>Estimated Grand Total Proposals A - C</b>			<b>\$</b>	<b>118,036.40</b>	<b>\$</b>	<b>-</b>

Opening Date --11/14/12  
 Date Reviewed -- 11/18/12

CITY OF TROY  
 BID TABULATION  
 STREET LIGHTING

<b>VENDOR NAME:</b>		Harlan Electric Co	Northern Sign Co. Inc.
<b>CONTACT INFORMATION:</b>			
Hrs of Operation		7:30 am to 4:00 pm	7:00 am to 5:00 pm
24-Hr Phone #		248-379-5446	248-333-7938
<b>WORK CERTIFIED TO BE COMPLETE WITHIN THE TIME ALLOWABLE</b>		100% of contract	X
	Proposal A	X	X
	Proposal B	X	
	Proposal C	X	X
<b>PROPOSED PAYMENT SCHEDULE:</b>		Net 30 days	30 days
<b>INSURANCE:</b>		Can Meet	X
	Cannot Meet		
<b>RESPONSE TIME:</b>		48 hours	48 hours
<b>WARRANTY:</b>		As Specified	
<b>EXCEPTIONS:</b>		None	Blank
<b>ACKNOWLEDGEMENT:</b>		Y or N	Y

PROPOSAL: FURNISH ALL LABOR, TOOLS, EQUIPMENT, TRANSPORTATION SERVICES AND TRAFFIC CONTROLS TO PROVIDE TWO-YEAR REQUIREMENTS OF STREET, PARKING LOT, AND ATHLETIC FIELD LIGHT MAINTENANCE, LED INSTALLATION AND REPLACEMENT WITH AN OPTION TO RENEW FOR ONE ADDITIONAL YEAR.

**ATTEST:**  
 Marina Basta-Farouk  
 Susan Riesterer  
 Susan Leirstein

HIGHLIGHTED AREA DENOTES LOW TOTAL BIDDER

Susan Leirstein CPPO CPPB  
 Purchasing Director

CITY OF TROY  
 BID TABULATION  
 STREET LIGHTING

ITB-COT 12-22  
 Pg 5 of 8

Opening Date --11/14/12  
 Date Reviewed -- 11/18/12

VENDOR NAME:	Michigan State	Corby Energy Services Inc.
	Electric LLC	
CHECK # --	95619	494216
CHECK AMOUNT --	\$2,500	\$2,500

**PROPOSAL A: MAINTENANCE**

ITEM	DESCRIPTION	EST QTY/YEAR	UNIT PRICE Labor Only	Total	UNIT PRICE Labor Only	Total
1	Replace Lamp	500	\$ 75.00	\$ 37,500.00	\$ 130.00	\$ 65,000.00
2	Replace Ballast	80	\$ 125.00	\$ 10,000.00	\$ 195.00	\$ 15,600.00
3	Replace Starter	60	\$ 125.00	\$ 7,500.00	\$ 195.00	\$ 11,700.00
4	Replace Fuse	100	\$ 100.00	\$ 10,000.00	\$ 130.00	\$ 13,000.00
5	Replace Lens	20	\$ 100.00	\$ 2,000.00	\$ 130.00	\$ 2,600.00
6	Replace Photo Cell	50	\$ 75.00	\$ 3,750.00	\$ 130.00	\$ 6,500.00
7	Replace Breakers	20	\$ 150.00	\$ 3,000.00	\$ 225.00	\$ 4,500.00
8	Tighten and Lubricate	200	\$ 250.00	\$ 50,000.00	\$ 195.00	\$ 39,000.00
9	Remove & Replace Fixture	5	\$ 150.00	\$ 750.00	\$ 260.00	\$ 1,300.00
<b>Estimated Total Proposal A - Labor</b>			<b>\$</b>	<b>124,500.00</b>	<b>\$</b>	<b>159,200.00</b>

ITEM	DESCRIPTION	EST QTY/YEAR	UNIT PRICE Material Only	Total	UNIT PRICE Material Only	Total
10-A	400 WATT Lamp 1	350	\$ 14.71	\$ 5,148.50	\$ 25.00	\$ 8,750.00
10-B	250 WATT Lamp 1	150	\$ 14.71	\$ 2,206.50	\$ 25.00	\$ 3,750.00
11-A	400 WATT Ballast	60	\$ 84.00	\$ 5,040.00	\$ 125.00	\$ 7,500.00
11-B	250 WATT Ballast	20	\$ 92.00	\$ 1,840.00	\$ 118.00	\$ 2,360.00
12	Starter	60	\$ 50.00	\$ 3,000.00	\$ 50.00	\$ 3,000.00
13-A	5, 10, 15 AMP Fuse	100	\$ 10.00	\$ 1,000.00	\$ 7.00	\$ 700.00
13-B	30 amp Fuse	10	\$ 10.00	\$ 100.00	\$ 5.60	\$ 56.00
13-C	100 amp Fuse	10	\$ 30.00	\$ 300.00	\$ 23.00	\$ 230.00
14	Photo Cell	50	\$ 25.00	\$ 1,250.00	\$ 25.00	\$ 1,250.00
15	1 1/2" Rigid Plastic Conduit	120	\$ 0.75	\$ 90.00	\$ 0.85	\$ 102.00
16	No. 8 AWG Cable Red	160	\$ 0.40	\$ 64.00	\$ 0.45	\$ 72.00
17	No. 8 AWG Cable Black	160	\$ 0.40	\$ 64.00	\$ 0.45	\$ 72.00
18	No. 10 AWG Cable Bare	40	\$ 0.30	\$ 12.00	\$ 0.35	\$ 14.00
19	40' Wood Light Pole	1	\$ 400.00	\$ 400.00	\$ 425.00	\$ 425.00
20	40' Self-weathering Steel Pole	1	\$ 4,000.00	\$ 4,000.00	\$ 2,750.00	\$ 2,750.00
21	8' Mastarm	1	\$ 800.00	\$ 800.00	\$ 1,000.00	\$ 1,000.00
22	15' Mastarm	1	\$ 1,300.00	\$ 1,300.00	\$ 1,500.00	\$ 1,500.00
23	250 Watt HPS Fixture	1	\$ 375.00	\$ 375.00	\$ 335.00	\$ 335.00
24	400 Watt HPS Fixture	1	\$ 375.00	\$ 375.00	\$ 335.00	\$ 335.00
<b>Estimated Total Proposal A - Materials</b>			<b>\$</b>	<b>27,365.00</b>	<b>\$</b>	<b>34,201.00</b>
25	Hourly labor rate per Crew	40	\$ 180.00	\$ 7,200.00	\$ 250.00	\$ 10,000.00
<b>Estimated Grand Total Proposal A-Labor &amp; Materials</b>			<b>\$</b>	<b>159,065.00</b>	<b>\$</b>	<b>203,401.00</b>

VENDOR NAME:

Michigan State Electric LLC

Corby Energy Services Inc.

**PROPOSAL A: MAINTENANCE CONTINUED**

<b>25</b>	<b>Hourly labor rate per Crew</b>		<b>PRICE/HOUR/CREW</b>	<b>PRICE/HOUR/CREW</b>
	40 Hrs	Regular Time	\$ 180.00	\$ 250.00
		Overtime Time	\$ 260.00	\$ 375.00
		Holiday Time	\$ 325.00	\$ 500.00
<b>26</b>	<b>Journeyman Electrician</b>		<b>PRICE/HOUR/ELECTRICIAN</b>	<b>PRICE/HOUR/ELECTRICIAN</b>
		Regular Time	\$ 80.00	\$ 75.00
		Overtime Time	\$ 115.00	\$ 98.00
		Holiday Time	\$ 150.00	\$ 130.00
<b>27</b>	<b>Hourly rate for Backhoe</b>		<b>PRICE/HOUR INCL OPERATOR</b>	<b>PRICE/HOUR INCL OPERATOR</b>
		Regular Time	\$ 100.00	\$ 85.00
		Overtime Time	\$ 125.00	\$ 120.00
		Holiday Time	\$ 150.00	\$ 150.00
<b>28</b>	<b>Hourly rate for Service Truck with Crane</b>		<b>PRICE/HOUR INCL OPERATOR</b>	<b>PRICE/HOUR INCL OPERATOR</b>
		Regular Time	\$ 125.00	\$ 110.00
		Overtime Time	\$ 150.00	\$ 125.00
		Holiday Time	\$ 175.00	\$ 160.00
<b>29</b>	<b>Non-Contract Replacement Parts:</b>	Discount + or -	+15%	+15%
		Parts List:	Graybar	
		Dated:	11/13/2012	
<b>OR</b>	Invoices will be supplied	Y or N	Y	
	Parts quoted are manufactured by:		Graybar plus 15% + 6%	N/a

**PROPOSAL B: INSTALLATION AND REPLACEMENT**

ITEM	DESCRIPTION	EST QTY/YEAR	Lump Sum Total Price for One (1)		Lump Sum Total Price for One (1)	
1	Remove existing self-weathering steel Light Pole	1 ea	\$ 300.00		\$ 750.00	
2	Remove Existing wood Light Pole	1 ea	\$ 350.00		\$ 750.00	
3	Remove Concrete Foundations	1 ea	\$ 300.00		\$ 750.00	
4	Installation of Concrete Foundations	1 ea	\$ 950.00		\$ 2,250.00	
5	Install 40' Light Ornamental Pole with mast arms-with one luminaire	1 ea	\$ 1,250.00		\$ 1,150.00	
6	Install 40' Light Ornamental Pole with mast arms-with two luminaires	1 ea	\$ 1,500.00		\$ 1,150.00	
7	Install 40' Light Wood Pole with mast arms-with one luminaire	1 ea	\$ 1,200.00		\$ 1,450.00	
8	Install 40' Light Wood Pole with mast arms-with two luminaires	1 ea	\$ 1,400.00		\$ 1,450.00	
9	New installation of 40' Street Light Pole with concrete foundation	1 ea	\$ 2,400.00		\$ 3,400.00	
10	Cut & Weld Street Light Base H Base for EH-409	1 ea	\$ 2,000.00		\$ 1,750.00	
11	Hourly labor rate per Crew	40	\$180.00	\$ 7,200.00	\$250.00	\$ 10,000.00
<b>Estimated Total Proposal B</b>			<b>\$ 18,850.00</b>		<b>\$ 24,850.00</b>	

Opening Date --11/14/12  
 Date Reviewed -- 11/18/12

CITY OF TROY  
 STREET LIGHTING

ITB-COT 12-22  
 Pg 7 of 8

VENDOR NAME:

Michigan State	Corby Energy Services Inc.
Electric LLC	

**PROPOSAL B: INSTALLATION AND REPLACEMENT CONTINUED**

11	Hourly labor rate per Crew	PRICE/HOUR/CREW	PRICE/HOUR/CREW
40 Hrs	Regular Time	\$ 180.00	\$ 250.00
	Overtime Time	\$ 260.00	\$ 375.00
	Holiday Time	\$ 325.00	\$ 500.00

12	Journeyman Electrician	PRICE/HOUR/ELECTRICIAN	PRICE/HOUR/ELECTRICIAN
	Regular Time	\$ 80.00	\$ 75.00
	Overtime Time	\$ 115.00	\$ 98.00
	Holiday Time	\$ 150.00	\$ 130.00

13	Hourly rate for Backhoe	PRICE/HOUR INCL OPERATOR	PRICE/HOUR INCL OPERATOR
	Regular Time	\$ 100.00	\$ 85.00
	Overtime Time	\$ 125.00	\$ 120.00
	Holiday Time	\$ 150.00	\$ 150.00

14	Hourly rate for Service Truck with Crane	PRICE/HOUR INCL OPERATOR	PRICE/HOUR INCL OPERATOR
	Regular Time	\$ 125.00	\$ 110.00
	Overtime Time	\$ 150.00	\$ 125.00
	Holiday Time	\$ 175.00	\$ 160.00

15	Non-Contract Replacement Parts: Discount + or -	+15%	+15%
	Parts List:	Graybar	
	Dated:	11/13/2012	
<b>OR</b>	Invoices will be supplied	Y	
	Parts quoted are manufactured by:	Graybar plus 15% + 6%	N/a

**PROPOSAL C: REPLACEMENT AND INSTALLATION OF LED FIXTURE**

ITEM	DESCRIPTION	EST QTY/YEAR	Unit Price	Total	Unit Price	Total
1	Remove existing fixture and replace with CREE/BETA LED Type III parking lot luminaire with fixture pole bracket or approved equal - labor and material	1	\$ 1,125.00	\$ 1,125.00	\$ 1,500.00	\$ 1,500.00
2	Remove existing fixture and replace with CREE/BETA LED Type II parking lot luminaire with fixture pole bracket or approved equal - labor and material	12	\$ 1,125.00	\$ 13,500.00	\$ 1,450.00	\$ 17,400.00
3	Remove existing fixture and replace with CREE/BETA LED type V parking lot luminaire with fixture pole bracket or approved equal - labor and material	36	\$ 1,125.00	\$ 40,500.00	\$ 1,385.00	\$ 49,860.00
4	Remove existing fixture and replace with LED road way labor only/per fixture	20	\$ 300.00	\$ 6,000.00	\$ 275.00	\$ 5,500.00
<b>Estimated Total Proposal C</b>			<b>\$</b>	<b>61,125.00</b>	<b>\$</b>	<b>74,260.00</b>

<b>Estimated Grand Total Proposals A - C</b>	<b>\$</b>	<b>239,040.00</b>	<b>\$</b>	<b>302,511.00</b>
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<b>VENDOR NAME:</b>		Michigan State	Corby Energy Services Inc.
		Electric LLC	
<b>CONTACT INFORMATION:</b>	Hrs of Operation	5 am - 9 pm	7 am to 5 pm
	24-Hr Phone #	517-541-9890	313-350-2420
<b>WORK CERTIFIED TO BE COMPLETE WITHIN THE TIME ALLOWABLE</b>	100% of contract	X	X
	Proposal A		X
	Proposal B		X
	Proposal C		X
<b>PROPOSED PAYMENT SCHEDULE:</b>		100% of invoice within 10 days	Monthly
<b>INSURANCE:</b>	Can Meet	X	X
	Cannot Meet		
<b>RESPONSE TIME:</b>		Negotiable	48 hours
<b>WARRANTY:</b>		<b>As Specified</b>	
<b>EXCEPTIONS:</b>		Blank	Blank
<b>ACKNOWLEDGEMENT:</b>	Y or N	Y	Y

PROPOSAL: FURNISH ALL LABOR, TOOLS, EQUIPMENT, TRANSPORTATION SERVICES AND TRAFFIC CONTROLS TO PROVIDE TWO-YEAR REQUIREMENTS OF STREET, PARKING LOT, AND ATHLETIC FIELD LIGHT MAINTENANCE, LED INSTALLATION AND REPLACEMENT WITH AN OPTION TO RENEW FOR ONE ADDITIONAL YEAR.



## CITY COUNCIL AGENDA ITEM

Date: November 15, 2012

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development  
 Steven J. Vandette, City Engineer  
 William J. Huotari, Deputy City Engineer/Traffic Engineer

Subject: Traffic Committee Recommendations and Minutes – November 14, 2012

At the Traffic Committee meeting of November 14, 2012, the following recommendations were made for City Council approval:

**3. Request for No Stopping, Standing, Parking – Boulan, Alpine to Dead End**

Recommend that the No Stopping, Standing, Parking signs on Boulan, from Alpine to the Dead End be revised to the hours of 7:00 a.m. to 4:00 p.m. School Days Only.

**4. Establish Fire Lanes at 651 Robbins**

Recommend establishing fire lanes at 651 Robbins.

**5. Discussion of Rochester/Stephenson No Right/Left Turn on Red**

Recommend that the Traffic Engineer conduct a mail poll of the Troy Mobile Home Villas on Stephenson Highway along with surrounding businesses to ascertain if the No Turn on Red signs are still needed.

Recommend that the Traffic Engineer conduct a traffic study at northbound Rochester to southbound Stephenson Highway and the double-left cross over from southbound Stephenson Highway to northbound Stephenson Highway to verify current traffic volumes if a majority of the respondents to the mail poll respond in the affirmative.

**7. Cancellation of the December 2012 Traffic Committee Meeting**

Recommend that the December 2012 Traffic Committee meeting be cancelled.

Staff concurs with the Traffic Committee recommendations as resolved.

A regular meeting of the Troy Traffic Committee was held Wednesday, November 14, 2012 in the Lower Level Conference Room at Troy City Hall. Pete Ziegenfelder called the meeting to order at 7:30 p.m.

**1. Roll Call**

PRESENT: Sarah Binkowski  
Ted Halsey  
Richard Kilmer  
David Ogg  
Al Petruilis  
Stevan Popovic  
Pete Ziegenfelder

ABSENT: None

Also present: Lori & Geir Gronstad, 1782 Boulan  
Traci Peterson, 1732 Muer  
Jeanne Stine, 1915 Boulan  
Janice Sutherland, 1926 Boulan  
Barbara Dawson, 1834 Boulan  
Heather Bultynck, 3470 Alpine  
Cpt. Robert Redmond, Police Department  
Bill Huotari, Deputy City Engineer/Traffic Engineer

**2. Minutes – October 17, 2012**

**RESOLUTION # 2012-11-25**

Moved by Kilmer  
Seconded by Halsey

To approve the October 17, 2012 minutes as printed.

YES: All-7  
NO: None  
ABSENT: None  
MOTION CARRIED

**REGULAR BUSINESS**

**3. Request for No Stopping, Standing, Parking – Boulan, Alpine to Dead End**

Barbara Dawson of 1834 Boulan requested, through the City Manager and Police Chief, that the times listed on the existing No Stopping, Standing, Parking signs on Boulan, between Alpine and the dead end, be modified to reflect the start and end times of the

schools adjacent to Boulan (Bemis Elementary and Boulan Park Middle School). Ms. Dawson states that parents are pulling into this area to drop off children and creating a hazardous situation for children that walk through this area in the morning to the schools.

The next day, Troy Police officers checked into the validity of the concern. The officer on the scene reported that Ms. Dawson's concerns were well founded. The officer reported that the volume of cars pulling onto the dead end of Boulan was excessive, many pulling into driveways, dropping off children who were then seen walking between cars on their way to school. Several vehicles were observed backing up the entire length of the dead-end section while still more parents pulled onto the dead end to drop off even more children. These observations, combined with there being no sidewalks on Boulan for the children to walk on, and all of this occurring in total darkness, led the officer to recommend immediate action to avoid a child being injured.

A temporary traffic control order was issued on October 24, 2012 to change the times on the existing signs from 8 AM – 4 PM to 7 AM to 4 PM. A temporary traffic control order is valid for 90 days or until replaced by a permanent traffic control order. The original Traffic Control Order, from October 18, 1979, restricted No Stopping, Standing, Parking from 7 AM – 5 PM and times on the signs have changed over the years to correspond with the arrival and dismissal times at the schools.

**Residents, at the meeting, in support of changing the times on the signs:**

Jeanne Stine of 1915 Boulan discussed the concern for safety of children walking to and from school. She said she has witnessed several close calls between cars and children. She reports that the volume of cars dropping off and picking up children has increased and that there are at least two dozen children that walk through this area. She supports the resolution and also requests that the signs be made larger so that they can be seen from a further distance.

Janice Sutherland of 1926 Boulan supported the statements made by Ms. Stine. She also added that she has witnessed cars driving at high rates of speed while backing up from the dead end. She has also witnessed near misses and arguments between parents at the end of the street. She is concerned about the safety of the children walking in this area.

Barbara Dawson of 1834 Boulan also supports the previous statements. She added that the school does have a drop-off area at the school site. The dead end does not have a method and is not designed to allow for the drop-off/pick-up of children. She has three children that walk to school and is concerned for their safety walking amongst the cars in this area.

Lori & Geir Gronstad of 1782 Boulan added that parents appear to be in a hurry and are driving fast through the area. She wants her child to walk but is concerned for the safety of their child as well as the others that walk. She agrees and supports the previous statements.

Heather Bultynck of 3470 Alpine reports that motorists drive very fast when police are not present. There is construction in the neighborhood that is adding to the issue and forcing children to walk in the street. She has witnessed cars backing up from the dead end and almost hitting other cars. She feels this is a huge safety concern.

**Resident, at the meeting, opposing the change in times on the signs:**

Traci Peterson of 1732 Muer spoke about the construction in the area causing issues. She also discussed the lack of sidewalks, difficulties in getting out onto Crooks Road in the morning to travel to Wattles to Northfield Parkway to the school, bad weather, cut-through traffic speeding and suspicious vehicles in the area as reasons why she drives her three children to school. She has not witnessed any car crashes in the area. She said that the issue only exists for 10 minutes in the morning and afternoon. She is also concerned that the PUD at Big Beaver/Alpine/McClure will be adding 16 new residential units that will add to the traffic in the area as well as add children to the school. She reports that this area is one of only three Troy school locations that do not have sidewalks for children walking to school. Two other residential street locations adjacent to the school site do not have any type of parking restrictions in place. She feels that driving is the safest way to get her children to and from school.

**During rebuttal, by residents in support of changing the times on the signs, the following items were discussed:**

- If the dead end were to be allowed for drop-off and pick-up, then it should be redesigned as a cul-de-sac or turnaround to allow for the free movement of vehicles.
- Mailboxes in the neighborhood have been vandalized or have been damaged by motorists hitting them.
- The resident at the end of the street, 1952 Boulan, has had her mailbox damaged, has drivers turning around in her driveway, has parents block her driveway and has had parents park in her driveway while they run to the school. This was reported by residents at the meeting. The homeowner at 1952 Boulan was not present at the meeting.

**Rebuttal, by the resident opposed to changing the times on the signs, followed:**

- Discussed an incident at the school where a child was hit by a driver in the drop-off area, on school property, in 2010.
- Construction vehicles and equipment have made walking even more of an issue for children.
- She has noticed suspicious vehicles in the area during arrival/dismissal times while she has waited for her children.

**Traffic Committee member discussion:**

Mr. Ziegenfelder reports that he drove the area and was not able to make a simple U-turn at the dead end in a small SUV without using a driveway. He also drove to the school using Crooks and then alternately using the Big Beaver route and times to get from the area to the school were 4 minutes and 8 minutes, respectively, under ideal conditions.

Mr. Kilmer thought that the signs should be moved further to the east on Boulan and should start at Alpine. He also believes that signs should be installed along Alpine.

Cpt. Redmond said that the Police Department has been at this location for the past two weeks talking with parents and encouraging them not to use the dead end as a drop off area due to safety concerns. To date, they have not been issuing tickets but rather are trying to educate parents. They will be enforcing the signs in the future to try and get compliance from parents who continue to use this area. He reports that this same issue was present back in 1979, when the original Traffic Control Order was issued, but has not been as severe until recently as new residents now have school age children in the area again causing the increase in children walking along with more cars in the area. Cpt. Redmond also reported that the Police Department did an informal license plate survey and found that approximately 50% of the cars are from areas outside of the immediate subdivision.

Mr. Ogg reports that he sees similar situations in the school by his house (Barnard Elementary). Parents are driving children short distances when they could easily walk and reduce the congestion at the schools and on the roads. He agrees that any situation that requires parents to turnaround in driveways or backup is unsafe. He recommended blocking off Boulan at Alpine and only allowing residents who live in the section from Alpine to the dead end with access. This is not feasible as: one it is a public road; two it would create a new drop off area at the intersection of Boulan and Alpine where the potential for high speed issues and children crossing from Boulan and Alpine would exist; and finally there is not a physical barrier that could be installed that would allow unfettered access to the existing homes at the end of Boulan while still restricting other motorists from accessing the same area.

Ms. Binkowski asked about posting signs that would prohibit vehicular access to the dead end. Boulan is a public road and as such is open to use to all vehicles subject to the traffic control signs in place.

Cpt. Redmond added that the major issue is vehicles turning around at the dead end. He believes that the Police Department will need to enforce the signs in order for parent behavior to change.

Mr. Popovic discussed similar issues at Morse Elementary.

Mr. Petrusis asked about the possibility of removing the walkway to the school at the dead end. This is on school property and as such would need to be an item that the school

would undertake if it were considered an option by the district.

Mr. Halsey asked about removing the gate at the end of Boulan and allowing traffic to access the school site. This creates a secondary access point causing circulation issues on the site as well as creating a cut-through to Northfield Parkway through the school parking lot. Again, this would involve school property which would need to be approved and carried out by the school district.

**RESOLUTION # 2012-11-26**

Moved by Popovic  
Seconded by Binkowski

**RESOLVED**, that the Traffic Committee recommends that the No Stopping, Standing, Parking signs on Boulan, from Alpine to the Dead End be revised to the hours of 7:00 a.m. to 4:00 p.m. School Days Only.

YES: 6  
NO: 1 (Ogg)  
ABSENT: None  
MOTION CARRIED

**4. Establish Fire Lanes at 651 Robbins**

Section 8.28, Chapter 106, Troy City Code, provides for the establishment of fire lanes on private property. The Fire Department recommends that fire lanes at 651 Robbins be provided to allow proper deployment of and travel by emergency vehicles (fire, police, medical).

**RESOLUTION # 2012-11-27**

Moved by Kilmer  
Seconded by Halsey

**RESOLVED**, that the Traffic Committee recommends establishing fire lanes at 651 Robbins.

YES: All – 7  
NO: None  
ABSENT: None  
MOTION CARRIED

**5. Discussion of Rochester/Stephenson No Right/Left Turn on Red**

Information was provided on the history of the No Right Turn on Red signs at the northbound Rochester approach to Stephenson Highway and the No Left Turn on Red

signs at the double-left crossover from southbound Stephenson Highway to northbound Stephenson Highway.

The general consensus from the Traffic Committee members is that the signs are no longer needed as drivers have to sit at both locations for excessive amount of time causing many drivers to disobey the signs and turn on red regardless. Sufficient gaps in northbound and southbound traffic are available for turning traffic along with the residents of the mobile home park and neighboring businesses to safely pull out onto Stephenson Highway.

General discussion among the members ensued.

**RESOLUTION # 2012-11-28**

Moved by Popovic  
Seconded by Ogg

**RESOLVED**, that the Traffic Committee directs the Traffic Engineer to conduct a mail poll of the Troy Mobile Home Villas on Stephenson Highway along with surrounding businesses to ascertain if the No Turn on Red signs are still needed.

**BE IT FURTHER RESOLVED**, that the Traffic Committee directs the Traffic Engineer to conduct a traffic study at both locations to verify current traffic volumes if a majority of the respondents to the mail poll respond in the affirmative.

YES: All – 7  
NO: None  
ABSENT: None  
MOTION CARRIED

**6. Public Comment**

There was no additional public comment.

**7. Other Business**

Mr. Halsey requested that the traffic signal operations at Maple and Livernois be reviewed. He reports that there is not sufficient green time for the left turn from eastbound Maple to northbound Livernois. Traffic Engineering will refer this item to the RCOC Traffic Safety Department for further investigation.

Mr. Halsey also asked if the Police Department could review the traffic at Wattles Elementary. Traffic Engineering will work with the Police Department to review the traffic concerns at this location.

Ms. Binkowski requested that the December 2012 Traffic Committee meeting be

cancelled. Traditionally, the Traffic Committee has not met in August or December.

**RESOLUTION # 2012-11-29**

Moved by Binkowski  
Seconded by Petrulis

**RESOLVED**, that the December 2012 Traffic Committee meeting be cancelled.

YES: All – 7  
NO: None  
ABSENT: None  
MOTION CARRIED

**8. Adjourn**

The meeting adjourned at 8:53 p.m.

\_\_\_\_\_  
Pete Ziegenfelder, Chairperson

\_\_\_\_\_  
Bill Huotari, Recording Secretary



## CITY COUNCIL ACTION REPORT

November 19, 2012

TO: Brian Kischnick, City Manager

FROM: Tom Darling, Financial Services Director  
William S. Nelson, Fire Chief

SUBJECT: Acceptance of Scripps Howard Foundation Grant

### **Background**

Firefighter Jack Johansson, Fire Station 6, is employed by WXYZ-TV in Southfield. Because of his experience with video and television production, he volunteered to assist the department with creating training and public education videos. One of the challenges identified was the lack of a suitable video camera in the fire department. Firefighter Johansson indicated that WXYZ's parent organization, Scripps Howard, has a foundation that provides grants to volunteer organizations. He offered to apply for a grant for the Troy Fire Department to purchase a video camera and accessories to facilitate the development of training and educational videos. The grant was awarded in the amount of \$1,000.00 on October 26, 2012.

### **Financial Considerations**

The grant is for \$1,000.00 and will be used to purchase a video camera and required accessories.

### **Legal Considerations**

There are no legal considerations regarding the acceptance of this grant.

### **Policy Considerations**

Acceptance of this grant and the purchase of the protective equipment supports the volunteer firefighters who help to make this a safe community. (Outcome Statement I)

### **Recommendation**

City management recommends that the Scripps Howard Foundation grant be accepted in the amount of \$1,000.00.

P.O. BOX 5380  
CINCINNATI, OHIO 45201  
312 WALNUT STREET, 28TH FLOOR  
CINCINNATI, OHIO 45202  
PHONE (513) 977-3034 FAX (513) 977-3800  
E-MAIL vickie.martin@scripps.com

VICKIE L. MARTIN  
GRANTS ADMINISTRATOR



SCRIPPS HOWARD  
FOUNDATION



1962-2012

JOURNALISM EXCELLENCE  
HEALTHY COMMUNITIES  
QUALITY OF LIFE

October 26, 2012

Jack Johansson  
WXYZ-TV  
20777 W. Ten Mile Road  
Southfield, MI 48037

Dear Jack,

Thank you for submitting a grant application to the Scripps Howard Foundation Volunteer Grant Program.

Congratulations! Your request on behalf of the Troy Fire Department has been approved. Enclosed is our check, payable to the City of Troy, in the amount of \$1,000. Please make arrangements to personally present this check to your organization as soon as possible.

This Volunteer Grant is to be used to purchase video equipment and accessories for training sessions and fire prevention education.

Volunteering is a wonderful way to give back to your community. I have enclosed a Scripps Howard Foundation 50<sup>th</sup> anniversary journal book as our gift - to you - for taking time to volunteer in your community.

Sincerely,

A handwritten signature in cursive script that reads 'Vickie'.

Vickie Martin

cc: William Nelson, Chief, Troy Fire Department



## CITY COUNCIL AGENDA ITEM

---

Date: December 27, 2012

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development  
R. Brent Savidant, Planning Director

Subject: PRELIMINARY SITE PLAN REVIEW (File Number SP 975) – Site Improvements to Sears Holdings Technical Center, North of Big Beaver, West of Coolidge (2240 Cunningham), Section 19, Currently Zoned BB (Big Beaver) District (Consent Judgment)

### Background

The petitioner Sears Holdings Management Corporation submitted a Preliminary Site Plan Approval application for a new security fence surrounding the Sears Holdings Technical Center. The building's use as a data center will not change. The applicant seeks to secure its facility by enclosing it with a fence and gates.

The property is currently zoned BB (Big Beaver) District but is controlled by a consent judgment. The consent judgment must be amended because of the proposed site plan revision. City Council is responsible for approving the revised site plan and consent judgment.

The attached report prepared by Carlisle/Wortman Associates, Inc. (CWA), the City's Planning Consultant, summarizes the project. The Planning Commission recommended approval for this project at the August 14, 2012 Regular meeting.

### Recommendation

City Management recommends approval of the Preliminary Site Plan and the Sixth Order Amending Consent Judgment for the site improvements to the Sears Holdings Technical Center.

---

City Attorney's Review as to Form and Legality

---

Date

### Attachments:

1. Maps
2. Report prepared by Carlisle/Wortman Associates, Inc.
3. Minutes from August 14, 2012 Planning Commission Regular meeting (excerpt)
4. Sixth Order Amending Consent Judgment



### Legend

-  I-75
- Road Centerline**
  -  Major Road
  -  Industrial Road
  -  Local Road
-  Ponds and Basins
-  Streams and Creeks
-  Parcels
- Aerial Photos - 2010**
  -  Red: Band\_1
  -  Green: Band\_2
  -  Blue: Band\_3

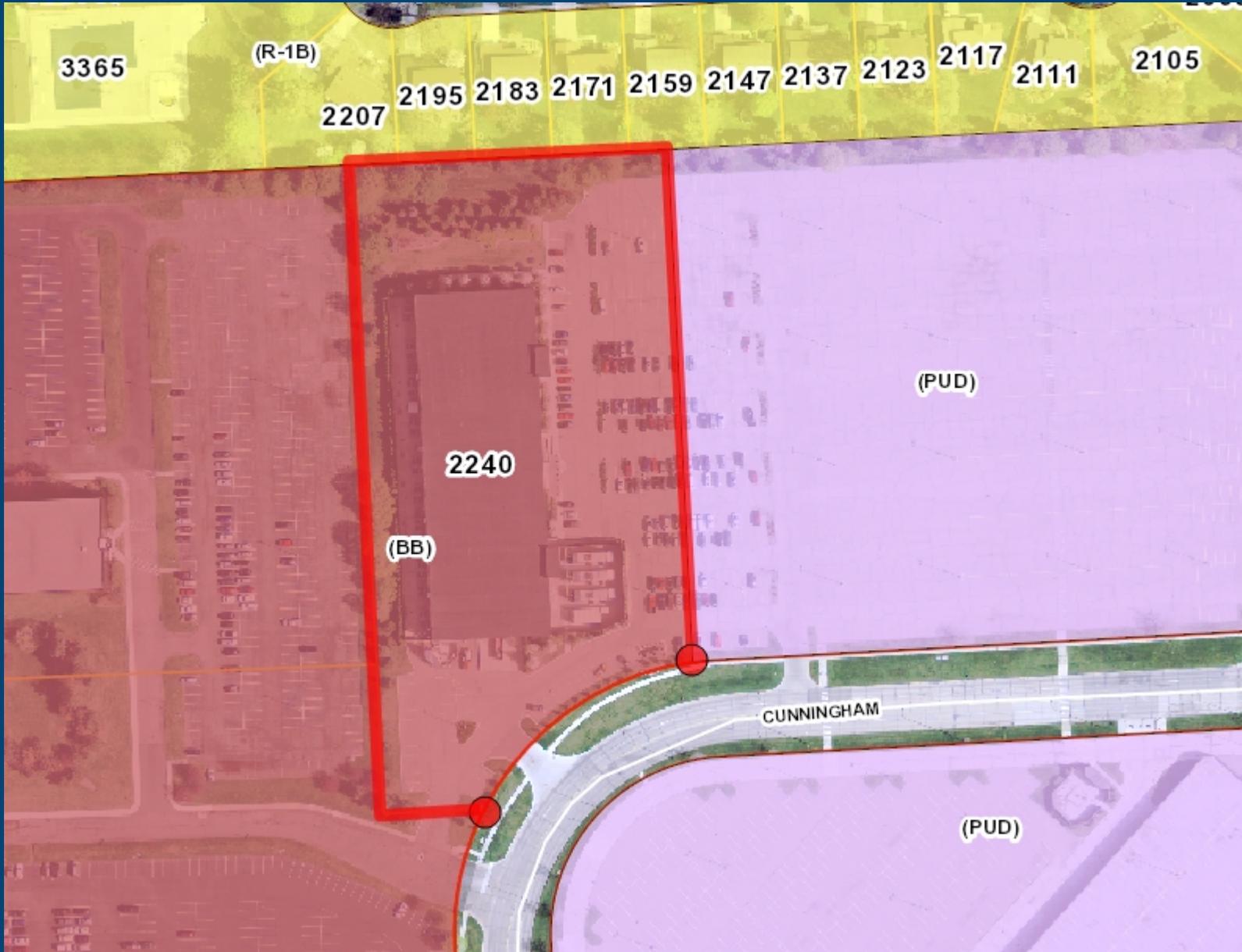
390 0 195 390 Feet

Scale 1: 2,340



Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

Printed: 7/5/2012



### Legend

-  I-75
- Road Centerline**
  -  Major Road
  -  Industrial Road
  -  Local Road
- Current Zoning Ordinance**
  -  (PUD) Planned Unit Development
  -  (CF) Community Facilities District
  -  (EP) Environmental Protection District
  -  (BB) Big Beaver Road (Form Based)
  -  (MRF) Maple Road (Form Based)
  -  (NN) Neighborhood Nodes (A-U)
  -  (CB) Community Business
  -  (GB) General Business
  -  (IB) Integrated Industrial Business District
  -  (O) Office Building District
  -  (OM) Office Mixed Use
  -  (P) Vehicular Parking District
  -  (R-1A) One Family Residential District
  -  (R-1B) One Family Residential District
  -  (R-1C) One Family Residential District
  -  (R-1D) One Family Residential District
  -  (R-1E) One Family Residential District
  -  (RT) One Family Attached Residential District
  -  (MR) Multi-Family Residential
  -  (MHP) Manufactured Housing
  -  (UR) Urban Residential
  -  (RC) Research Center District
  -  (PV) Planned Vehicle Sales
-  Ponds and Basins
-  Streams and Creeks
-  Parcels
- Aerial Photos - 2010**
  -  Red: Band\_1
  -  Green: Band\_2
  -  Blue: Band\_3

312 0 156 312Feet

Scale 1: 1,872





CARLISLE

WORTMAN  
associates, inc.

605 S. Main Street, Ste. 1  
Ann Arbor, MI 48104

(734) 662-2200  
(734) 662-1935 Fax

Date: July 27, 2012

## Site Plan Review For City of Troy, Michigan

<b>Project Name:</b>	Sears Holdings Technical Center
<b>Plan Date:</b>	June 12, 2012
<b>Location:</b>	North side of Cunningham Drive
<b>Zoning:</b>	Big Beaver under Consent Judgment
<b>Action Requested:</b>	Site Plan Approval

### PROJECT AND SITE DESCRIPTION

The applicant proposes to construct an 8-foot high fence around the entirety of their parcel. The applicant indicates that the fence is required for security purposes. The fence will have two gates off Cunningham Drive to provide site access.

This property is controlled by a consent judgment. Normally a fence does not require site plan approval; however all changes to the site require and amendment to the consent judgment, including a revised site plan. Because this is a consent judgment the Planning Commission is making a recommendation to City Council regarding the site plan. The approval of the fence will require an amendment to the consent judgment by the City Council.

### Proposed Fence Location



## FENCE DESIGN

The proposed fence will be eight-foot metal with spikes that turn into the property. Such fence type is permitted in Troy.

The applicant is seeking relief to allow for the fence to be eight-foot high in the required front yard (adjacent to Cunningham Drive) where only 30 inches in height is permitted. Because this property is controlled by a consent judgment, the requested relief can be granted by the City Council, based on a recommendation of the Planning Commission. Due in part that this is security fence where a minimum six to eight-feet in height is necessary, and the site's location in an office area where the property's front yard is not adjacent to any residential property, the requested relief to permit an eight-foot high fence in the front yard should be considered by the Planning Commission.

**Items to be Addressed:** Seek a recommendation from Planning Commission for an eight-foot high fence in front yard.

## ACCESS and CIRCULATION

A curb already exists between this site and the adjacent site. Access to the site will remain via the existing two curb cuts off Cunningham Drive. The applicant proposes to gate these curb cuts; however the two proposed gates will remain open during normal 8 a.m to 5 p.m. business hours. Only after normal business hours will the gates be closed. Because the gates remain open during normal business hours there should not be any car stacking along Cunningham Lane. Access and site circulation is sufficient.

The applicant will need to satisfy the fire departments access requirements including providing a gate code or opener.

**Items to be Addressed:** *Satisfy the fire departments access requirements including providing a gate code or opener.*

## PARKING LOT LAYOUT and TOTAL PARKING PROVIDED

The site currently provides 220 spaces. The zoning ordinance does not specifically list this use. Office uses require 1 space per 300 sq/ft, which would require 287 spaces. Research and development centers and related accessory office require 1 space per 550 sq/ft, which would require 156 spaces. However due to building operations we find that this use is more consistent with research and development centers. More importantly because this is an existing site the applicant who understands their building operations assures that the provided 220 spaces is sufficient. We find that parking should be sufficient.

**Items to be Addressed:** *None.*

## TRANSITION

The proposed fence will be partially or entirely screened from the northern single family properties due to an existing wood fence along the applicants northern property line, as well as existing vegetation and an existing berm. Some trees on the applicant's property may have to be removed as a result of the fence installation. While these trees are entirely on the applicant's property they do provide screening and cover for the adjacent single family neighbors. The applicant has indicated that any trees removed as a result of the fence installation will be replaced.

The eastern line of the fence will divide the properties parking lot with the adjacent eastern parking lot. The applicant has indicated that if they installed a greenbelt between the two parking lots and put the fence in the greenbelt, they would lose an entire aisle of parking and parking on site would not be sufficient. However, it is likely that without some curbing and curb stops this fence will be damaged by cars and snow plows. The applicant should indicate what protection they are providing the fence within their parking lot.

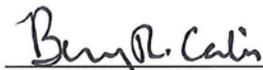
**Items to be Addressed:** 1. Replace any trees removed as result of fence installation; and 2). Indicate what protection within their parking lot is being provided for the fence.

## RECOMMENDATIONS

We support the proposed project and believe the project does meet the intent of the zoning ordinance. We recommend that the Planning Commission recommend approval of the proposed fence, provided the following items are addressed:

1. Obtain recommendation from the Planning Commission for an eight-foot high fence in front yard;
2. Satisfy the fire departments access requirements including providing of gate code or opener;
3. Replace any trees removed as a result of fence installation; and
4. Indicate what protection within their parking lot is being provided for the fence.

The final two items can be submitted to staff prior to City Council consideration.

  
\_\_\_\_\_  
CARLISLE/WORTMAN ASSOC., INC.  
Benjamin R. Carlisle, LEED AP, AICP

**PRELIMINARY SITE PLAN REVIEWS**

5. **PRELIMINARY SITE PLAN REVIEW (File Number SP 975)** – Proposed Sears Holdings Technical Center, North of Big Beaver, West of Coolidge (2240 Cunningham), Section 19, Currently Zoned BB (Big Beaver) District (Consent Judgment)

Mr. Carlisle reviewed and expressed support of the proposed application. Mr. Carlisle recommended that the Planning Commission recommend approval of the proposed fence, with the conditions as listed in his report dated July 27, 2012.

John Premo of Kickham Hanley, 32121 Woodward Avenue, Royal Oak, was present to represent the petitioner. Mr. Premo displayed several colored renderings of the proposed project. He addressed the hours the gates would be open and closed. Mr. Premo indicated they propose to re-curb and create a small island along the eastern parking lot to provide protection for the fence.

The petitioner, Michael Dybowski, Divisional Vice President of Sears Holdings Management Corporation, was present. Mr. Dybowski addressed the need for a fence to enhance their security system for the protection of their data, the facility and their associates. He expressed willingness to comply with any City regulations and wishes to assure the facility is aesthetically correct and appealing.

**Resolution # PC-2012-08-055**

Moved by: Edmunds

Seconded by: Krent

**RESOLVED**, The Planning Commission hereby recommends to City Council that Preliminary Site Plan Approval for the revised site plan for the Sears Holdings Technical Center, including a proposed eight-foot high security fence, a portion of which is located in the front yard, located north of Big Beaver, west of Coolidge (2240 Cunningham), in Section 19, currently zoned BB (Big Beaver) District, but controlled by Consent Judgment be granted, subject to the following:

1. Satisfy the Fire Department's access requirements including providing gate code or opener;
2. Replace any trees removed as a result of fence installation; and
3. Indicate what protection within their parking lot is being provided by the fence.

Yes: All present (6)

Absent: Schepke, Schultz, Strat

**MOTION CARRIED**

**STATE OF MICHIGAN  
OAKLAND COUNTY CIRCUIT COURT**

FORBES/FRANKEL TROY VENTURES, LLC, a  
Michigan limited liability company,  
GM EQUITIES, LLC, a Michigan limited liability  
company, SEARS HOLDINGS MANAGEMENT  
CORPORATION, a Delaware corporation,  
SHEFFIELD OWNER, LLC, a Delaware  
limited liability company,

Plaintiffs,

v

Case No. 70-69246  
Hon. Steven N. Andrews

CITY OF TROY, a municipal corporation, its  
officers, employees and agents,

Defendant.

\_\_\_\_\_ /

**SIXTH ORDER AMENDING CONSENT JUDGMENT**

At a session of said Court held in the Courthouse  
in the City of Pontiac, Oakland County, Michigan,

On \_\_\_\_\_

Before The Hon. \_\_\_\_\_

FORBES/FRANKEL TROY VENTURES LLC, GM EQUITIES, LLC, SEARS HOLDINGS MANAGEMENT CORPORATION, SHEFFIELD OWNER, LLC, and the CITY OF TROY consent to the entry of this Sixth Order Amending Consent Judgment ("Amendment").

### RECITALS

A. On May 9, 1973, this Court entered a "Consent Judgment" affecting certain property (the "Property"), described as follows:

A part of the SE ¼ of Section 19, T2N, R11E, City of Troy, Oakland County, Michigan, being more particularly described as follows:

Commencing at the East quarter corner of Section 19; Thence S. 89° 49' 05" W. 1379.48 ft.; Thence S. 00° 16' 35" W. 615.18 ft.; Thence S. 89° 49' 05" W. 708.54 ft.; Thence N. 00° 21' 23" E. 142.59 ft.; Thence S. 89° 49' 05" W. 553.02 ft.; Thence S. 00° 21' 23" W. 2287.59 ft.; Thence N. 89° 30' 00" E. 1398.63 ft.; Thence N. 00° 01' 30" W. 1155.04 ft.; Thence N. 89° 30' 00" E. 1260.00 ft.; Thence N. 00° 01' 30" W. 370.28 ft.; Thence S. 89° 58' 30" W. 460.0 ft.; Thence N. 00° 01' 3" W. 500 ft.; Thence N. 89° 58' 30" E. 460.0 ft.; Thence N. 00° 01' 30" W. 720.0 ft. to the point of beginning.

The Property consists of the following Tax Identification Numbers: 20-19-430-004, 20-19-430-003, 20-19-453-005, 20-19-453-008, 20-19-453-009 and 20-19-453-010.

B. The original parties to the Consent Judgment were Sheffield Development Company, a Michigan co-partnership ("Sheffield"), and the City of Troy, a municipal corporation, its officers, employees and agents (the "City").

C. Kmart Corporation, a Michigan corporation ("Kmart"), purchased approximately 15 acres of the Property from Sheffield. This portion of the Property was formerly designated as Parcel D-1, identified by Parcel Number 88-20-19-430-002. Parcel D-1 was later reconfigured to include 1.42 acres of land Kmart acquired from Lutheran Church of the Master, which was

contiguous with Parcel D-1, a portion of which is located along Coolidge Road and was not subject to the original Consent Judgment.

D. This Court entered an Order Amending Judgment on November 22, 1977, and Stipulation to Modify Judgment and Order on September 25, 1980, in order to clarify the respective rights of the parties and reflect certain changes occurring since the date of the Consent Judgment.

E. A Third Order Amending Judgment was entered by this Court on November 4, 1992, which reflected further changes occurring since the date of the Consent Judgment, and substituted the Prudential Insurance Company of America, a New Jersey corporation ("Prudential"), Sheffield's successor in interest, as plaintiff in the place of Sheffield. The Third Order Amending Judgment also established Parcel D-2, which is an approximately 5.815 acre parcel of property. At the time of the entry of the Third Order, Parcel D-2 was owned by Prudential and subsequently conveyed to Kmart.

F. Prudential subsequently conveyed its land interests in the Property to WHC-SIX Real Estate Limited Partnership, a Delaware limited partnership ("WHC-SIX").

G. A Fourth Order Amending Judgment was entered by this Court on December 10, 1998, which reflected further changes occurring since the date of the Consent Judgment, and substituted WHC-SIX and Kmart, Prudential's successors in interest, as plaintiffs in that case.

H. WHC-SIX subsequently conveyed its land interests in the Property to Sheffield Office II L.L.C., a Delaware limited liability company ("Sheffield Office"). Kmart subsequently conveyed its interest in Parcel D-2 to GM Equities, LLC ("Equities"), pursuant to a Covenant Deed recorded in Oakland County Records on January 23, 2003.

I. On or about June 7, 2005, Kmart and Diamond Troy JV, LLC ("Diamond"), entered into a certain agreement, as amended, which, in part, provided that Kmart would convey to Diamond Parcel D-1, which was Kmart's only remaining land interest in the Property. Pursuant to the foregoing agreement, once Kmart conveyed Parcel D-1 to Diamond, Diamond would then divide Parcel D-1 into Parcels D-1-A and D-1-B and reconvey Parcel D-1-B to Kmart. Diamond conveyed Parcel D-1-B to Sears Holdings Management Corporation ("Sears"), which is an entity created following Kmart Corporation's acquisition of Sears, Roebuck & Co., pursuant to a Covenant Deed recorded in Oakland County Records on January 17, 2008.

J. A Fifth Order Amending the Consent Judgment was entered by this Court on November 28, 2006, which permitted Diamond to divide Parcel D-1 into Parcels D-1-A and D-1-B and which approved certain improvements shown on the Site Plan to be made by Kmart or its successors or affiliates on Parcel D-1-B.

K. In December of 2007, Sheffield Office conveyed its ownership interest in that portion of the Property identified as the "Sheffield Parcel" to Sheffield Owner, LLC, a Delaware limited liability company ("Sheffield Owner"), pursuant to a Covenant Deed recorded in Oakland County Records on January 10, 2008

L. Pursuant to a Covenant Deed recorded in Oakland County Records on January 26, 2010, Diamond conveyed its interest in D-1-A to Forbes/Frankel Troy Ventures, LLC ("Ventures").

M. As a result of the modifications to the Consent Judgment and the other conveyances referenced in Paragraphs B. through K. above, as of the date hereof, the Property is configured as depicted on Exhibit "A" attached hereto and made a part hereof. The parcels identified on Exhibit A are currently owned as follows:

(i) The portion of the Property identified as "Parcel D-1-A" is currently owned by Ventures.

(ii) The portion of the Property identified as "Parcel D-1-B" is currently owned by Sears.

(iii) The portion of the Property identified as "Parcel D-2" is currently owned by Equities.

(iv) The portion of the Property identified as the "Sheffield Parcel" consists of three (3) separate parcels of property, all currently owned by Sheffield Owner.

The Sheffield Parcel, Parcel D-1-A, Parcel D-1-B and Parcel D-2 as described in this Sixth Order Amending Consent Judgment, collectively, comprise all of Parcel B, Parcel C and Parcel D, as identified in the original Consent Judgment, and that which has been acquired thereafter and identified herein and is now subject to the terms of this Consent Judgment.

N. The parties desire to enter into this Amendment to confirm the current configuration and ownership of each parcel which comprises the Property and to allow Sears the right to install a fence which will be located within its parcel, Parcel D-1-B.

IT IS ORDERED AND ADJUDGED that the Consent Judgment is amended to confirm the configuration of the parcels which comprise the Property governed by this Consent Judgment as depicted in Exhibit A.

IT IS FURTHER ORDERED AND ADJUDGED that the Consent Judgment is amended to confirm the ownership of each parcel which comprises the Property is as follows:

(i) The portion of the Property identified as "Parcel D-1-A" is currently owned by Ventures.

(ii) The portion of the Property identified as "Parcel D-1-B" is currently owned by Sears.

(iii) The portion of the Property identified as "Parcel D-2" is currently owned by Equities.

(iv) The portion of the Property identified as the "Sheffield Parcel" consists of three (3) separate parcels of property, all currently owned by Sheffield Owner.

IT IS FURTHER ORDERED AND ADJUDGED that the Consent Judgment is amended to allow Sears the right to install a fence in the form described and location shown in Exhibit B attached hereto and made a part hereof. The fence shall be protected by bumper blocks where required, and all trees removed during its construction, if any, are to be replaced. The fence shall be maintained in accordance with the City of Troy's ordinances and regulations.

IT IS FURTHER ORDERED AND ADJUDGED that, in the event any provision of this Amendment conflicts or is otherwise contrary to terms of the Consent Judgment, as amended, the terms of this Amendment shall govern.

IT IS FURTHER ORDERED AND ADJUDGED that, other than as provided herein, the remaining provisions of the Consent Judgment, as amended, shall continue in full force and effect.

IT IS FURTHER ORDERED AND ADJUDGED that a certified copy of this Amendment shall be recorded in the office of the Oakland County Register of Deeds, and the Register of Deeds is hereby directed to accept the same for recording.

---

Circuit Court Judge

THE UNDERSIGNED PARTIES HAVE HEREBY READ, UNDERSTAND, AGREE AND CONSENT TO THE FOREGOING SIXTH ORDER AMENDING CONSENT JUDGMENT AND ALL TERMS AND CONDITIONS STATED THEREIN. ALL SUCH PARTIES HEREBY REPRESENT THAT THEY HAVE OBTAINED ADVICE OF COUNSEL AND ARE CONSENTING TO THIS JUDGMENT FREELY AND VOLUNTARILY.

FORBES/FRANKEL TROY VENTURES, LLC,  
a Michigan limited liability company

By:   
Nathan Forbes  
Its: Authorized Signatory

GM EQUITIES, LLC, a Michigan limited liability company

By:   
Laurie Maria  
Its: Authorized Signatory

SEARS HOLDINGS MANAGEMENT CORPORATION, a Delaware corporation

By:   
Michael Dybowski  
Its: Divisional Vice President  
Data Center Operations

CITY OF TROY

By: \_\_\_\_\_  
~~James Daniels, Mayor~~ Dane Slater, Mayor  
By: \_\_\_\_\_  
M. Aileen Bittner, Clerk

SHEFFIELD OWNER, LLC,  
a Delaware limited liability company

By: SHEFFIELD ASSOCIATES JV, LLC,  
a Delaware limited liability company  
Its: Sole Member and Manager

By: SHEFU, LLC, a Michigan limited liability company  
Its: Operating Member

By: \_\_\_\_\_  
Andrew V. Farbman  
Its: Manager

THE UNDERSIGNED PARTIES HAVE HEREBY READ, UNDERSTAND, AGREE AND CONSENT TO THE FOREGOING SIXTH ORDER AMENDING CONSENT JUDGMENT AND ALL TERMS AND CONDITIONS STATED THEREIN. ALL SUCH PARTIES HEREBY REPRESENT THAT THEY HAVE OBTAINED ADVICE OF COUNSEL AND ARE CONSENTING TO THIS JUDGMENT FREELY AND VOLUNTARILY.

FORBES/FRANKEL TROY VENTURES, LLC,  
a Michigan limited liability company

GM EQUITIES, LLC, a Michigan limited  
liability company

By: \_\_\_\_\_  
Nathan Forbes  
Its: Authorized Signatory

By: \_\_\_\_\_  
Laurie Maria  
Its: Authorized Signatory

SEARS HOLDINGS MANAGEMENT  
CORPORATION, a Delaware corporation

CITY OF TROY

By: Michael Dybowski  
Michael Dybowski  
Its: Divisional Vice President  
Data Center Operations

By: \_\_\_\_\_  
~~Janice Daniels, Mayor~~ Dane Slater, Mayor

By: \_\_\_\_\_  
M. Aileen Bittner, Clerk

SHEFFIELD OWNER, LLC,  
a Delaware limited liability company

By: SHEFFIELD ASSOCIATES JV, LLC,  
a Delaware limited liability company  
Its: Sole Member and Manager

By: SHEFU, LLC, a Michigan  
limited liability company  
Its: Operating Member

By: Andrew V. Farbman  
Andrew V. Farbman  
Its: Manager

**Exhibit A**

**Property**



**Exhibit B**

**Parcel D-1-B's Site Plan**





BEFORE



AFTER



BEFORE



BEFORE



AFTER - Rear Entrance



AFTER - Cunningham Drive Entrance



BEFORE



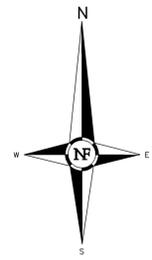
AFTER



BEFORE



AFTER

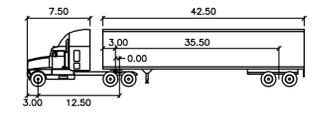


### Proposed Legal Description for the Data Center

Part of the Southeast 1/4 of Section 19, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan being more particularly described as follows: Beginning at a point which is North 00 degrees 21 minutes 23 seconds East 102.01 feet along the North and South 1/4 line of Section 19, and North 89 degrees 30 minutes 00 seconds East, 360.04 feet and North 00 degrees 21 minutes 23 seconds East, 1008.94 feet and South 89 degrees 36 minutes 37 seconds East, 872.52 feet from the South 1/4 corner of Section 19, Town 2 North, Range 11 East; thence North 00 degrees 01 minutes 30 seconds East, 680.20 feet; thence North 89 degrees 49 minutes 05 seconds East, 327.00 feet; thence South 00 degrees 01 minutes 30 seconds East, 537.20 feet; thence Southwesterly 275.60 feet along a curve concave to the Southeast (radius of 285.00 feet, central angle of 55 degrees 24 minutes 21 seconds, long chord bears South 56 degrees 54 minutes 21 seconds West 264.99 feet); thence North 89 degrees 38 minutes 37 seconds West, 104.94 feet to the point of beginning.

### Legal Description - Temporary Ingress/Egress Easement

An easement for ingress and egress, part of the Southeast 1/4 of Section 19, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan being more particularly described as follows: Beginning at a point which is North 00 degrees 21 minutes 23 seconds East 102.01 feet along the North and South 1/4 line of Section 19, and North 89 degrees 30 minutes 00 seconds East, 360.04 feet and North 00 degrees 21 minutes 23 seconds East, 1008.94 feet and South 89 degrees 36 minutes 37 seconds East, 872.52 feet from the South 1/4 corner of Section 19, Town 2 North, Range 11 East; thence North 00 degrees 01 minutes 30 seconds East, 680.20 feet and North 89 degrees 49 minutes 05 seconds East, 327.00 feet and South 00 degrees 01 minutes 30 seconds East, 464.64 feet from the South 1/4 corner of Section 19, Town 2 North, Range 11 East; thence North 89 degrees 08 minutes 05 seconds East, 131.67 feet; thence South 00 degrees 14 minutes 00 seconds East, 72.36 feet; thence South 89 degrees 30 minutes 00 seconds West, 107.63 feet; thence Southwesterly 24.33 feet along a curve concave to the Southeast (radius of 285.00 feet, central angle of 04 degrees 53 minutes 29 seconds, long chord bears South 87 degrees 03 minutes 17 seconds West 24.32 feet); thence North 00 degrees 01 minutes 30 seconds West, 72.56 feet to the point of beginning.



### Truck Turn Data

WB=50	feet		
Tractor Width	: 8.00	Lock to Lock Time	: 6.00
Trailer Width	: 8.50	Steering Angle	: 17.70
Tractor Track	: 8.00	Articulating Angle	: 70.00
Trailer Track	: 8.50		

### Site Data

Zoned: BB (Big Beaver Road District)  
Site Containing: 200,867 Sq. Ft. or 4.61 Acres.

Total parking required:  
1 space per 550 s.f. of usable floor area.  
86,000 s.f. (per client) / 550 = 157 spaces including 6 barrier free spaces.

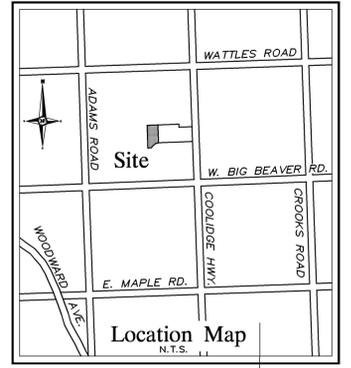
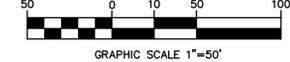
Total parking provided: 209 spaces including 7 barrier free spaces.

### Legend

- ASPH = Asphalt
- CONC = Concrete
- CB = Catch Basin
- CO = Clean Out
- GV = Gate Valve
- MH = Manhole
- DE = Detroit Edison (Electric)
- HYD = Hydrant
- LP = Light Pole
- UP = Utility Pole
- L/S = Landscape
- OH LINES = Overhead Lines
- PH = Physically Handicapped
- P/L = Property Line
- PIV = Post Indicator Valve
- ROW = Right of Way
- SAN = Sanitary Sewer
- STM = Storm Sewer
- WM = Water Main
- CL = Center Line
- F.I. = Found Iron
- S.I. = Set Iron
- (R) = Record Measurement
- (M) = Surveyed Measurement
- (TYP) = Typical
- (O.C.R.) = Oakland County Records

- [Hatched Box] = No parking
- [Dotted Box] = Proposed Landscape

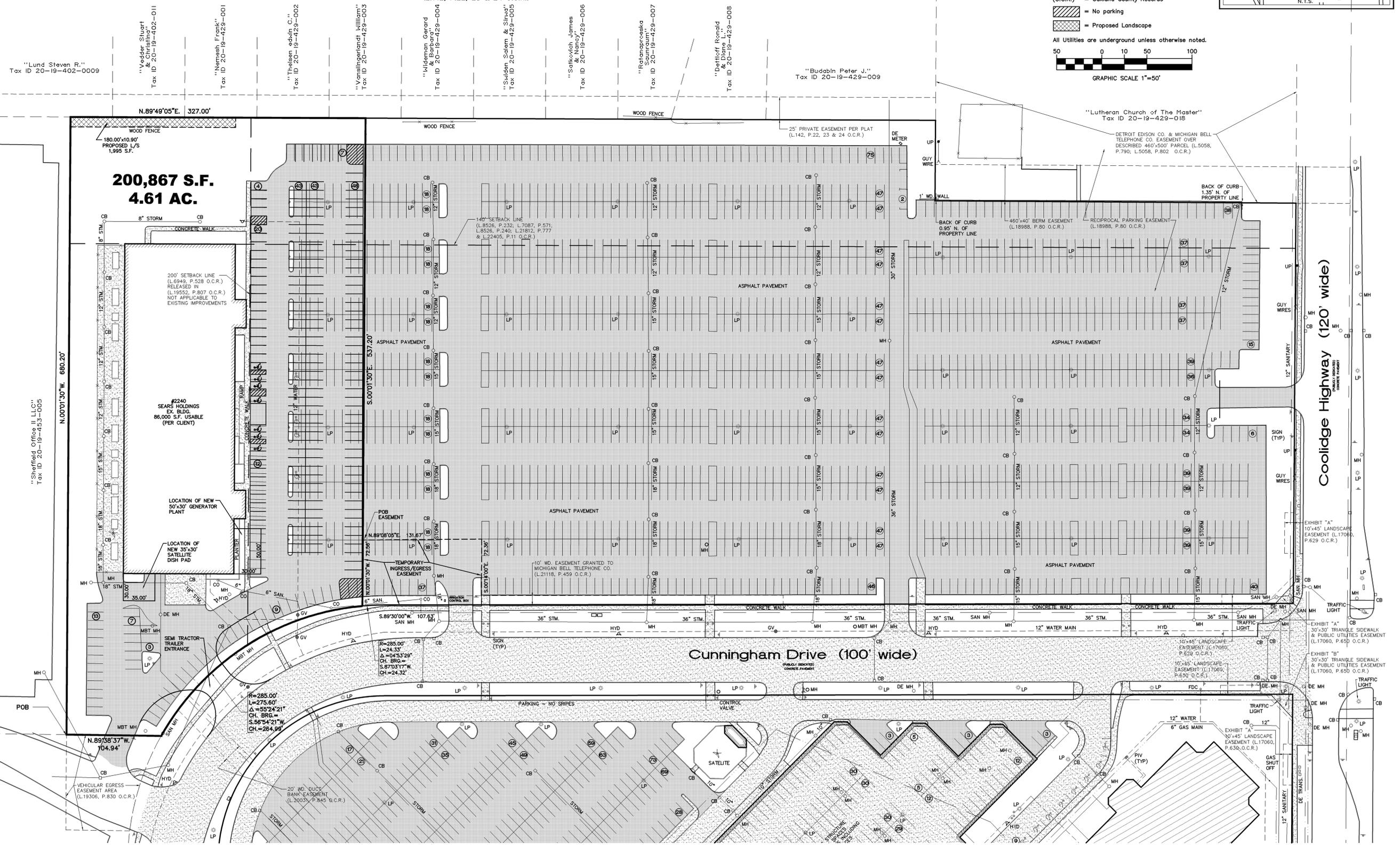
All Utilities are underground unless otherwise noted.



# NOWAK & FRAUS

Consulting Engineers  
Land Surveyors  
Land Planners

1310 N. Stephenson Highway  
Royal Oak, MI 48067-1508  
Tel. (248) 399-0886  
Fax. (248) 399-0805



PROJECT LOCATION  
"Data Center"  
2240 Cunningham Dr.  
Part of the S.E. 1/4  
of Section 19  
T.2N., R.11E.  
City of Troy,  
Oakland County, Michigan

### SHEET Site Plan

DATE/REVISION	10-26-05 ORIGINAL DATE
	12-08-05 REVISED PER CLIENT
	12-12-05 ADD PR. ING./EG. EASE.
	12-27-05 REVISED PER CLIENT
	01-13-06 REVISED PER CLIENT
	06-26-06 REVISED PER CLIENT
	07-30-12 REVISED SITE DATA ONLY

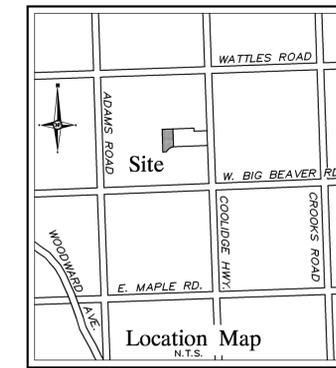
DRAWN BY:  
A.G.  
DESIGNED BY:

APPROVED BY:  
J.P.F.  
DATE:  
6-26-2006  
SCALE:  
1"=50'

NF JOB NO.  
D696

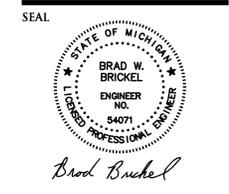
SHEET NO.  
1 of 1

N:\0000\FILES\0000\PROPOSED FENCE PLAN\0006\_SIT PLAN (DCA).DWG 7/20/06 14:27 PM



**NF ENGINEERS**  
 CIVIL ENGINEERS  
 LAND SURVEYORS  
 LAND PLANNERS

NOWAK & FRAUS ENGINEERS  
 46777 WOODWARD AVE.  
 PONTIAC, MI 48342-5032  
 TEL. (248) 332-7931  
 FAX. (248) 332-8257



**AMERISTAR FENCE PRODUCTS**  
 Montage II® - Heavy Industrial Steel Ornamental Fence System - Fusion Welded and Rackable  
 CONSTRUCTION SPECIFICATION - SECTION 32 31 00

**PART 1 - GENERAL**  
 1.01 WORK INCLUDED  
 The contractor shall provide all labor, materials and appurtenances necessary for installation of the welded ornamental steel fence system defined herein at (specify project site).

1.02 RELATED WORK  
 Section --- --- Earthwork  
 Section --- --- Concrete

1.03 SYSTEM DESCRIPTION  
 The manufacturer shall supply a total fence system of Montage II® Welded and Rackable (ATF - All Terrain Flexibility) Ornamental Steel (specify Invinicible® Classic™, Majestic™, or Genesis™) design. The system shall include all components (i.e., panels, posts, gates and hardware) required.

1.04 QUALITY ASSURANCE  
 The contractor shall provide laborers and supervisors who are thoroughly familiar with the type of construction involved and materials and techniques specified.

1.05 REFERENCES  
 ASTM A653/A653M - Standard Specification for Steel Sheet, Zinc-Coated (Galvanized) or Zinc-Iron Alloy Coated (Galvannealed) by the Hot-Dip Process.  
 ASTM B117 - Practice for Operating Salt-Spray (Fog) Apparatus.  
 ASTM D523 - Test Method for Specular Gloss.  
 ASTM D714 - Test Method for Evaluating Degree of Blistering in Paint.  
 ASTM D822 - Practice for Conducting Tests on Paint and Related Coatings and Materials using Filtered Open-Flame Carbon-Arc Light and Water Exposure Apparatus.  
 ASTM D1654 - Test Method for Evaluation of Painted or Coated Specimens Subjected to Corrosive Environments.  
 ASTM D2244 - Test Method for Calculation of Color Differences from Instrumentally Measured Color Coordinates.  
 ASTM D2794 - Test Method for Resistance of Organic Coatings to the Effects of Rapid Deformation (Impact).  
 ASTM D3359 - Test Method for Measuring Adhesion by Tape Test.  
 ASTM F2408 - Ornamental Fences Employing Galvanized Steel Tubular Pickets.

1.06 SUBMITTAL  
 The manufacturer's literature shall be submitted prior to installation.

1.07 PRODUCT HANDLING AND STORAGE  
 Upon receipt at the job site, all materials shall be checked to ensure that no damage occurred during shipping or handling. Materials shall be stored in such a manner to ensure proper ventilation and drainage, and to protect against damage, weather, vandalism and theft.

**PART 2 - MATERIALS**  
 2.01 MANUFACTURER  
 The fence system shall conform to Montage II® Welded and Rackable (ATF - All Terrain Flexibility) Ornamental Steel, (specify Invinicible® Classic™, Majestic™, or Genesis™) design, (specify extended picket or fluted) bottom rail treatment, (specify 2-Rail, 3-Rail or 4-Rail) style manufactured by Ameristar Fence Products, Inc., in Tulsa, Oklahoma.

2.02 MATERIAL  
 A. Steel material for fence panels and posts shall conform to the requirements of ASTM A653/A653M, with a minimum yield strength of 45,000 psi (310 MPa) and a minimum zinc (hot-dip galvanized) coating weight of 0.90 oz/ft<sup>2</sup> (276 g/m<sup>2</sup>). Coating Designation G-90.  
 B. Material for pickets shall be 1" square x 14 Ga. tubing. The rails shall be steel channel, 1.75" x 1.75" x .105". Picket holes in the rail shall be spaced 4.715" o.c. Fence posts and gate posts shall meet the minimum size requirements of Table 1.

2.03 FABRICATION  
 A. Pickets, rails and posts shall be pre-cut to specified lengths. Rails shall be pre-punched to accept pickets.  
 B. Pickets shall be inserted into the pre-punched holes in the rails and shall be aligned to standard spacing using a specially calibrated alignment fixture. The aligned pickets and rails shall be joined at each picket-to-rail intersection by Ameristar's proprietary fusion welding process, thus completing the rigid panel assembly (Note: The process produces a virtually seamless, spatter-free good-neighbor appearance, equally attractive from either side of the panel).  
 C. The manufactured panels and posts shall be subjected to an inline electrocoat process (E-Coat) process consisting of a multi-stage pretreatment/wash (with zinc phosphate), followed by a duplex application of an epoxy primer and an acrylic topcoat. The minimum cumulative coating thickness of epoxy and acrylic shall be 2 mils (0.0508 mm). The color shall be (specify Black or Bronze). The coated panels and posts shall be capable of meeting the performance requirements for each quality characteristic shown in Table 2 (Note: The requirements in Table 2 meet or exceed the coating performance criteria of ASTM F2408).  
 D. The manufactured fence system shall be capable of meeting the vertical load, horizontal load, and infill performance requirements for industrial weight fences under ASTM F2408.  
 E. Swing gates shall be fabricated using 1.75" x 14ga Forerunner double channel rail, 2" sq. x 11ga. gate ends, and 1" sq. x 14ga. pickets. Gates that exceed 6' in width will have a 1.75" sq. x 14ga. intermediate upright. All rail and upright intersections shall be joined by welding. All picket and rail intersections shall also be joined by welding. Gasket plates will be welded at each upright to rail intersection. Cable kits will be provided for additional trussing for all gates leaves over 6'.

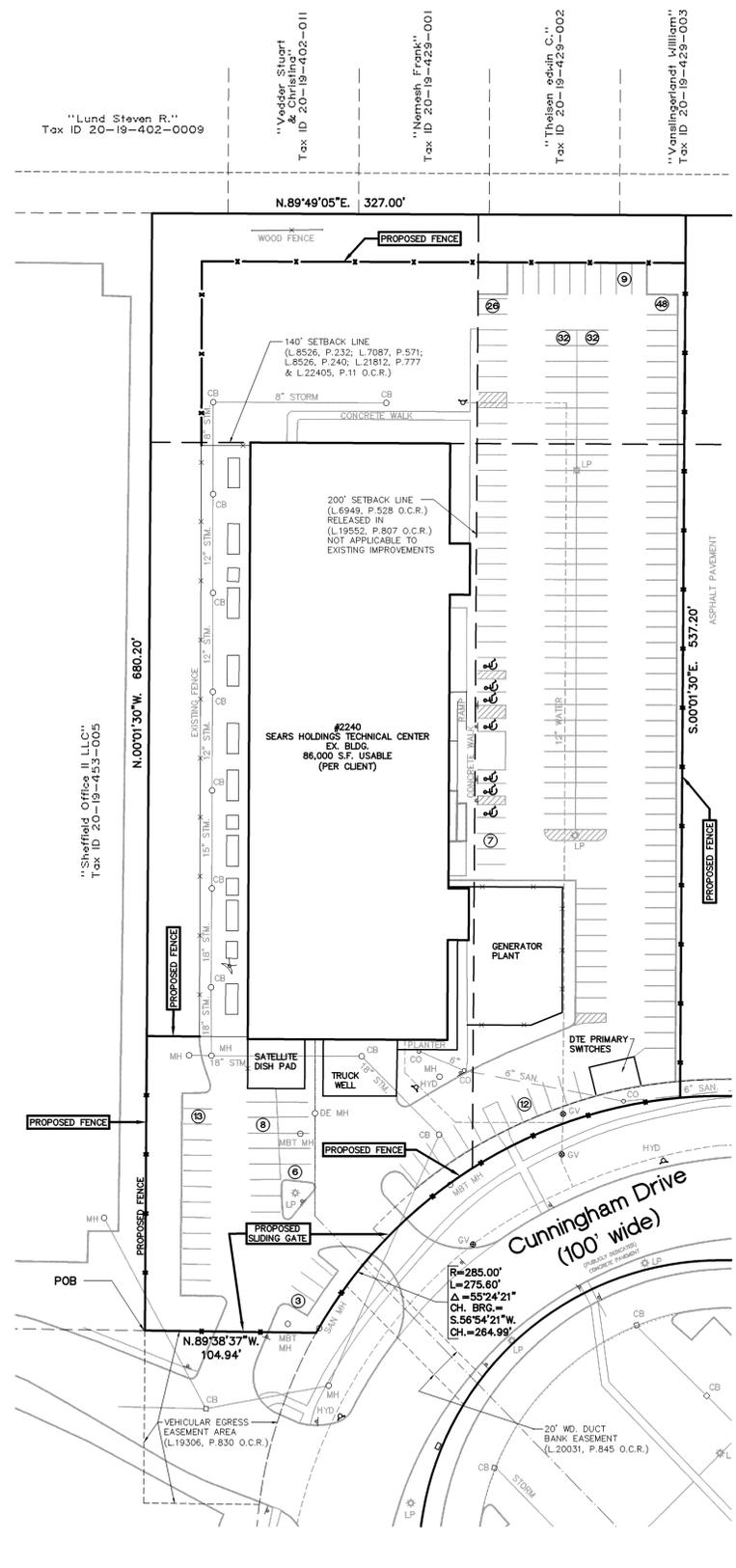
**PART 3 - EXECUTION**  
 3.01 PREPARATION  
 All new installation shall be laid out by the contractor in accordance with the construction plans.

3.02 FENCE INSTALLATION  
 Fence post shall be spaced according to Table 3, plus or minus 1/4". For installations that must be raked to follow sloping grade, the post spacing dimension must be measured along the grade. Fence panels shall be attached to posts with brackets supplied by the manufacturer. Posts shall be set in concrete footers having a minimum depth of 36" (Note: In some cases, local restrictions of freezing weather conditions may require a greater depth). The "Earthwork" and "Concrete" sections of this specification shall govern material requirements for the concrete footer. Posts setting by other methods such as piloted posts or grouted core-drilled footers are permissible only if shown by engineering analysis to be sufficient in strength for the intended application.

3.03 FENCE INSTALLATION MAINTENANCE  
 When cutting/drilling rails or posts adhere to the following steps to seal the exposed steel surfaces: 1) Remove all metal shavings from cut area. 2) Apply zinc-rich primer to thoroughly cover cut edge and/or drilled hole; let dry. 3) Apply 2 coats of standard finish paint matching fence color. Failure to seal exposed surfaces per steps 1-3 above will negate warranty. Ameristar spray cans or paint pens shall be used to prime and finish exposed surfaces; it is recommended that point pens be used to prevent overspray. Use of non-Ameristar parts or components will negate the manufacturer's warranty.

3.04 GATE INSTALLATION  
 Gate posts shall be spaced according to the manufacturer's gate drawings, dependent on standard out-to-out gate leaf dimensions and gate hardware selected. Type and quantity of gate hinges shall be based on the application; weight, height, and number of gate cycles. The manufacturer's gate drawings shall identify the necessary gate hardware required for the application. Gate hardware shall be provided by the manufacturer of the gate and shall be installed per manufacturer's recommendations.

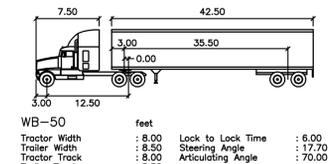
3.05 CLEANING  
 The contractor shall clean the jobsite of excess materials; post-hole excavations shall be scattered uniformly away from posts.



**Site Data**  
 Zoned: BB (Big Beaver Road District)  
 Site Containing: 200,867 Sq. Ft. or 4.61 Acres.

Total parking required:  
 1 space per 550 s.f. of usable floor area.  
 86,000 s.f. (per client) / 550 = 157 spaces including 6 barrier free spaces.

Total parking provided: 209 spaces including 7 barrier free spaces.



**Truck Turn Data**

**Table 1 - Minimum Sizes for Montage II Posts**

Fence Posts	Panel Height
2-1/2" x 12 Ga.	Up to & Including 6' Height
3" x 12 Ga.	Over 6' Up to & Including 8' Height

Gate Leaf	Gate Height		
	Up to & Including 4'	Over 4' Up to & Including 6'	Over 6' Up to & Including 8'
Up to 4'	2-1/2" x 12 Ga.	3" x 12 Ga.	3" x 12 Ga.
4'1" to 6'	3" x 12 Ga.	4" x 11 Ga.	4" x 11 Ga.
6'1" to 8'	3" x 12 Ga.	4" x 11 Ga.	4" x 11 Ga.
8'1" to 10'	4" x 11 Ga.	6" x 3/16"	6" x 3/16"
10'1" to 12'	4" x 11 Ga.	6" x 3/16"	6" x 3/16"
12'1" to 14'	4" x 11 Ga.	6" x 3/16"	6" x 3/16"
14'1" to 16'	6" x 3/16"	6" x 3/16"	6" x 3/16"

**Table 2 - Coating Performance Requirements**

Quality Characteristics	ASTM Test Method	Performance Requirements
Adhesion	D3359 - Method B	Adhesion (Retention of Coating) over 90% of test area (Tape and knife test).
Corrosion Resistance	B117, D714 & D1654	Corrosion Resistance over 1,500 hours (Scribed per D1654; failure mode is accumulation of 1/8" coating loss from scribe or medium #8 blisters).
Impact Resistance	D2794	Impact Resistance over 60 inch lb. (Forward impact using 0.625" ball).
Weathering Resistance	D822 D2244, D523 (60' Method)	Weathering Resistance over 1,000 hours (Failure mode is 60% loss of gloss or color variance of more than 3 delta-E color units).

**Table 3 - Montage II - Post Spacing By Bracket Type**

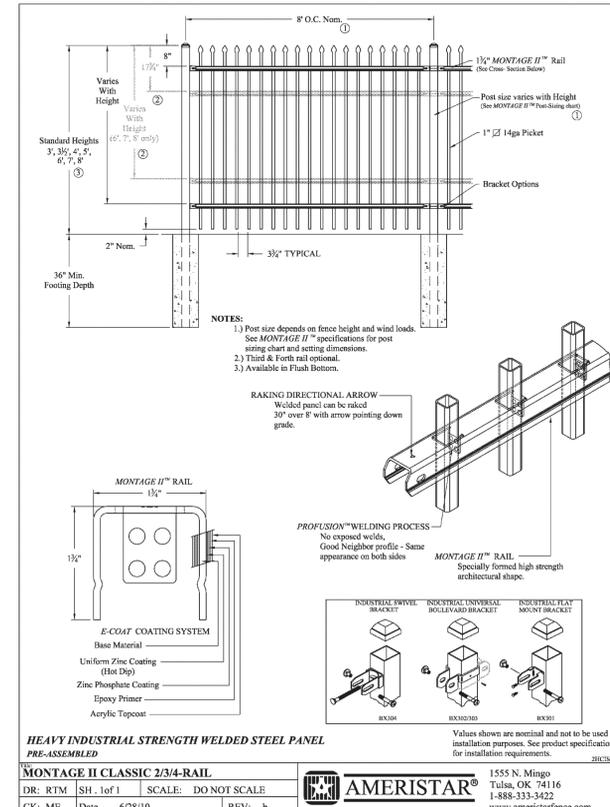
Span	For INVINCIBLE® 8" Nominal (91-1/2" Rail)			For CLASSIC, GENESIS®, & MAJESTIC® 8" Nominal (92-5/8" Rail)		
	2-1/2"	3"	3"	2-1/2"	3"	2-1/2"
Post Size	2-1/2"	3"	3"	2-1/2"	3"	2-1/2"
Bracket Type	Industrial Flat Mount (BB301)*	Industrial Line 2-1/2" (BB319) 3" (BB320)	Industrial Universal 2.5" (BB302) 3" (BB303)	Industrial Flat Mount (BB301)		
Post Settings	94-1/2"	95"	94-1/2"	95"	96"	96-1/2"

\*Note: When using BB304 swivel brackets on either or both ends of a panel installation, care must be taken to ensure the spacing between post and adjoining pickets meets applicable codes. This will require trimming one or both ends of the panel. When using the BB301 flat mount bracket for Invinicible style, rail may need to be drilled to accommodate rail to bracket attachment.

**Legend**

- ASPH = Asphalt
- CONC = Concrete
- CB = Catch Basin
- CO = Clean Out
- GV = Gate Valve
- MH = Manhole
- DE = Detroit Edison (Electric)
- HYD = Hydrant
- LP = Light Pole
- UP = Utility Pole
- L/S = Landscape
- OH LINES = Overhead Lines
- PH = Physically Handicapped
- P/L = Property Line
- PIV = Post Indicator Valve
- ROW = Right of Way
- SAH = Sanitary Sewer
- STM = Storm Sewer
- WM = Water Main
- ⊕ = Center line
- F.I. = Found Iron
- S.I. = Set Iron
- (R) = Record Measurement
- (M) = Surveyed Measurement
- (TYP) = Typical
- (O.C.R.) = Oakland County Records

All Utilities are underground unless otherwise noted.



**PROJECT LOCATION**  
 "Data Center"  
 2240 Cunningham Dr.

Part of the S.E. 1/4  
 of Section 19  
 T.2N., R.11E.  
 City of Troy,  
 Oakland County, Michigan

**SHEET**  
 Proposed Fence

**DRAWN BY:**  
 A.G./N.N.

**DESIGNED BY:**

**APPROVED BY:**  
 B.B.

**DATE/REVISION**

5-01-2012	ISSUE DATE
5-15-2012	REV. PER CLIENT
6-12-2012	REV. PER CLIENT
7-30-2012	REV. PER CITY

**DATE:**  
 05-01-2012

**SCALE:**  
 1"=50'

NF JOB NO. D696 SHEET NO. 1 of 1

DETAIL AND SPECS WERE PROVIDED BY CLIENT AND WERE NOT DESIGNED OR PREPARED BY NOWAK & FRAUS ENGINEERS.

**TRAFFIC COMMITTEE MINUTES – OCTOBER 17, 2012****FINAL**

A regular meeting of the Troy Traffic Committee was held Wednesday, October 17, 2012 in the Lower Level Conference Room at Troy City Hall. Pete Ziegenfelder called the meeting to order at 7:30 p.m.

**1. Roll Call****PRESENT:**

Ted Halsey  
Richard Kilmer  
David Ogg  
Stevan Popovic  
Pete Ziegenfelder

**ABSENT:**

Sarah Binkowski  
Al Petrulis

**Also present:**

Brad Griffin, 5211 Vineyards Court  
Brad Griffin, Jr., 5211 Vineyards Court  
Lt. Eric Caloia, Fire Department  
Bill Huotari, Deputy City Engineer/Traffic Engineer

**2. Minutes – September 19, 2012****RESOLUTION # 2012-10-22**

Moved by Kilmer  
Seconded by Ogg

To approve the September 19, 2012 minutes as printed.

YES: All-5  
NO: None  
ABSENT: 2 (Binkowski, Petrulis)  
MOTION CARRIED

**REGULAR BUSINESS****3. Request for Traffic Control – Vineyards at Vineyards Court**

Ann Marie Walkiewicz of 2861 Vineyards requested that the intersection of Vineyards at Vineyards Court be reviewed for the purpose of installing a Stop or Yield sign on Vineyards Court. Ms. Walkiewicz states that lack of traffic control at the intersection creates a hazardous situation.

Brad Griffin and his son were present at the meeting and spoke in favor of installing a Stop sign on the Vineyards Court northbound approach to the intersection. They have witnessed other drivers not stopping or yielding at the intersection to vehicles approaching on Vineyards. The corner of Vineyards and Vineyards Court is also a bus stop so a Stop sign would help provide

safety for children waiting for the bus.

Emails in favor of a Stop or Yield sign were also received from:

- Anne Marie Walkiewicz, 2681 Vineyards Drive
- Catherine Gofrank, 2971 Vineyards Drive
- Sue Daiza, 5210 Serena Drive
- Darlene Hegedus, Address not noted
- Lisa Bourquin, 5236 Vineyards Court
- Kimberly Lee, 2862 Vineyards Drive

One email was received opposing changes to the intersection from Martin and Karen Makowski of 2905 Vineyards Drive.

General discussion among the Traffic Committee members ensued.

**RESOLUTION # 2012-10-23**

Moved by Halsey  
Seconded by Kilmer

**RESOLVED**, that the Traffic Committee recommends that the intersection control at Vineyards and Vineyards Court be modified from “no traffic control” to a STOP sign on the Vineyards Court northbound approach to the intersection.

YES: All-5  
NO: None  
ABSENT: 2 (Binkowski, Petrulis)  
MOTION CARRIED

**4. Request to Revise School Speed Zone Hours – Hamilton Elementary**

Debbie Hayes of 6830 Mountain requested that the times listed on the supplementary plaques indicating School Speed Limit of 25 mph on Northfield Parkway, near Hamilton Elementary, be revised to reflect the new school day hours at the school.

The Troy School district has revised start and end times at several schools and as such, some signs are no longer consistent with the new school times. The revised school day times are to be held for the next five years per discussions with school administrators.

Hamilton Elementary arrival is now 9:10 a.m. and dismissal is 4:01 p.m. The existing signs at this location were previously approved with restrictions between 7:45 to 8:30 a.m. and 3:00 to 4:00 p.m. With the new school times to be effective with the start of the 2012-13 school year, a temporary traffic control order was issued on September 19, 2012 to revise the times on the signs to 8:30 to 9:30 a.m. and 3:30 to 4:30 p.m on Northfield Parkway.

A temporary traffic control order is valid for up to 90 days. After that time, it must either be replaced with a permanent traffic control order or it expires.

No members of the public spoke on this item at the meeting.

General discussion among the Traffic Committee members ensued.

**RESOLUTION # 2012-10-24**

Moved by Popovic  
Seconded by Kilmer

**RESOLVED**, that the Traffic Committee recommends that the supplementary plaques indicating School Speed Limit of 25 mph on Northfield Parkway, near Hamilton Elementary, be revised to the hours of 8:30 a.m. to 9:30 a.m. and 3:30 p.m. to 4:30 p.m.

YES: All-5  
NO: None  
ABSENT: 2 (Binkowski, Petrulis)  
MOTION CARRIED

**5. Public Comment**

There was no additional public comment.

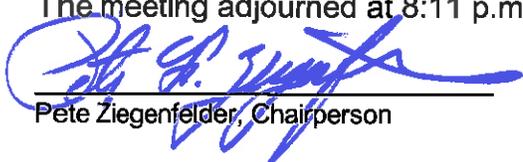
**6. Other Business**

Mr. Halsey requested that the traffic signal operations at Maple and Livernois be reviewed. He reports that there is not sufficient green time for the left turn from eastbound Maple to northbound Livernois. Traffic Engineering will refer this item to the RCOC Traffic Safety Department for further investigation.

Mr. Popovic and Mr. Kilmer requested that the Traffic Engineer review the No Right Turn on Red signs at Old Rochester/Stephenson and the No Left Turn on Red signs at the double-left turn crossover on Stephenson Highway immediately to the south. They report that the red time for vehicles at both locations is excessive and that there are sufficient gaps available to safely make these turns to northbound/southbound Stephenson Highway. A report by the Traffic Engineer will be provided to the Committee at a future meeting.

**7. Adjourn**

The meeting adjourned at 8:11 p.m.

  
Pete Ziegenfelder, Chairperson

  
Bill Huotari, Recording Secretary

Chair Tagle called the Special/Study meeting of the Troy City Planning Commission to order at 7:00 p.m. on October 23, 2012 in the Council Board Room of the Troy City Hall.

1. ROLL CALL

Present:

Donald Edmunds  
Michael W. Hutson  
Edward Kempen  
Tom Krent  
Gordon Schepke  
Robert Schultz  
Thomas Strat  
John J. Tagle

Absent:

Philip Sanzica

Also Present:

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

2. APPROVAL OF AGENDA

**Resolution # PC-2012-10-069**

Moved by: Schultz  
Seconded by: Krent

**RESOLVED**, To approve the agenda as printed.

Yes: All present (8)  
Absent: Sanzica

**MOTION CARRIED**

3. APPROVAL OF MINUTES

**Resolution # PC-2012-09-070**

Moved by: Edmunds  
Seconded by: Krent

**RESOLVED**, To approve the minutes of the October 10, 2012 Regular meeting as published.

Yes: All present (8)  
Absent: Sanzica

**MOTION CARRIED**

4. PUBLIC COMMENT – Items not on the Agenda

There was no one present who wished to speak.

5. ZONING BOARD OF APPEALS (ZBA) REPORT

Mr. Strat missed the October ZBA meeting therefore there was no ZBA report.

6. DOWNTOWN DEVELOPMENT AUTHORITY (DDA) REPORT

There was no October DDA meeting therefore no DDA report.

7. PLANNING AND ZONING REPORT

Mr. Savidant reported there is a continued upswing for single family residential development.

**ZONING ORDINANCE TEXT AMENDMENT**

8. ZONING ORDINANCE TEXT AMENDMENT (File Number ZOTA 244) – Miscellaneous Zoning Ordinance Revisions

The Planning Commission discussed and reached consensus on four items:

1. Parking in front yard.
2. Regulations of extended stay facilities.
3. Spacing provisions for used automobile dealerships.
4. Rezoning Rochester Villas from R-1D to RT.

**OTHER BUSINESS**

9. PUBLIC COMMENT – Items on Current Agenda

There was no one present who wished to speak.

10. PLANNING COMMISSION COMMENTS

There was general Planning Commission discussion.

The Special/Study meeting of the Planning Commission adjourned at 8:05 p.m.

Respectfully submitted,

---

John Tagle, Chair

---

R. Brent Savidant, Planning Director

G:\Planning Commission Minutes\2012 PC Minutes\Draft\2012 10 23 Special Study Meeting\_Draft.doc

Chair Tagle called the Special/Study meeting of the Troy City Planning Commission to order at 7:00 p.m. on October 23, 2012 in the Council Board Room of the Troy City Hall.

1. ROLL CALL

Present:

Donald Edmunds  
 Michael W. Hutson  
 Edward Kempen  
 Tom Krent  
 Gordon Schepke  
 Robert Schultz  
 Thomas Strat  
 John J. Tagle

Absent:

Philip Sanzica

Also Present:

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

2. APPROVAL OF AGENDA

**Resolution # PC-2012-10-069**

Moved by: Schultz  
 Seconded by: Krent

**RESOLVED**, To approve the agenda as printed.

Yes: All present (8)  
 Absent: Sanzica

**MOTION CARRIED**

3. APPROVAL OF MINUTES

**Resolution # PC-2012-09-070**

Moved by: Edmunds  
 Seconded by: Krent

**RESOLVED**, To approve the minutes of the October 10, 2012 Regular meeting as published.

Yes: All present (8)  
 Absent: Sanzica

**MOTION CARRIED**

4. PUBLIC COMMENT – Items not on the Agenda

There was no one present who wished to speak.

5. ZONING BOARD OF APPEALS (ZBA) REPORT

Mr. Strat missed the October ZBA meeting therefore there was no ZBA report.

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3. Spacing provisions for used automobile dealerships.
4. Rezoning Rochester Villas from R-1D to RT.

### **OTHER BUSINESS**

9. PUBLIC COMMENT – Items on Current Agenda

There was no one present who wished to speak.

10. PLANNING COMMISSION COMMENTS

There was general Planning Commission discussion.

The Special/Study meeting of the Planning Commission adjourned at 8:05 p.m.

Respectfully submitted,



---

John Tagle, Chair



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R. Brent Savidant, Planning Director

Ms. Brooks called the Regular meeting of the Building Code Board of Appeals to order at 3:00 p.m. on November 7, 2012 in the Lower Level Conference Room of the Troy City Hall.

1. ROLL CALL

Members Present:

Gary Abitheira  
Teresa Brooks  
Michael Carolan  
Mike Culpepper

Members Absent:

Theodore Dziurman, Chair

Support Staff Present:

Mitch Grusnick, Building Official/Code Inspector  
Kathy L. Czarnecki, Recording Secretary

Also Present:

Attached and made a part hereof is the signature sheet of those present and signed in at this meeting.

Mr. Grusnick advised applicants a majority of three (3) votes is required for approval and an applicant could request postponement to be heard in front of a full Board.

2. APPROVAL OF MINUTES

Moved by: Culpepper  
Seconded by: Carolan

**RESOLVED**, To approve the minutes of the October 3, 2012 Regular meeting as submitted.

Yeas: All present (4)  
Absent: Dziurman

**MOTION CARRIED**

3. HEARING OF CASES

- A. VARIANCE REQUEST, RANDY ORAM FOR INTERNATIONAL OUTDOOR INC., 500 WEST LONG LAKE – A variance for relief of Chapter 85, Section 85.02.05 (c) (5) (e) to place a 70 foot tall, 1608 square foot ground sign.

Ms. Brooks announced a written request has been received from the applicant to table the request to the next monthly meeting.

Ms. Brooks opened the floor for public comment.

There was no one present who wished to speak.

Ms. Brooks closed the floor for public comment.

Moved by: Carolan  
Seconded by: Abitheira

**RESOLVED**, To table the request to the December 5, 2012 Regular meeting.

Yeas: All present (4)  
Absent: Dziurman

**MOTION CARRIED**

- B. **VARIANCE REQUEST, MAURICE BANKS AND MIKE FRAZIER, 1929 HAZEL NUT LANE** – A variance for relief of Chapter 83 to place a 4 foot high non-obscuring fence in the front setback along Sutherland Drive where the fence height is limited to 30 inches.

Mr. Grusnick gave a brief description of the request. He indicated the department received no comments in response to the public notice.

The applicant and property owner, Mike Frazier, was present. Mr. Frazier said in addition to the request to place a four (4) foot high fence along Sutherland Drive, he is also asking to extend a six (6) foot high privacy fence along the rear property line. He said their house backs up to a wooded area owned by a party store on John R. Mr. Frazier said the fencing would provide protection for their five children and two dogs, and the placement of the fencing would utilize as much yard as possible for a play area. Mr. Frazier said the four (4) foot high fence would be a decorative aluminum black fence and the privacy fence would be wood with shadow boxing.

Mr. Grusnick confirmed the request for a privacy fence is shown on the site plan submitted. Mr. Grusnick said the property behind the home would be developed in the future and the four (4) foot high fence might meet Zoning Ordinance requirements depending on the layout of the future development to the north, but the six (6) foot high privacy fence would require a variance in either situation.

Ms. Brooks opened the floor for public comment.

There was no one present who wished to speak.

Ms. Brooks closed the floor for public comment.

There was discussion on:

- Distance of proposed fence from sidewalk/property line.
- Developer/builder agreement to install fence along rear property line.
- Developer/builder regulations; future homeowners' association bylaws.
- Utility easements within fence line area.
- Future development to the north; lot and sidewalk layout.

Moved by: Culpepper

Seconded by: Abitheira

**RESOLVED**, That the variance request for Maurice Banks and Mike Frazier, 1929 Hazel Nut Lane, for relief of Chapter 83 to place a 4 foot high non-obscuring fence in the front setback along Sutherland Drive where the fence height is limited to 30 inches, be granted with the condition that the fence is two (2) feet off the sidewalk, for the following reasons:

1. The variance would not be contrary to the public interest or general purpose and intent of Chapter 83; and
2. The variance does not adversely affect properties in the immediate vicinity for the proposed fence; and
3. The petitioner has a hardship or practical difficulty resulting from the unusual characteristics of the property that precludes reasonable use of the property.

**FURTHER RESOLVED**, that a six (6) foot high obscuring privacy fence, as requested, to terminate two (2) feet off the sidewalk along Sutherland Drive, be granted.

Yeas: Abitheira, Carolan, Culpepper

Nay: Brooks

Absent: Dziurman

### **MOTION CARRIED**

- C. **VARIANCE REQUEST, ROBERT J. BONGIORNO FOR B-B SIGN & LIGHTING, INC., 1401 E. FOURTEEN MILE** – A variance to place a 127 square foot, 13 foot 4 inch tall ground sign, set back 7 feet 6 inches from the front property line. The sign code limits ground signs set back less than 20 feet to a 10 foot maximum height and a maximum size of 50 square feet.

Mr. Grusnick gave a brief description of the request. He indicated the department received no comments in response to the public notice and there are no concerns from a traffic visibility standpoint.

The applicant, Robert Bongiorno of B-B Sign & Lighting, was present. Also present were Al David and Jerry Sitarski of Emergency Restoration.

Mr. Bongiorno addressed the concern that a sign placed in accordance with the Zoning Ordinance would be blocked by the neighboring business located to the west (Ray Electric) and not be visible by traffic traveling eastbound on 14 Mile. Mr. Bongiorno displayed photographs visually identifying the visibility concern. Mr. Bongiorno said the owners would like to install an LED message board that would enhance their building and attract the public and customer eye. He addressed the design configuration and LED message of the proposed sign. He confirmed the proposed sign would not obscure any existing signage in the area.

Mr. David addressed the intent of its LED messages, stating they would relate to company specials, services, greetings, community and public announcements. He confirmed they are aware of the minimum sixty (60) second message cycle change.

Ms. Brooks opened the floor for public comment.

There was no one present who wished to speak.

Ms. Brooks closed the floor for public comment.

Moved by: Carolan  
Seconded by: Culpepper

**RESOLVED**, To approve the variance request.

Yeas: All present (4)  
Absent: Dziurman

**MOTION CARRIED**

- D. **VARIANCE REQUEST, JOHN GAVIN FOR CUSTOM SIGN CENTER, INC., 1905 E. MAPLE ROAD** – A variance for relief of the Sign Code to place a second ground sign (Menu Board) on the property measuring 41 square feet in size. Section 85.02.05 (C) (4) (b) limits the size of a second ground sign to 36 square feet.

Mr. Grusnick gave a brief description of the request. He indicated the department received no comments in response to the public notice.

Patrick Bell, representative of the property owner Tim Horton's, was present. Mr. Bell addressed the size configuration of the restaurant menu board. He stated the menu board sign exceeds the Zoning Ordinance requirements by approximately five (5) square feet, of which four and one quarter (4.25) square feet is within the base of the sign that contains the menu and speaker system; the remainder square feet is outside of the frame.

Ms. Brooks addressed the outstanding concern of the County Health Department with respect to the dumpster location.

Mr. Bell said he was not aware of any concern identified by the County Health Department. Mr. Bell said the sign variance request is for the size of the sign, not the location, and promised that any and all outstanding concerns of the Health Department would immediately be addressed.

Ms. Brooks opened the floor for public comment.

There was no one present who wished to speak.

Ms. Brooks closed the floor for public comment.

Moved by: Carolan  
Seconded by: Abitheira

**RESOLVED**, To approve the variance request.

Yeas: All present (4)  
Absent: Dziurman

#### **MOTION CARRIED**

- E. **VARIANCE REQUEST, AFRAH ALBANNA FOR AUTOMOTIVE CASTLE, 1251 ROCHESTER** – A variance for relief of the Sign Code to place a third ground sign measuring 40 square feet in size on the property. Section 85.02.05 (C) limits the maximum number of ground signs on this parcel to two signs.

Mr. Grusnick gave a brief description of the request. He indicated the department received no comments in response to the public notice.

Chris Tweny of Rainbow Hi-Tech was present to represent the property owner. Mr. Tweny said the property owner, Afrah (Fred) Albanna of Automotive Castle, would like to install an LED message board sign. He addressed visibility concerns with existing signage and noted the applicant would remove his name from existing signage shared by multi-building tenants.

Ms. Brooks opened the floor for public comment.

Kim Snell of 1227 Rochester Road was present. Ms. Snell spoke on behalf of the mini storage facility, one of the multi-building tenants who share the existing signage with the applicant. She said the applicant's name is on the two existing signs at no charge, and the signs are visible from the north and south. Ms. Snell expressed opposition to the applicant's request for a third sign. She indicated the mini storage facility does not have frontage exposure and would lose business without a sign.

Ms. Snell said the applicant is difficult to work with as a neighbor, and his business is a disgrace to the City.

Mr. Tweny said the applicant would be willing to share the usage of the proposed LED sign.

Matthew Horn of The Horn Corporation, 1263 Rochester, was present. Mr. Horn is one of the multi-building tenants sharing the existing signage with the applicant. He said after coming to an agreement with the applicant, he applied and paid for the existing signage. Mr. Horn indicated he is not necessarily opposed to the applicant's request for a third sign because that would free up and give him personal use of the existing signage. Mr. Horn said the applicant's property is a constant mess with yellow leg signs, auto parts, tire bins, flags, lawn lights, etc. Mr. Horn said he would welcome professional signage if it meant the applicant would stop constantly cluttering the property.

Mr. Carolan said he would not support the request because it appears a hardship would be created for the other building tenants.

Mr. Grusnick reported violation notices have been issued to the applicant. Mr. Grusnick said the applicant indicated a third sign would address signage concerns on site.

Mr. Tweny asked that the building tenants put their objections in writing and indicated that conceivably there could be a resolution to the signage concerns.

Ms. Brooks closed the floor for public comment.

Discussion continued:

- Role/responsibility of the Board.
- Multi-building tenant signage.
- Sunoco gas pipeline on site.

Moved by: Carolan

Seconded by:

**RESOLVED**, To deny the variance request because it would adversely affect the existing neighbors and the applicant has not shown a hardship.

**MOTION FAILED** for lack of support.

Mr. Tweny requested to postpone the request until there is a full Board present.

Moved by: Abitheira  
Seconded by: Culpepper

**RESOLVED**, To postpone the request so it can be heard at a meeting in which a full board is present.

Discussion on the motion on the floor.

Mr. Carolan said he would support the motion to postpone because it would allow the applicant time to resolve concerns addressed by the neighbors.

Vote on the motion on the floor.

Yeas: All present (4)  
Absent: Dziurman

**MOTION CARRIED**

4. COMMUNICATIONS

None.

5. PUBLIC COMMENT

None.

6. MISCELLANEOUS BUSINESS

The newly sworn City Manager will attend the December Regular meeting.

Mr. Culpepper was thanked for his participation and wished a fond farewell.

7. ADJOURNMENT

The Regular meeting of the Board of Building Appeals adjourned at 3:59 p.m.

Respectfully submitted,

\_\_\_\_\_  
Teresa Brooks, Acting Chair

\_\_\_\_\_  
Kathy L. Czarnecki, Recording Secretary

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**BUILDING CODE BOARD OF APPEALS SIGN-IN SHEET**

November 7, 2012

NAME (PLEASE PRINT)	ADDRESS
Patrick Bell	565 E. Grand River Ave., Brighton, MI 48116
Vincent Pangle	5235 Wright Troy, MI 48095
MIKE FRAZIER	1929 HAZEL NUT LN Troy 48063
Al David	1401 E. 14 Mile Rd Troy 48063
MATTHEW HOW	1263 ROCHESTER
BOB BONGIORNO-	54770 ARROWHEAD.
JERRY SITARSKI	140 E 14. MILE RD Troy MI
Kina Snell	1227 Rock Rd Troy
NAME (PLEASE PRINT)	ADDRESS

**BUILDING CODE BOARD OF APPEALS MEETING SIGN-IN SHEET**

November 7, 2012



Berkley • Beverly Hills • Birmingham • Clawson • Ferndale • Hazel Park • Huntington Woods • Lathrup Village • Oak Park • Pleasant Ridge • Royal Oak • Troy

## QUARTERLY REPORT October 2012

<b>BOARD OF TRUSTEES</b>	
<b>Representative</b>	<b>Municipality</b>
J. Bais-DiSessa	City of Berkley
C. Wilson	Village of Beverly Hills
L. Wood	City of Birmingham
M. Pollock	City of Clawson
A. Lynch	City of Ferndale
A. LeCureaux	City of Hazel Park
A. Allie	City of Huntington Woods
J. Mueller	City of Lathrup Village
K. Yee	City of Oak Park
S. Ball	City of Pleasant Ridge
G. Rassel	City of Royal Oak
T. Richnak	City of Troy

<b>OFFICERS</b>	
Chair:	J. Mueller
Vice Chair:	G. Rassel
Secretary:	C. Wilson
Advisory Committee:	A. Allie S. Ball J. Mueller G. Rassel

J. A. McKeen	General Manager
R. Jackovich	Operations Manager

Board of Trustees  
SOCRRA

Subject: Quarterly Report - October 2012

Board Members:

Attached is a copy of SOCRRA's Quarterly Report covering the first three months operation of the fiscal year 2012/13. The report contains a financial statement of the Authority's operation and an outline of projects in progress or completed during the quarter. The report also contains statistical information and other information of general interest to the members of this Authority.

**BOARD OF TRUSTEES**

The governing body of the Authority is a Board of Trustees, consisting of one representative from each constituent municipality. The Board held its Organization Meeting on July 11, 2012, and members were elected to serve as Officers for the fiscal year beginning July 2012.

Following is a list of the current officers:

Chair: Byron Photiades  
 Vice Chair: Jeff Mueller  
 Secretary: Greg Rassel

Mr. Photiades retired from the City of Ferndale in August, 2012. The SOCRRA Board then elected the following members to serve as Officers for the remainder of the fiscal year:

Chair: Jeff Mueller  
 Vice Chair: Greg Rassel  
 Secretary: Chris Wilson

Representatives on the Board are entitled to one vote for each 3,000 tons, or fraction thereof, of material delivered to the Authority during the preceding fiscal year. The number of votes of each constituent member for the fiscal year, beginning July 2012, is as follows:

<b>Municipality</b>	<b>Votes</b>
Berkley	3
Beverly Hills	3
Birmingham	6
Clawson	3
Ferndale	5
Hazel Park	3
Huntington Woods	2
Lathrup Village	1
Oak Park	5
Pleasant Ridge	1
Royal Oak	13
Troy	14
<b>Total:</b>	<b>59</b>

The Board meets in regular session once each month for the purpose of conducting all business coming before the Board.

The Authority is responsible for collecting recyclables, refuse and yard waste from the member communities and then recycling, disposing, or composting these materials. The Authority has entered into contracts with the individual members for a period extending to July 1, 2027. These contracts obligate the Authority to handle this material, charging rates sufficient to pay the operating costs and capital improvements.

### **FINANCIAL STATEMENT**

The total net income for the first 3 months of 2012/13 was \$243,026, before depreciation. This is a decrease from the net income of \$329,385 for the same period of 2010/11.

	<u>Actual</u>	<u>Compared to Budget</u>
Revenue	\$4,888,351	+ \$ 31,440
Expenses	\$4,645,325	- \$ 506,943
Net Income	\$ 243,026	+ \$ 538,383

The increase in revenue was due primarily to greater than planned non-member refuse from Car Trucking, Rizzo Services and Tringali Sanitation (+\$95,000), increased member revenue (+\$55,000) and higher tonnage of non-member yard waste (\$10,000), partially offset by lower proceeds from the sale of recycled material (-\$126,000). The sale of recycled material generated \$264,000, which was 32% lower than budgeted and 32% lower than the revenue generated in the first quarter of 2011/12. The primary reason for this decrease in revenue was the extremely weak market for our recycled paper.

Expenses were significantly under budget. Reduced costs for contractors (-\$323,000) non-labor Administrative and General expenses (-\$209,000, which are partially an issue of timing), labor (-\$18,000) and utilities (-\$9,000) were partially offset by higher than budgeted costs for maintenance (+\$29,000) and supplies (+\$21,000). Additional financial detail is attached.

### **MATERIAL HANDLED**

SOCRRA processed 46,824 tons of refuse, yard waste and recyclables during the first three months of the current fiscal year. This represents a decrease of 2.6% or 1,242 total tons compared to the same period last year. We may have resumed the long term trend of decreasing amounts of refuse tonnage delivered by the member communities. Last year, this trend leveled off and we budgeted for a slight increase in member refuse for this fiscal year. The amount of member refuse decreased by 4.3% compared to the previous fiscal year. The amount of recycling from the member communities decreased by 17 tons or 0.4%. The tonnages for non-member recycling, non-member refuse and yard waste were very similar to last year.

Our recent history of tonnage handled is displayed in the table below:

	2008/09	2009/10	2010/11	2011/12	2012/13
Member Refuse	29,938	28,597	28,363	28,626	27,400
Non-Member Refuse	2,256	2,947	3,539	7,384	7,361
Member Recycling	4,112	4,035	4,190	4,259	4,242
Non-Member Recycling	84	945	377	113	145
Yard Waste	<u>8,905</u>	<u>10,044</u>	<u>8,499</u>	<u>7,683</u>	<u>7,676</u>
TOTAL	45,295	46,568	44,968	48,066	46,824

### **CAPITAL EXPENDITURES**

Capital expenditures totaled \$37,216 for the first quarter. The major expenditures were payments for the new loader (\$13,000) at the Compost Site, the replacement of a portion of the driveway for the Troy Transfer Station (\$9,000), enlarging the retention pond at Compost Site (\$8,000) and for miscellaneous construction at the MRF (\$7,000).

### **MAJOR PROJECTS**

#### **RECYCLED COMMODITY PRICES**

The prices that we receive for our recycled paper products fell throughout the quarter. As of October 1, our paper prices are the lowest they have been in several years. The decrease in prices seem to have been a result of a decline in the Chinese demand for recycled materials. Our plastic prices have improved throughout the quarter and are at approximately the budgeted level. We are continuing to have to pay to recycle our mixed color glass. During the first quarter, we were able to ship about 115,000 pounds of the mixed #1-#7 injection molded plastics material for recycling. We have a stable outlet for this material, although we continue to have to pay to have this material recycled. We expect the prices that we receive for our recycled materials to remain very volatile.

#### **PROCESSING MATERIALS FROM OTHER COMMUNITIES**

Car Trucking, Rizzo Services and Tringali Sanitation are continuing to bring us a significant amount of refuse from outside of the SOCRRA communities. The incremental revenue from Car, Rizzo and Tringali helps us to offset the fixed costs of running the Troy Transfer Station.

#### **RECYCLING BIN BLITZ**

As part of our celebration of America Recycles Day on November 15, during the month of November, SOCRRA and the member communities will again be selling recycling bins at a reduced price of \$6. This is about half of the usual price. We are doing this in order to encourage more residents to recycle and to use more than one bin for recycling in order to recycle the full range of materials that can be collected through our curbside recycling program. We hope to sell 1,000 recycling bins during the month of November.

#### **REUSE OF SOCRRA'S MADISON HEIGHTS FACILITY**

We are continuing to work with Rizzo Services to develop a plan for the reuse of SOCRRA's Madison Heights property as a transfer station and single stream recycling processing center. We have presented a conceptual design of a new facility to Madison Heights and we will be working with Madison Heights to ensure that issues important to them are addressed as we redevelop our property. We have contracted with RRS to update their single stream recycling

feasibility study, which should be completed in October. Discussions with Rizzo are continuing. We hope to have a final plan ready to present to the Board by the end of 2012.

### **SOCRRA'S ARTICLES OF INCORPORATION**

We have started a process to revise SOCRRA's Articles of Incorporation, which were last updated in 1976. The changes being proposed are largely to bring the Articles up to date including changing our official name, correcting the member communities, adding the withdrawal and dissolution provisions required under changes to State law and making many minor changes. A Board sub-committee composed of representatives from small, medium and large cities met to review changes proposed by SOCRRA's General Counsel Bob Davis and SOCRRA staff. The revised Articles have been approved by a unanimous vote of the Board. In order to become effective, the same version of the Articles must be approved by the governing body of each member community. As of October 15, the revised Articles have been approved by five of the member communities. We are scheduled to present the revised Articles to the governing bodies of the remaining seven member communities between November 5 and December 3.

### **USE OF OAKLAND COUNTY LOCAL GOVERNMENT INVESTMENT POOL**

The Board approved the use of Oakland County's Local Government Investment Pool (LGIP) for investing a portion of SOCRRA's working capital. The LGIP offers a competitive interest rate, next day liquidity and is managed in compliance with Michigan statutes and SOCRRA's investment policy. While funds invested in the LGIP are not insured, move some of SOCRRA's uninsured funds to the LGIP will help to mitigate our level of risk.

### **ANNUAL AUDIT**

Representatives of Plante & Moran were in the SOCRRA office for about a week during September performing their audit of our accounting records. The final audit is being reviewed with the SOCRRA Audit Committee during October, 2012 and will be reviewed by the SOCRRA Board at their November, 2012 meeting.

Respectfully submitted,

Jeffrey A. McKeen, P.E.  
General Manager

SOCRRA  
STATEMENT OF INCOME  
JULY 1, 2012 THROUGH SEPTEMBER 30, 2012

<u>REVENUES</u>	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>VARIANCES</u>
MEMBER SERVICES	\$4,198,461.00	\$4,253,420.49	\$54,959.49
NON-MEMBER REFUSE	210,000.00	305,496.48	95,496.48
NON MEMBER YARD WASTE	12,000.00	21,626.80	9,626.80
	<hr/> \$4,420,461.00	<hr/> \$4,580,543.77	<hr/> \$160,082.77

RECYCLING

NEWSPAPERS	\$175,000.00	\$120,348.22	(\$54,651.78)
BOXBOARD	60,000.00	34,327.09	(\$25,672.91)
CARDBOARD	14,000.00	10,157.48	(3,842.52)
PLASTIC	92,000.00	68,646.67	(23,353.33)
SCRAP METAL	16,000.00	8,701.04	(7,298.96)
TIN CANS	26,000.00	16,401.35	(9,598.65)
NON FERROUS METAL	2,000.00	4,103.20	2,103.20
GLASS	1,500.00	1,054.50	(445.50)
BATTERIES	500.00	330.66	(169.34)
USED ELECTRONICS	3,000.00	0.00	(3,000.00)
	<hr/> \$390,000.00	<hr/> \$264,070.21	<hr/> (\$125,929.79)

OTHER

REVENUES-COMPOST	\$14,000.00	\$17,004.00	\$3,004.00
INTEREST ON INVESTMENTS	3,750.00	2,265.97	(1,484.03)
RENTAL INCOME	22,700.00	20,647.50	(2,052.50)
GRANTS	0.00	0.00	0.00
MISC. INCOME	6,000.00	3,819.50	(2,180.50)
	<hr/> \$46,450.00	<hr/> \$43,736.97	<hr/> (\$2,713.03)

TOTAL REVENUES	<hr/> <hr/> \$4,856,911.00	<hr/> <hr/> \$4,888,350.95	<hr/> <hr/> \$31,439.95
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<u>EXPENSES</u>	<u>BUDGET APPROPRIATIONS</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCES</u>
MADISON HEIGHTS FACILITY	\$6,279.00	\$1,620.85	(\$4,658.15)
TROY TRANSFER FACILITY	270,000.00	328,069.36	58,069.36
MATERIAL RECOVERY FACILITY	236,930.00	238,961.26	2,031.26
HOUSEHOLD HAZARDOUS WASTE	57,000.00	35,842.95	(21,157.05)
COMPOST/LANDFILL FACILITY	74,626.00	108,954.74	34,328.74
ADMINISTRATIVE & GENERAL	374,360.00	145,501.98	(228,858.02)
COLLECTION FEES	1,838,239.00	1,410,880.58	(427,358.42)
COLLECTION & DISPOSAL FEES IN TRANSIT	2,294,834.00	2,375,493.51	80,659.51
	<hr/> \$5,152,268.00	<hr/> \$4,645,325.23	<hr/> (\$506,942.77)

REVENUES OVER EXPENSES	(\$295,357.00)	\$243,025.72	\$538,382.72
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NET INCOME BEFORE DEPRECIATION	<hr/> <hr/> (\$295,357.00)	<hr/> <hr/> \$243,025.72	<hr/> <hr/> \$538,382.72
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SOCRRA  
STATEMENT OF INCOME  
JULY 1, 2012 THROUGH SEPTEMBER 30, 2012

<u>REVENUE</u>	<u>TOTAL TONS</u>	<u>AMOUNT</u>
MEMBER SERVICES	27,400.49	\$4,253,420.49
NON-MEMBER REFUSE	7,360.65	305,496.48
<u>YARD WASTE</u>		
MEMBERS	7,427.98	0.00
OTHERS	248.65	21,626.80
<u>RECYCLABLES</u>		
MEMBERS	4,241.74	0.00
OTHERS	144.95	0.00
	46,824.46	\$4,580,543.77
<u>RECYCLING</u>		
NEWSPAPERS		\$120,348.22
BOXBOARD		\$34,327.09
CARDBOARD		10,157.48
PLASTIC		68,646.67
SCRAP METAL		8,701.04
TIN CANS		16,401.35
NON FERROUS METAL		4,103.20
GLASS		1,054.50
BATTERIES		330.66
USED ELECTRONICS		0.00
		\$264,070.21
<u>OTHER</u>		
COMPOST SALES		\$17,004.00
INTEREST ON INVESTMENTS		2,265.97
RENTAL INCOME		20,647.50
GRANTS		0.00
MISC. INCOME		3,819.50
		\$43,736.97
TOTAL REVENUE		\$4,888,350.95
<u>EXPENSES</u>		
MADISON HEIGHTS FACILITY		\$1,620.85
TROY TRANSFER FACILITY		328,069.36
MATERIAL RECOVERY FACILITY		238,961.26
HOUSEHOLD HAZARDOUS WASTE		35,842.95
COMPOST/LANDFILL FACILITY		108,954.74
ADMINISTRATIVE & GENERAL		145,501.98
COLLECTION CONTRACT EXPENSES		1,410,880.58
COLLECTION & DISPOSAL FEES IN TRANSIT		2,375,493.51
		\$4,645,325.23
NET INCOME BEFORE DEPRECIATION		\$243,025.72
DEPRECIATION		102,826.17
NET INCOME		\$140,199.55

SOCRRA  
 STATEMENT OF REVENUES & EXPENDITURES  
 COMPARED WITH TOTAL BUDGET  
 JULY 1, 2012 THROUGH SEPTEMBER 30, 2012

<u>REVENUES</u>	<u>TOTAL BUDGET 2012/13</u>	<u>ACTUAL 3 MONTHS</u>	<u>BALANCE</u>	
MEMBERS SERVICES	\$16,793,838.00	\$4,253,420.49	\$12,540,417.51	25%
NON-MEMBER REFUSE	690,000.00	305,496.48	384,503.52	44%
<u>YARD WASTE</u>				
NON-MEMBERS	64,000.00	21,626.80	42,373.20	34%
<hr/>				
	\$17,547,838.00	\$4,580,543.77	\$12,967,294.23	
<u>RECYCLABLES</u>				
NEWSPAPERS	\$1,010,000.00	\$120,348.22	\$889,651.78	12%
BOXBOARD	320,000.00	34,327.09	285,672.91	
CARDBOARD	80,000.00	10,157.48	69,842.52	13%
PLASTIC	500,000.00	68,646.67	431,353.33	14%
SCRAP METAL	92,000.00	8,701.04	83,298.96	9%
TIN CANS	156,000.00	16,401.35	139,598.65	11%
NON FERROUS METAL	15,000.00	4,103.20	10,896.80	27%
GLASS	10,000.00	1,054.50	8,945.50	11%
BATTERIES	4,000.00	330.66	3,669.34	8%
USED ELECTRONICS	12,000.00	0.00	12,000.00	0%
<hr/>				
	\$2,199,000.00	\$264,070.21	\$1,934,929.79	12%
<u>OTHER</u>				
COMPOST SALES	\$50,000.00	\$17,004.00	\$32,996.00	34%
INTEREST ON INVESTMENTS	16,000.00	2,265.97	13,734.03	14%
RENTAL OF HOMES	92,000.00	20,647.50	71,352.50	22%
GRANTS	0.00	0.00	0.00	0%
MISC. INCOME	25,000.00	3,819.50	21,180.50	15%
<hr/>				
	\$183,000.00	\$43,736.97	\$139,263.03	24%
<hr/> <hr/>				
TOTAL REVENUES	\$19,929,838.00	\$4,888,350.95	\$15,041,487.05	25%

SOCRRA  
 STATEMENT OF REVENUES & EXPENDITURES  
 COMPARED WITH TOTAL BUDGET  
 JULY 1, 2012 THROUGH SEPTEMBER 30, 2012

<u>EXPENSES</u>	<u>TOTAL BUDGET 2012/13</u>	<u>ACTUAL 3 MONTHS</u>	<u>BALANCE</u>	
MADISON HEIGHTS FACILITY	\$104,790.00	\$1,620.85	\$103,169.15	2%
TROY TRANSFER FACILITY	3,110,350.00	328,069.36	2,782,280.64	11%
MATERIAL RECOVERY FACILITY	1,066,530.00	238,961.26	827,568.74	22%
HOUSEHOLD HAZARDOUS WASTE	233,650.00	35,842.95	197,807.05	15%
COMPOST/LANDFILL FACILITY	399,414.00	108,954.74	290,459.26	27%
ADMINISTRATIVE & GENERAL	1,288,100.00	145,501.98	1,142,598.02	11%
COLLECTION & DISPOSAL FEES	12,690,919.00	1,410,880.58	11,280,038.42	11%
COLLECTION & DISPOSAL FEES IN TRANSIT	0.00	2,375,493.51	(2,375,493.51)	0%
	<u>\$18,893,753.00</u>	<u>\$4,645,325.23</u>	<u>\$14,248,427.77</u>	
TOTAL EXPENDITURES	<u>\$18,893,753.00</u>	<u>\$4,645,325.23</u>	<u>\$14,248,427.77</u>	25%
NET INCOME	<u>\$1,036,085.00</u>	<u>\$243,025.72</u>	<u>\$793,059.28</u>	23%

S O C R R A  
 COMPARATIVE STATEMENT  
 JULY 1, 2011 THROUGH SEPTEMBER 30, 2011

	<u>2012/13</u>	<u>2011/12</u>	<u>VARIANCES</u>
<u>REVENUES</u>			
MEMBER SERVICES	\$4,253,420.49	\$4,082,716.77	\$170,703.72
NON MEMBER REFUSE	305,496.48	320,979.35	(15,482.87)
<u>YARD WASTE</u>			
MEMBERS	0.00	0.00	0.00
OTHERS	21,626.80	14,068.60	7,558.20
	<hr/>	<hr/>	<hr/>
	\$4,580,543.77	\$4,417,764.72	\$162,779.05
<u>RECYCLABLES</u>			
NEWSPAPERS	\$120,348.22	\$167,932.72	(\$47,584.50)
BOXBOARD	34,327.09	0.00	34,327.09
CARDBOARD	10,157.48	90,691.03	(80,533.55)
PLASTIC	68,646.67	91,005.23	(22,358.56)
SCRAP METAL	8,701.04	12,426.92	(3,725.88)
TIN CANS	16,401.35	21,578.36	(5,177.01)
NON FERROUS METAL	4,103.20	2,485.84	1,617.36
GLASS	1,054.50	1,384.00	(329.50)
BATTERIES	330.66	0.00	330.66
USED ELECTRONICS	0.00	1,838.24	(1,838.24)
	<hr/>	<hr/>	<hr/>
	\$264,070.21	\$389,342.34	(\$125,272.13)
<u>OTHER</u>			
COMPOST SALES	\$17,004.00	\$20,836.00	(\$3,832.00)
INTEREST ON INVESTMENTS	2,265.97	2,772.88	(506.91)
RENTAL OF HOMES	20,647.50	14,805.00	5,842.50
GRANTS	0.00	0.00	0.00
MISC. INCOME	3,819.50	4,648.35	(828.85)
	<hr/>	<hr/>	<hr/>
	\$43,736.97	\$43,062.23	\$674.74
TOTAL REVENUES	\$4,888,350.95	\$4,850,169.29	\$38,181.66
OPERATING EXPENSES	\$4,645,325.23	\$4,520,784.47	\$124,540.76
EXCESS	<hr/>	<hr/>	<hr/>
	\$243,025.72	\$329,384.82	(\$86,359.10)

SOCRRA  
TOTAL SERVICE CHARGES  
JULY 1, 2012 THROUGH SEPTEMBER 30, 2012

<u>MUNICIPALITY</u>	<u>TOTAL TONS</u>	<u>SERVICE CHARGES</u>
BERKLEY	1,808	\$222,658.81
BEVERLY HILLS	1,797	154,176.00
BIRMINGHAM	3,344	346,711.52
CLAWSON	2,159	183,886.13
FERNDALE	3,565	408,288.23
HAZEL PARK	2,133	268,872.00
HUNTINGTON WOODS	886	89,022.00
LATHRUP VILLAGE	576	68,468.00
OAK PARK	3,170	391,521.68
PLEASANT RIDGE	514	43,584.68
ROYAL OAK	8,723	1,066,848.35
TROY	10,395	1,009,383.09
	<hr/>	<hr/>
SUB-TOTAL	39,070	\$4,253,420.49
	<hr/>	<hr/>
OTHER CUSTOMERS	7,642	\$327,123.28
DROP OFF CENTERS	112	0.00
	<hr/>	<hr/>
TOTAL	46,824	\$4,580,543.77

SOCRRA  
IMPROVEMENT FUND  
JULY 1, 2012 THROUGH SEPTEMBER 30, 2012

EXPENDITURES

TS Driveway Replacement	\$8,827.10
MRF Cash Customer Bay	2,295.00
MRF Tour Room Renovation	4,948.41
CS Retention Pond	8,254.09
CS Equipment - Loader Payments	12,891.00
TOTAL	<u>\$37,215.60</u>



## COUNCIL REPORT

November 19, 2012

TO: Brian Kischnick, City Manager

FROM: Mark Miller, Director of Economic and Community Development  
Steven J. Vandette, City Engineer/Project Manager

SUBJECT: Troy Transit Center Status Report - November 2012

From late October to mid November City Council approved all remaining contracts and amendments necessary for construction of the Transit Center. Most notable was the approval of the Guaranteed Maximum Price (GMP) for construction, which kept the project within the \$6,272,500 cost limit set by City Council last January. Also approved was the MDOT contract amendment that adjusted the federal grant to match the project amount, and an amendment to Hubbell, Roth and Clark's engineering contract for testing services during construction. All necessary contracts are now approved and the Transit Center continues to be fully funded, 100% with federal ARRA funds.

ITC Transmission Company's overhead high voltage lines were de-energized in late October, thus allowing the elevator/stair tower and bridge construction work to begin. These structures must be completed by May when the power must be turned back on.

Work coming up in next 30 days includes:

- Official groundbreaking ceremony on November 27, 2012 at 10:30 am
- Mobilization of equipment and materials to the site for grading and foundation work
- Construction of sanitary, storm sewer and water service leads
- Construction of elevator tower foundations within Canadian National's rail right-of-way

A summary of Transit Center costs is attached for the Preliminary Design Phase that ended December 15, 2011, and the Final Design and Construction Phase, which will last until the project is completed next year.

Please let me know if you have any questions or would like information on any particular aspect of the project.

Invoice Number	Professional Services:							Construction:						
	Construction Manager at Risk (CMR):						Total Professional Services	%	Owner Reimbursable		%	Grand Total	%	
	Architectural and Engineering	Pre Construction	General Conditions	Management Services	Consultant Fee	Total CMR			Hard Costs	Soft Costs				Total
MDOT Contract Award							1,958,404.00				6,527,208.00		8,485,612.00	
City of Troy Project Reduction <sup>1</sup>							(661,024.24)				(1,552,087.76)		(2,213,112.00)	
City of Troy Contract Award <sup>2</sup>	648,648.76	34,563.00	148,290.00	290,878.00	175,000.00	648,731.00	1,297,379.76		4,456,141.00	518,979.24	4,975,120.24		6,272,500.00	
Cost Transfer	64,841.28	-	-	-	-	-	64,841.28		-	(64,841.28)	(64,841.28)		-	
Prior Costs Incurred	449,941.64	15,614.76	5,451.43	-	-	21,066.19	471,007.83		183,377.89	-	183,377.89		654,385.72	
Current Costs:														
Hubbell Roth & Clark	51,739.47						51,739.47		-	-	-		51,739.47	
Transfer DTE Energy <sup>3</sup>							-		(162,700.00)	162,700.00	-		-	
Tooles-Clark		8,568.83	23.36			8,592.19	8,592.19		-	-	-		8,592.19	
Transfer AT&T <sup>3</sup>							-		(6,202.84)	6,202.84	-		-	
Transfer Ground Penetrating Radar Systems <sup>4</sup>							-		(1,500.00)	1,500.00	-		-	
Transfer Level 3 Communications, LLC <sup>5</sup>							-		(3,250.00)	3,250.00	-		-	
Transfer ITC Transmission <sup>6</sup>							-		(9,725.05)	9,725.05	-		-	
Total Current Costs	51,739.47	8,568.83	23.36	-	-	8,592.19	60,331.66		(183,377.89)	183,377.89	-		60,331.66	
Total Project Costs Incurred to Date	501,681.11	24,183.59	5,474.79	-	-	29,658.38	531,339.49	41.0%	-	183,377.89	183,377.89	3.7%	714,717.38	11.4%
Remaining Balance	211,808.93	10,379.41	142,815.21	290,878.00	175,000.00	619,072.62	830,881.55		4,456,141.00	270,760.07	4,726,901.07		5,557,782.62	
<b>Current Reimbursement</b>													<b>60,331.66</b>	

<sup>1</sup>Per Council Resolution #2012-01-009, total cost not to exceed \$6,272,500

<sup>2</sup>Not to exceed contracts

<sup>3</sup>Relocation of overhead utilities to underground

<sup>4</sup>GPR search for underground utilities

<sup>5</sup>Telecommunications facility inspection

<sup>6</sup>De-energize Troy-Wheeler 120kV transmission circuit

**Multi-Modal Transit Facility  
Preliminary Site Design Phase**

**Final City of Troy Costs  
August 2007 to December 15, 2011**

<b>Professional Services:</b>							
<b>Professional Service Provider</b>	<b>Preliminary Site Design</b>	<b>Preliminary Engineering</b>	<b>Lobbyist</b>	<b>MDOT Grant</b>	<b>Environmental Assessment Assistance</b>	<b>RFP Assistance</b>	<b>Total Professional Services</b>
Wendel Dechscherer Assoc.	429,442.00						429,442.00
Hubbell, Roth & Clark, Inc. (to April, 2011)		222,573.00					222,573.00
Clark Hill - Lobbyist			63,750.00				63,750.00
MDOT Grant - Prelim Design				(350,000.00)			(350,000.00)
Hubbell, Roth & Clark					31,278.90		31,278.90
Hubbell, Roth & Clark						9,148.22	9,148.22
<b>Final City of Troy Costs (non-reimbursable)</b>	429,442.00	222,573.00	63,750.00	(350,000.00)	31,278.90	9,148.22	<b>406,192.12</b>

**CITY OF TROY INCENTIVE PLAN FOR  
VOLUNTEER FIREFIGHTERS**  
32<sup>ND</sup> ANNUAL ACTUARIAL VALUATION REPORT  
DECEMBER 31, 2011

# Table of Contents

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4	Active Participants Data
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6	Development of Funding Value of Assets
7	Actuarial Accrued Liabilities and Assets
8	City's Computed Contribution
9	Derivation of Actuarial Gain (Loss)
10	Comparative Schedule
11-14	Actuarial Assumptions
15	Actuarial Accrued Liability
16	Schedule of Funding Progress
17	Schedule of Employer Contribution & Notes to Required Supplementary Information

October 23, 2012

Mr. Thomas Darling  
Director of Financial Services  
City of Troy  
500 West Big Beaver Road  
Troy, Michigan 48084

Dear Tom:

Submitted in this report are the results of the 32<sup>nd</sup> Annual Actuarial Valuation of the assets, benefit values, reserves and contribution requirements associated with payments provided by the City of Troy Incentive Plan for Volunteer Firefighters. The valuation was based upon data, furnished by your staff, concerning financial operations and individual participants and vested former participants. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information.

The purpose of the valuation is to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal years ending June 30, 2013 and June 30, 2014, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25 and No. 27. The results of the valuation may not be applicable for other purposes. The date of the valuation was December 31, 2011.

This report was prepared at the request of the Board. It may be shared with other interested parties, but only in its entirety and only with permission from the Board.

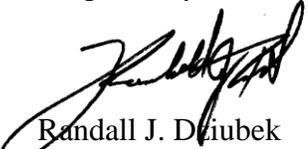
Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report was prepared by actuaries who have substantial experience valuing public employee retirement plans and are independent of the plan sponsor. To the best of our knowledge, this report is complete and accurate and the valuation was conducted in accordance with standards of practice prescribed by the Actuarial Standards Board.

Mr. Thomas Darling  
October 23, 2012  
Page 2

Randy Dziubek is a Member of the American Academy of Actuaries (M.A.A.A.) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Randall J. Dziubek  
A.S.A., E.A., M.A.A.A.



Kenneth G. Alberts

RJD:KGA:lr

## **SUMMARY OF PLAN PROVISIONS (DECEMBER 31, 2011)**

### **NORMAL PAYMENT CONDITIONS**

*Eligibility* - Attainment of age 55 with 10 or more years of incentive service or 30 years of service regardless of age, or attainment of age 50 with 25 or more years of service.

*Annual Amount* - \$518 per year of incentive service, retiring on or after January 1, 2005, \$539 per year of incentive service, retiring on or after January 1, 2006, \$560 per year of incentive service, retiring on or after January 1, 2007, \$582 per year of incentive service, retiring on or after January 1, 2008, \$605 per year of incentive service, retiring on or after January 1, 2009. Optional forms of payment include a lump sum payment of the actuarial value using valuation assumptions for interest and male mortality. Per year amount of \$605 is frozen through December 31, 2011.

### **VESTING**

*Eligibility* - 10 years of incentive service. Payments commence at age 60.

*Annual Amount* - See above.

### **PAYMENTS IN EVENT OF PARTICIPANT'S DEATH**

*Eligibility* - Death of an active participant after 10 years of incentive service.

*Annual Amount* - Widow receives the amount computed as above but reduced to reflect a 100% joint and survivor election.

### **POST-RETIREMENT PAYMENT INCREASES**

An ad-hoc 10% increase in each current payment was granted in 1986 and 1987.

An ad-hoc 7-1/2% increase in each current payment was granted in 1988.

An ad-hoc 7-1/2% increase in each current payment was granted in 1989, along with a prorated increase based on the difference between the actual incentive service and the twenty-five year maximum which was provided for in Ordinance No. 62.

An ad-hoc \$10 per month increase in each current payment was granted in 1990 through 1994, inclusive.

An ad-hoc \$5 per month increase in each current payment was granted in 1995.

An ad-hoc \$15 per month increase in each current payment was granted in 1996.

An ad-hoc \$10 per month increase in each current payment was granted in 1997 through 2009, inclusive.

No increases January 1, 2010 through December 31, 2011.

**ACTIVE PARTICIPANTS - DECEMBER 31, 2011**  
**BY NEAR AGE AND YEARS OF SERVICE**

Near Age	Years of Accrued Service							Totals No.
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	
20-24	18							18
25-29	13	5						18
30-34	10	8	9	1				28
35-39	10	4	4	3				21
40-44	2	6	1	3	2			14
45-49	2	3	5	2	7	2	1	22
50-54	1	1	4	5	4			15
55-59	1	1		3	3			8
62						1		1
65							1	1
<b>Totals</b>	<b>57</b>	<b>28</b>	<b>23</b>	<b>17</b>	<b>16</b>	<b>3</b>	<b>2</b>	<b>146</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

---

**Group Averages:**

Age: 38.1 years.

Service: 9.6 years.

Note: In addition, there are 18 members currently on leave of absence.

**INACTIVE PARTICIPANTS - BY ATTAINED AGES  
DECEMBER 31, 2011**

Near Ages	Current Payments		Deferred Payments	
	No.	Annual Payments	No.	Annual Payments
30-34				
35-39			2	\$ 15,016
40-44			3	12,945
45-49			2	9,030
50-54	5	\$ 61,574	12	44,770
55-59	9	112,426	6	20,781
60-64	15	104,928	1	3,400
65-69	7	43,370		
70-74	10	50,945		
75-79	17	72,887		
80+	16	61,137		
<b>Totals</b>	<b>79</b>	<b>\$507,267</b>	<b>26</b>	<b>\$105,942</b>

## DEVELOPMENT OF FUNDING VALUE OF ASSETS

Year Ended December 31,	2009	2010	2011	2012	2013	2014
A. Funding Value Beginning of Year	\$ 6,272,677	\$ 5,325,404	\$ 5,709,574			
B. Market Value End of Year	5,362,039	5,817,946	6,383,185			
C. Market Value Beginning of Year	6,066,814	5,362,039	5,817,946			
D. Non-Investment Net Cash Flow (EE + ER cont.) - (Ret. Ben.+Refunds)	(1,273,689)	29,967	270,182			
E. Investment Income						
E1. Market Total: B - C - D	568,914	425,940	295,057			
E2. Assumed Rate	6.50%	6.50%	6.50%			
E3. Amount for Immediate Recognition	366,329	347,125	379,903			
E4. Amount for Phased-In Recognition	202,585	78,815	(84,846)			
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.25 x E4	50,646	19,704	(21,212)			
F2. First Prior Year	(52,031)	50,646	19,704	\$ (21,212)		
F3. Second Prior Year	(11,240)	(52,031)	50,646	19,704	\$ (21,212)	
F4. Third Prior Year	(27,288)	(11,241)	(52,032)	50,647	19,703	\$ (21,210)
F5. Total Recognized Investment Gain/(Loss)	(39,913)	7,078	(2,894)	49,139	(1,509)	(21,210)
G. Funding Value: A + D + E3 + F5	5,325,404	5,709,574	6,356,765			
H. Difference Between Market & Funding Values	36,635	108,372	26,420			
I. Recognized Rate of Return	5.8%	6.6%	6.5%			

The Funding Value of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased-in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. The Funding Value of Assets is **unbiased** with respect to Market Value. At any time it may be either greater or less than Market Value. If actual and assumed rates of investment income are exactly equal for 3 consecutive years, the Funding Value will become equal to Market Value.

## DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES AS OF DECEMBER 31, 2011

Actuarial Accrued Liabilities For:	
Active Participants*	\$ 7,669,342
Inactive Participants	
Current payments	5,176,224
Deferred payments	<u>630,618</u>
Total Actuarial Accrued Liabilities	13,476,184
Funding Value of Assets	<u>6,356,765</u>
Unfunded Actuarial Accrued Liabilities	<b>\$7,119,419</b>

*\* Includes participants on leave of absence.*

## MARKET VALUE INCOME STATEMENT FOR CALENDAR YEAR 2011

Plan Assets at Beginning of Year	\$ 5,817,946
plus Employer Contributions	873,354
plus Investment Income	318,986
less Monthly Retirement Benefits	459,258
less Lump Sum Retirement Benefits	143,914
less Investment Expenses	22,100
less Administrative Expenses	<u>1,829</u>
Plan Assets at End of Year	\$ 6,383,185

**CITY'S COMPUTED CONTRIBUTION FOR THE FISCAL YEARS  
ENDING JUNE 30, 2013 AND JUNE 30, 2014**

**Contribution for:**

NORMAL COST

Age and service payments	\$ 282,910
Death-in-service payments	19,689
Total	302,599

UNFUNDED ACCRUED LIABILITIES

Present recipients	0
Active participants and vested former participants*	565,475
Total	565,475

**CITY'S TOTAL CONTRIBUTION FYE JUN 2013                   \$ 868,074**

**CITY'S TOTAL CONTRIBUTION FYE JUN 2014                   \$ 858,472**

*\* Financed over an open period of 25 years.*

**Comment A:** This Plan has a history of benefit increases and allows lump sums to be paid at retirement. The total contribution shown above does not reflect recognition of potential future increases in benefits beyond 2013. A funding policy of recognizing pension increases as they happen will usually lead to persistent annual increases in the computed contribution requirement and persistent decreases in the funded ratio. In the case of this Plan that has a popular lump sum option, this can also lead to negative cash flows which could exhaust the Plan Assets in less than 10 years. This would drive contributions to the level of expenditures, which would create extreme volatility and on average, much higher contributions.

**Comment B:** The Plan's current assumed investment return assumption of 6.5% can be considered aggressive since the Plan has primarily invested in fixed income instruments. The Plan has averaged about 5.7% over the last four years. We recommend a review of the Plan's investment policy with a focus on asset allocation.

**Comment C:** The Plan's funded ratio increased from 44.2% to 47.2% since last year's valuation.

**DERIVATION OF ACTUARIAL GAIN (LOSS)  
PENSION BENEFITS  
YEAR ENDED DECEMBER 31, 2011**

1)	UAAL at start of year	\$ 7,215,491
2)	Normal cost	300,248
3)	Actual employer contributions	873,354
4)	Interest accrual	450,381
5)	Expected UAAL before changes	7,092,766
6)	Change from benefit increases	0
7)	Change from revised actuarial assumptions	0
8)	Expected UAAL after changes	7,092,766
9)	Actual UAAL at end of year	7,119,419
10)	Gain (Loss): (8) - (9)	(26,653)
11)	Gain (Loss) as percent of actuarial accrued liabilities at start of year	(0.2)%
	\$12,925,065	

## COMPARATIVE SCHEDULE

Valuation Date December 31,	Fiscal Year Ending June 30,	Vested Former Participants				Accrued Liability	Actuarial Value of Assets	Percent Funded	Unfunded Accrued Liability	Computed City Contribution
		Current Payments		Deferred Payments						
		No.	Annual \$	No.	Annual \$					
1994 *	1994	51	\$ 136,187	22	\$ 39,750	\$ 3,749,683	\$ 3,236,057	86.3 %	\$ 513,626	\$ 171,556
1995	1995	54	145,049	21	40,587	4,393,900	3,512,240	79.9	881,660	216,567
1996 *	1996	56	163,321	21	44,897	4,935,993	3,761,590	76.2	1,174,403	262,950
1997 *	1997	57	178,421	22	47,885	5,635,119	4,211,224	74.7	1,423,895	301,412
1998 *	2000	58	182,869	24	59,570	6,034,103	4,680,711	77.6	1,353,392	304,480
1999 *#	2001	58	189,829	24	59,570	6,789,910	5,051,720	74.4	1,738,190	349,404
2000 *	2002	60	201,427	27	73,879	7,397,365	5,137,078	69.4	2,260,287	413,432
2001 *	2003	62	225,030	28	79,743	8,160,180	5,109,422	62.6	3,050,758	512,973
2002 *	2004	61	232,881	28	86,384	9,598,244	5,720,336	59.6	3,877,908	623,348
2003 *	2005	63	246,090	26	79,680	11,786,697	6,083,672	51.6	5,703,025	795,904
2004 *	2006	64	263,767	26	82,834	11,936,051	6,261,188	52.5	5,674,863	774,795
2005 *	2007	67	302,477	27	92,676	12,052,272	6,571,524	54.5	5,480,748	762,121
2006 *	2008	70	346,539	25	79,601	11,931,905	6,006,600	50.3	5,925,305	788,742
2007 *	2009	73	372,705	23	75,828	13,239,695	6,412,626	48.4	6,827,069	885,365
2008 *	2010	74	403,828	24	89,238	13,037,843	6,272,677	48.1	6,765,166	864,167
2009 *	2011	79	477,636	27	110,008	12,625,243	5,325,404	42.2	7,299,839	873,691
2010	2012	77	491,385	27	110,008	12,925,065	5,709,574	44.2	7,215,491	873,354
<b>2011</b>	<b>2013</b>	<b>79</b>	<b>507,267</b>	<b>26</b>	<b>105,942</b>	<b>13,476,184</b>	<b>6,356,765</b>	<b>47.2</b>	<b>7,119,419</b>	<b>868,074</b>
<b>2011</b>	<b>2014</b>	<b>79</b>	<b>507,267</b>	<b>26</b>	<b>105,942</b>	<b>13,476,184</b>	<b>6,356,765</b>	<b>47.2</b>	<b>7,119,419</b>	<b>858,472</b>

\* After changes in benefit provisions.

# After changes in actuarial assumptions.

**COMMENT:** It is the actuary's opinion that the required contribution amounts determined by the most recent actuarial valuation are sufficient to meet the System's financial objective, presuming continued timely receipt of required contributions when due, and no changes in benefit provisions.

## VALUATION ASSUMPTIONS

The **entry-age normal cost valuation method** was used in determining payment liabilities and costs.

The **interest rate** used in making the valuation was 6.5% per annum, compounded annually. This rate was first used for the December 31, 1999 valuation.

The **mortality table** used was the 1983 Group Annuity Mortality Table. This table was first used for the December 31, 1999 valuation. This table does not contain a margin for mortality improvement.

<b>Sample Ages</b>	<b>Single Life Values</b>			
	<b>Present Value of</b>		<b>Future Life</b>	
	<b>\$1 Monthly for Life</b>		<b>Expectancy (Years)</b>	
	<b>Men</b>	<b>Women</b>	<b>Men</b>	<b>Women</b>
50	\$151.83	\$163.46	29.18	34.92
55	141.54	155.23	24.82	30.24
60	129.07	144.87	20.64	25.67
65	114.32	132.18	16.69	21.29
70	98.49	116.95	13.18	17.13
75	82.32	100.05	10.15	13.37
80	66.65	83.11	7.64	10.20

**Probabilities of retirement** for members eligible for immediate incentive payments were:

<b>Percent of Eligible Active Participants Separating Within Next Year</b>			
<b>Ages</b>	<b>Age Based</b>	<b>Service Based</b>	
		<b>Service</b>	
48	20%	30	20%
49	20%	31	20%
50	20%	32	20%
51	20%	33	20%
52	20%	34	20%
53	20%	35	20%
54	20%	36	20%
55	20%	37	20%
56	20%	38	20%
57	20%	39	20%
58	20%	40	100%
59	15%		
60	15%		
61	15%		
62	25%		
63	100%		

**SAMPLE RATES OF SEPARATION FROM ACTIVE EMPLOYMENT  
BEFORE AGE 55**

<b>Sample Ages</b>	<b>Years of Service</b>	<b>% of Active Participants Separating Within Next Year</b>
ALL	1	15.00 %
	2	10.00
	3	8.00
	4	7.00
	5	6.00
25	5 & Over	5.00
30		4.50
35		3.55
40		1.45
45		0.75
50		0.75

**SUMMARY OF ASSUMPTIONS USED  
DECEMBER 31, 2011**

*Pensions in an Inflationary Environment*

**VALUE OF \$1,000/MONTH RETIREMENT BENEFIT  
TO AN INDIVIDUAL WHO RETIRES AT AGE 55  
IN AN ENVIRONMENT OF 4.00% INFLATION**

<u>Age</u>	<u>Value</u>
55	\$1,000
56	962
57	925
58	889
59	855
60	822
65	676
70	556
75	457
80	375

The life expectancy of a 55 year old male retiree is age 80. The life expectancy for a 55 year old female retiree is age 85. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

**SUMMARY OF ASSUMPTIONS USED  
MISCELLANEOUS AND TECHNICAL ASSUMPTIONS  
DECEMBER 31, 2011**

**Marriage Assumption.** 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.

**Pay Increase Timing.** Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

**Decrement Timing.** Decrements of all types are assumed to occur mid-year.

**Eligibility Testing.** Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

**Benefit Service.** Exact fractional service is used to determine the amount of benefit payable.

**Decrement Relativity.** Decrement rates are used without adjustment for multiple decrement table effects.

**Decrement Operation.** Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.

**Normal Form of Benefit.** The assumed normal form of benefit is the straight life form.

**Optional Forms of Payment.** 6.5% interest, 1983 Group Annuity male mortality for members and 1983 Group Annuity female mortality for beneficiaries.

**Incidence of Contributions.** Contributions are assumed to be received continuously throughout the year based upon the computed dollar amounts shown in this report. New entrant normal cost contributions are applied to the funding of new entrant benefits.

**Leave of Absence Members.** All members indicated as on leave of absence as of the valuation date are assumed to return to full employment in the future.

## ACTUARIAL ACCRUED LIABILITY

The actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going-concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions were the same as used to determine the Plan's level dollar annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

The entry age actuarial accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2011. Significant actuarial assumptions used in determining the actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 6.5% per year compounded annually, and (b) the assumption that benefits will not increase after retirement.

Actuarial Accrued Liability	
Active members*	\$ 7,669,342
Retired members and beneficiaries currently receiving benefits	5,176,224
Vested terminated members not yet receiving benefits	<u>630,618</u>
Total Actuarial Accrued Liability	13,476,184
Actuarial Value of Assets (market value was \$6,383,185)	<u>6,356,765</u>
Unfunded Actuarial Accrued Liability	\$ 7,119,419

\* Including members on leave of absence.

During the year ended December 31, 2011, the Plan experienced a net change of \$551,119 in the actuarial accrued liability. There were no changes in benefit provisions or actuarial assumptions during the year.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**(\$ AMOUNTS IN THOUSANDS)**

Actuarial Valuation Date December 31,	Actuarial Value of Assets# (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)
1995 *	\$3,512	\$ 4,394	\$ 882	79.9 %
1996 *	3,816	4,936	1,120	77.3
1997 *	4,211	5,635	1,424	74.7
1998	4,681	6,034	1,353	77.6
1999 *&	5,052	6,790	1,738	74.4
2000 *	5,137	7,397	2,260	69.4
2001 *	5,109	8,160	3,051	62.6
2002 *	5,720	9,598	3,878	59.6
2003 *	6,084	11,787	5,703	51.6
2004 *	6,261	11,936	5,675	52.5
2005 *	6,572	12,052	5,481	54.5
2006 *	6,007	11,932	5,925	50.3
2007 *	6,413	13,240	6,827	48.4
2008 *	6,273	13,038	6,765	48.1
2009 *	5,325	12,625	7,300	42.2
2010	5,710	12,925	7,215	44.2
<b>2011</b>	<b>6,357</b>	<b>13,476</b>	<b>7,119</b>	<b>47.2</b>

# Prior to 1996, Book Value was used.  
\* After changes in benefit provisions.  
& After changes in actuarial assumptions.

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the system's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation.

**This information is presented in draft form for review by the City's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the City's financial statements.**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ending June 30,	Actuarial Valuation Date December 31,	Annual Required Contribution (in thousands)	Percent Contributed
1995	1993	\$139	100 %
1996	1994	172	100
1997	1995	217	100
1998	1996	263	100
1999	1997	320	100
2000	1998	330	100
2001	1999	360	100
2002	2000	413	100
2003	2001	513	100
2004	2002	623	100
2005	2003	796	100
2006	2004	775	105
2007	2005	762	104
2008	2006	789	101
2009	2007	885	100
2010	2008	864	100
2011	2009	874	100
<b>2012</b>	<b>2010</b>	<b>873</b>	<b>100</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS**

Valuation Date	12/31/2011
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level dollar, open
Remaining Amortization Period	25 years
Asset Valuation Method	4-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	6.50%
Projected Salary Increases	N/A

**This information is presented in draft form for review by the City’s auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the City’s financial statements.**



**CITY OF TROY EMPLOYEES RETIREMENT SYSTEM**  
FORTY-EIGHTH ANNUAL ACTUARIAL VALUATION  
DECEMBER 31, 2011

# OUTLINE OF CONTENTS

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October 15, 2012

The Board of Trustees  
City of Troy Employees Retirement System  
Troy, Michigan

Submitted in this report are the results of the 48<sup>th</sup> Annual Actuarial Valuation of the assets, benefit values, reserves and contribution requirements associated with payments provided by the City of Troy Employees Retirement System.

This report was prepared at the request of the Board and is intended for use by the City of Troy Employees Retirement System and those designated or approved by the City of Troy Employees Retirement System. This report may be provided to parties other than the Retirement System only in its entirety and only with the permission of the Retirement System.

The purpose of the valuation is to measure the System's funding progress, to determine the employer contribution rate for the fiscal years ending June 30, 2013 and June 30, 2014, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25 and No. 27. The date of the valuation was December 31, 2011.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report should not be relied on for any purpose other than the purpose described above. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

To the best of our knowledge, the information contained in this report is accurate and fairly represents the actuarial position of the City of Troy Employees Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The valuation was based upon data, furnished by your staff, concerning financial operations and individual participants and vested former participants. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information.

The Board of Trustees  
City of Troy Employees Retirement System  
October 15, 2012  
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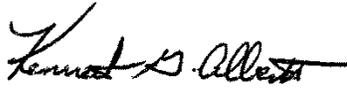
The actuaries submitting this report are independent of the plan sponsor.

One or more of the undersigned are Members of the American Academy of Actuaries (where indicated with the designation of M.A.A.A.) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Randall J. Dziubek,  
A.S.A., E.A., M.A.A.A.



Kenneth G. Alberts

KA:RJD:sc

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## **SECTION A**

### **VALUATION RESULTS, COMMENTS AND CONCLUSION**

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**COMPUTED CITY CONTRIBUTIONS  
OF THE RETIREMENT SYSTEM  
FOR THE FISCAL YEARS BEGINNING JULY 1, 2012 AND JULY 1, 2013**

1. Actuarial Present Value of All Future Benefits*:	
- Active	\$ 35,317,190
- Terminated Vested	1,016,254
- Retired	<u>125,716,820</u>
- Total	\$ 162,050,264
2. Funding Value of Assets	\$ 145,522,890
3. Actuarial Present Value of Future Employee Contributions	\$ 1,464,906
4. City's Remaining Unfunded Present Value of Benefits After Recognition of Funding Value of Assets and Future Employee Contributions (1) - (2) - (3)	\$ 15,062,468
5. Actuarial Present Value of Future Salary	\$ 43,120,739
6. Projected Payroll 1/1/2012 - 12/31/2012#	\$ 5,225,018
7. City's Annual Normal Cost for Year Ending June 30, 2013 (4) / (5) * (6) Plus Interest at 6.5% for 6 Months	\$ 1,883,530
8. City's Annual Normal Cost for Year Ending June 30, 2014 (7) Projected Forward with Expected Payroll of \$5,047,157	\$ 1,845,880

\* An actuarial present value is the present day value of a payment or series of payments that may become payable in the future. To determine an actuarial present value you need to use assumptions for the probability a payment will be paid, in what amount, and when. The probability the payment will be paid is determined by the eligibility provisions and the demographic assumptions for rates of withdrawal, disability, death, and retirement. The amount is determined by the benefit formula and assumptions for salary increases. The "when" determines how long an investment today would earn investment return before it needs to be paid. For example, if the probability of \$1,000 being paid in 10 years is 75% and assumed investment return is 6.5%/year, the actuarial present value is  $\$1,000 \times 75\% / (1.065)^{10} = \$400$ .

# Projected payroll reflects only those active employees covered by the closed Retirement System. This amount is expected to decline in the future until all active employees have terminated/retired, at which point it will be \$0. Note, the relationship between computed City contributions and payroll will become less and less meaningful each year.

**COMPUTED CITY PENSION CONTRIBUTIONS  
COMPARATIVE STATEMENT**

Fiscal Year Beginning July 1	Valuation Date December 31	% of Payroll Contributions		Valuation Payroll
		General	Public Safety	
1985	1984 *	13.49 %	19.23 %	\$ 10,518,429
1986	1985	13.29	18.75	11,373,793
1987	1986 *	13.67	17.59	12,048,592
1988	1987 *	14.91	16.34	13,083,451
1989	1988	14.69	15.98	14,162,413
1990	1989 *	13.11	19.39	14,774,001
1991	1990 *	13.09	22.99	16,105,129
1992	1991	11.65	21.21	17,323,677
1993	1992	10.02	17.82	17,619,701
1994	1993 *	9.24	20.09	18,518,880
1995	1994	8.00	18.62	17,598,618
1996	1995 *	7.23	16.23	19,039,969
1997	1996	3.66	13.40	20,535,959
1998	1997 *	0.00	10.99	16,133,023
1999	1999 *	0.05	0.00	15,056,554
2000	2000 *@	0.00	0.00	15,441,200
2001	2001 *	0.00	0.00	14,566,460
2002	2002	1.69	0.00	13,552,549
2003	2003	1.87	0.00	13,052,713
2004	2004	3.64	0.00	12,572,374
2005	2005	4.97	0.00	12,099,631
2006	2006 *	1.79	1.79	11,471,511
2007	2007 *	4.10	4.10	11,045,745
2008	2008	13.57	13.57	10,953,297
2009	2009	26.62	26.62	10,483,020
2010	2010	27.16	27.16	8,959,340
<b>2011</b>	<b>2011</b>	<b>36.57</b>	<b>36.57</b>	<b>5,427,637</b>

\* After changes in benefit provisions/cost method/actuarial assumptions.

@ After change in asset valuation method.

Given that the Retirement System is closed to new entrants, payroll is expected to decline in the future until all active employees have terminated/retired, at which point it will be \$0. Note, the relationship between computed City contributions and payroll will become less and less meaningful each year.

## COMMENTS AND CONCLUSION

**COMMENT A:** For the plan year ended December 31, 2011, the System experienced a liability gain of approximately \$1.6 million and an asset loss of approximately \$0.5 million. The primary source of the gain was pay increases that were less than assumed. The gain was partially offset by mortality losses (less actual deaths than assumed). In aggregate, the gain was approximately 1.1% of total System liabilities. This resulted in a decrease in the annual contribution requirement in aggregate due to lower system costs as a result of this gain.

**COMMENT B:** During the year ended December 31, 2011, 44 members retired under an early retirement incentive program (ERIP). The ERIP had several different effects on the valuation results this year; including:

- Increasing the total liabilities by approximately \$3 million.
- Reducing the number of active members covered in this plan from 115 to 70. (There was also 1 disability retiree.)
- Increasing the average future working lifetime of the active group (due to the retirement of later career members).

The combined result was a decrease in the annual contribution requirement in aggregate due to the longer financing period (the average future working lifetime of remaining active members). It is important to note that the ERIP resulted in other payroll and fringe benefits savings outside of the Retirement System.

**COMMENT C:** During the year ended December 31, 2011, 14 members of the DC plan annuitized their account balances and became retirees of this system. If the City/System is going to continue to allow this kind of activity going forward, we recommend a study be undertaken to:

- Ensure the conversion factors continue to be appropriate (or are updated as necessary);
- Review the risks associated with allowing this kind of activity in a closed plan;
- Discuss the long-term funding implication of this kind of activity.

**CONCLUSION:** It is the actuary's opinion that the required contribution rate determined by the most recent actuarial valuation is sufficient to meet the Retirement System's funding objective. In addition, to ensure that the Retirement System maintains the ability to pay retiree benefits when due, and to reduce the likelihood of future required contribution amounts increasing from the current level, continued timely receipt of annual computed contributions is essential.

## DERIVATION OF ACTUARIAL GAIN/LOSS YEAR ENDED DECEMBER 31, 2011

The actuarial gains or losses realized in the operation of the Retirement System provide an experience test. Gains and losses are expected to cancel each other over a period of years (in the absence of double-digit inflation) and sizable year to year fluctuations are common. Detail on the derivation of the actuarial gain/loss is shown below, along with a year by year comparative schedule.

	<b>Total Liability - (PV Future Benefits)</b>	<b>- Funding Value of Assets</b>	<b>- PV Future Employee Contributions</b>	<b>= Unfunded PV Future Benefits</b>
(1) Start of year	\$ 150,847,173	\$ 133,400,223	\$ 1,920,579	\$ 15,526,371
(2) Employer and employee contributions	0	3,079,191	(289,303)	(2,789,888)
(3) Benefits paid	(9,124,671)	(9,124,671)	0	0
(4) Interest accrual	9,828,826	8,794,848	115,435	918,543
(5) Expected before changes: (1) + (2) + (3) + (4)	151,551,328	136,149,591	1,746,711	13,655,026
(6) DC transfers <sup>#</sup>	9,855,745	9,855,745	0	0
(7) Change from revised benefit provisions*	2,809,372	0	(243,360)	3,052,732
(8) Change from actuarial assumptions	0	0	0	0
(9) Expected amount after changes: (5) + (6) + (7) + (8)	164,216,445	146,005,336	1,503,351	16,707,758
(10) Actual at end of year	162,050,264	145,522,890	1,464,906	15,062,468
(11) Gain/Loss: (9) - (10)	\$ 2,166,181	\$ 482,446	\$ 38,445	\$ 1,645,290
Gain/Loss as percent of present value of future benefit at start of year	1.4%	-	0.3%	-
	Gain	Loss	N/A	Gain

\* Includes Early Retirement Incentive Program (ERIP) from 2011.

# Liability due to the amortizing of Defined Contribution accounts was assumed to be equal to the asset transfer. Transfers were assumed to occur mid-year for purposes of calculating interest.

<b>Valuation</b>	
<b>Date</b>	<b>Actuarial Gain (Loss)</b>
<b>December 31</b>	<b>As % of Beginning PVFB*</b>
2002	(3.2) %
2003	1.6
2004	(3.7)
2005	(0.7)
2006	(0.6)
2007	0.3
2008	(5.2)
2009	(6.0)
2010	1.2
<b>2011</b>	<b>1.1</b>

\* Prior to 2007 this exhibit shows Actuarial Gain (Loss) as a % of Beginning Actuarial Accrued Liabilities.

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## **SECTION B**

**SUMMARY OF BENEFIT PROVISIONS AND  
VALUATION DATA SUBMITTED BY THE  
RETIREMENT SYSTEM**

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**BENEFIT PROVISIONS EVALUATED AND/OR CONSIDERED  
(DECEMBER 31, 2011)**

**REGULAR RETIREMENT** (no reduction factor for age):

*Eligibility* - T.P.O.A., T.F.S.O.A. and T.C.O.A. members: 25 years of service; or age 60 with 10 years of service. General AFSCME, General Clerical Members, Classified or Exempt: Age 50 with 27 years of service; or age 55 with 25 years of service; or age 60 with 10 years of service.

*Mandatory Retirement Age* - None.

*Annual Amount*

Division	Benefit	Supplemental Benefit
T.P.O.A.	2.80% * FAC to 25 years 1.00% * FAC 26-30 years	
T.C.O.A.	2.80% * FAC to 25 years 1.00% * FAC 26-30 years	
T.F.S.O.A.	2.25% * FAC * Service	0.25% * FAC * Service
General AFSCME	2.25% * FAC * Service	0.25% * FAC * Service
General Classified/Exempt	2.25% * FAC * Service	0.25% * FAC * Service
General Clerical	2.25% * FAC * Service	0.25% * FAC * Service

*Type of Final Average Compensation* - Highest 3 years out of last 10. Some lump sums are included but payment of sick or vacation leave is not included.

**EARLY RETIREMENT (AGE REDUCTION FACTOR USED):**

*Eligibility* - Age 55 with 10 years of service.

*Annual Amount* - Computed as regular retirement benefit but reduced by 1/2% for each month by which retirement precedes age 60.

**DEFERRED RETIREMENT** (vested benefits):

*Eligibility* - 10 years of service. Benefit payable at age 60.

*Annual Amount* - Same as regular retirement but based on credited service and final average compensation at termination.

**DUTY DISABILITY RETIREMENT:**

*Eligibility* - No age or service requirement. Worker's compensation must be payable.

*Annual Amount* - Same as regular retirement. Upon termination of worker's compensation the benefit is recomputed to grant service credit for the period in receipt of worker's compensation. Minimum benefit is based on 10 years of credited service (66-2/3% of final average compensation for non-command/exempt public safety members, while in receipt of worker's compensation).

**NON-DUTY DISABILITY RETIREMENT:**

*Eligibility* - 5 years of service (10 years for Exempt and Classified, AFSCME employees hired after 2/96).

*Annual Amount* - Same as regular retirement, but with a minimum benefit based on 10 years of credited service.

**DUTY DEATH BEFORE RETIREMENT:**

*Eligibility* - No age or service requirement.

*Annual Amount* - Widow's benefit equal to regular retirement benefit actuarially reduced in accordance with a 100% joint and survivor election. Minimum benefit is 25% (50% for T.F.S.O.A., Command Officers and T.P.O.A.) of final average compensation. If no widow, children under 18 share equally in 25% (50% for Command Officers and T.P.O.A.) of final average compensation.

**NON-DUTY DEATH BEFORE RETIREMENT:**

*Eligibility* - 10 years service.

*Annual Amount* - Same as regular retirement but reduced in accordance with a 100% joint and survivor election.

**AUTOMATIC DEATH BENEFIT AFTER RETIREMENT: NONE.**

**POST-RETIREMENT ADJUSTMENTS:** One-time increases were granted in 1973, 1977, 1978, 1981, 1983, 1989 and 1999.

**HEALTH INSURANCE PREMIUM SUBSIDY:** Post-retirement health insurance premiums are subsidized by the City as follows:

T.C.O.A. - Fully paid after 7/1/94.

T.P.O.A. - 4% per complete year, retired after 2/20/1996.

T.F.S.O.A.- 4% per complete year, retired after 1/1/99.

AFSCME - 4% per complete year, retired after 1/1/01.

Classified Exempt, Clerical - \$400/month or 4% per complete year, whichever is greater.

Retirees from prior provisions - \$400/month or 3% per complete year, whichever is greater.

Liabilities for the health insurance premium subsidy are included in the City's OPEB valuation report and not included in the Retirement System valuation (this report).

**MEMBER CONTRIBUTIONS:** Expressed as percentages of compensation as follows:

1.5% for clerical members

3.0% for T.F.S.O.A.

1.5% for classified and Exempt members

1.5% for AFSCME

4.0% for T.P.O.A.

4.0% for T.C.O.A.

## REPORTED FUND BALANCE (MARKET VALUE)

Reserves	Reported Fund Balance December 31,	
	2011	2010
Reserve for Employees' Contributions	\$ 2,443,190	\$ 3,446,321
Reserve for Employer Contributions	90,584,179	96,935,023
Reserve for Retired Benefit Payments	50,317,983	34,009,886
Reserve for Undistributed Investment Income	0	0
Reserve for Health Insurance Premiums	32,392,068	38,669,579
Total Fund Balance	\$175,737,420	\$173,060,809

Valuation assets are equal to reported market value of assets (excluding health reserves), except that all realized and unrealized gains and losses are spread over a period of years, with 20% recognition the first year. Such spreading reduces the fluctuation in the City's computed contribution rate which might otherwise be caused by market value fluctuations. The details of the spreading technique are shown on page B-4. The valuation assets as of December 31, 2011 total \$145,522,890.

**In financing actuarial accrued liabilities**, valuation assets of \$145,522,890 were distributed as follows:

Reserves for	Valuation Assets Applied to Actuarial Accrued Liabilities for			Totals
	Active Members	Retirants & Beneficiaries	Contingency Reserve	
Employees' Contributions	\$ 2,443,190			\$ 2,443,190
Employer Contributions	90,584,179			90,584,179
Retired Benefit Payments		\$50,317,983		50,317,983
Valuation Asset Adjustment	2,177,538			2,177,538
<b>Totals</b>	<b>\$95,204,907</b>	<b>\$50,317,983</b>		<b>\$145,522,890</b>

**DERIVATION OF VALUATION ASSETS**  
**MARKET VALUE WITH 20% RECOGNITION OF THE DIFFERENCE BETWEEN**  
**THE MARKET RATE OF RETURN AND THE PROJECTED RATE OF RETURN**

	2010	2011	2012	2013	2014	2015
A. Funding Value Beginning of Year	\$ 132,464,823	\$ 133,400,223				
B. Market Value End of Year	134,391,230	143,345,352				
C. Market Value Beginning of Year	120,831,163	134,391,230				
D. Non-Investment Net Cash Flow (EE + ER cont.) - (Ret Ben. + Refunds)	(5,413,479)	3,810,265				
E. Investment Income:						
E1. Market Total: B-C-D	18,973,546	5,143,857				
E2. Assumed Rate	6.50%	6.50%				
E3. Amount for Immediate Recognition: E2 * (A+D/2)	8,434,275	8,794,848				
E4. Amount for Phased-In Recognition: E1-E3	10,539,271	(3,650,991)				
F. Phased-In Recognition of Investment Income:						
F1. Current Year: 0.20*E4	2,107,854	(730,198)				
F2. First Prior Year	2,937,565	247,752	\$(730,198)			
F3. Second Prior Year	(8,466,090)	0	247,752	\$(730,198)		
F4. Third Prior Year	679,073	0	0	247,752	\$(730,198)	
F5. Fourth Prior Year	656,202	0	0	0	247,751	\$(730,199)
F6. Total Recognized Investment Gain	(2,085,396)	(482,446)	(482,446)	(482,446)	(482,447)	(730,199)
<b>G. Funding Value End of Year: A+D+E3+F6</b>	<b>\$ 133,400,223</b>	<b>\$ 145,522,890</b>				
H. Difference between Market & Funding Value	991,007	(2,177,538)				
I. Recognized Rate of Return	4.89%	6.14%				
J. Ratio of Funding Value to Market Value	99%	102%				

## ASSET INFORMATION REPORTED FOR VALUATION COMPARATIVE STATEMENT

Year Ended December 31	Revenues				Expenses				Assets Year-End *
	Employee Contrib.	Employer Contrib.	Investment Income	Misc. Income	Retirement Benefits	Contrib. Refunds	Health Insurance	Misc. Expenses	
1985	\$ 1,011	\$1,483,547	\$ 3,952,592	\$ 0	\$ 349,086	\$ 11,087	\$ 18,268	\$ 3,026	\$ 25,952,007
1990	1,558	2,401,060	3,861,487	0	782,167	19,292	68,886	4,984	56,013,922
1991	1,760	3,081,239	11,116,274	0	878,775	1,431	87,281	0	69,245,708
1992	6,177	2,626,564	7,134,901	0	1,040,882	14,188	100,340	5,600	77,852,340
1993	24,939	2,647,753	7,900,961	0	1,115,225	392	119,120	6,000	87,185,256
1994	144,934	2,950,360	(187,532)	0	1,351,290	590	152,637	6,300	88,582,201
1995	198,746	3,156,148	20,889,448	0	1,819,840	14,066	220,291	6,600	110,765,746
1996	335,144	3,311,550	16,325,274	0	2,013,257	3,047	251,138	11,300	128,458,972
1997	371,811	3,167,814	25,544,354	0	2,459,287	11,273	329,312	16,404	154,726,675
1998	340,807	2,819,785	21,825,629	0	2,666,133	19,105,397	449,779	19,846	160,216,807
1999	335,828	1,795,070	12,085,389	0	2,860,935	1,095,796	481,660	28,782	167,220,855
2000	421,161	1,113,993	3,075,759	0	3,156,251	7,349,663	688,138	27,515	160,610,201
2001	398,572	1,303,079	2,162,267	0	3,351,223	6,753,854	693,345	28,998	153,646,699
2002	364,130	1,532,439	(7,992,398)	0	3,496,301	7,249,513	942,054	31,653	135,831,349
2003	343,629	1,543,286	25,064,474	0	3,843,356	10,230	1,102,076	29,334	157,797,742
2004	333,305	1,571,547	12,763,027	0	4,482,783	335,998	1,254,559	29,322	166,362,959
2005	309,731	972,454	2,995,153	0	4,923,401	2,613	1,368,331	53,247	164,292,705
2006	308,887	247,688	14,764,828	0	5,529,394	57,875	1,592,311	32,382	172,402,146
2007	315,677	218,653	15,286,055	0	5,924,256	5,516	1,855,527	47,947	180,389,285
2008	316,708	376,155	(44,700,324)	0	6,204,282	0	2,101,958	62,349	128,013,235
2009	7,651,667 #	838,969	33,216,875	0	7,944,132	0	2,558,948	67,073	159,150,593
2010	285,047	1,953,321	22,366,478	0	7,596,953	0	3,042,783	54,894	173,060,809
<b>2011</b>	<b>10,145,048 #</b>	<b>2,789,888</b>	<b>2,455,082</b>	<b>0</b>	<b>9,124,671</b>	<b>0</b>	<b>3,535,596</b>	<b>53,140</b>	<b>175,737,420</b>

\* Includes assets for retiree health benefits.

# Includes amounts moved from the City's defined contribution plan for employees choosing to transfer to the Employees Retirement System.

**SUMMARY OF  
CURRENT ASSET INFORMATION \*  
REPORTED FOR VALUATION**

**Market Value of Assets**

	<u>12/31/2011</u> <u>Market Value</u>	<u>12/31/2010</u> <u>Market Value</u>
Cash & equivalents	\$ 9,582,177	\$ 4,781,044
Government bonds	12,899,336	16,220,312
Corporate bonds	13,843,282	19,985,248
Stock	126,636,694	123,260,256
Bond mutual funds	12,349,586	8,813,949
Other (annuities)	426,345	0
Total assets	<u>175,737,420</u>	<u>173,060,809</u>
Less accounts payable	<u>0</u>	<u>0</u>
Net assets available for benefits	<u><u>\$175,737,420</u></u>	<u><u>\$173,060,809</u></u>

**Revenues and Expenses**

	<u>2011</u>	<u>2010</u>
Balance - January 1	\$ 173,060,809	\$ 159,150,593
Revenues		
Employees' contributions #	10,145,048	285,047
Employer contributions	2,789,888	1,953,321
Investment income	2,455,082	22,366,478
Miscellaneous	0	0
Expenses		
Benefit payments	9,124,671	7,596,953
Refunds of member contributions	0	0
Administrative expenses	53,140	54,894
Investment expenses	44,307	
Health insurance premiums	3,535,596	3,042,783
Miscellaneous	<u>0</u>	<u>0</u>
Balance - December 31	<u><u>\$ 175,737,420</u></u>	<u><u>\$ 173,060,809</u></u>

\* Includes assets for retiree health benefits.

# Includes amounts moved from the City's defined contribution plan for employees choosing to transfer to the Employees Retirement System.

## RECENT HISTORICAL MARKET VALUE RATES OF RETURN

<b>Year Ending</b>	<b>Rate of Return</b>	<b>Five Year Average</b>	<b>Ten Year Average</b>
2002	(5.4)%		
2003	18.7%		
2004	8.2%		
2005	1.8%		
2006	9.2%	6.2%	
2007	9.1%	9.3%	
2008	(25.3)%	(0.4)%	
2009	26.2%	2.7%	
2010	14.4%	5.1%	
2011	1.4%	3.6%	4.9%

**RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS  
DEFINED BENEFIT PLAN  
COMPARATIVE STATEMENT**

Year Ended December 31	Added to Rols			Removed from Rols		Rols End of Year		% Incr. Annual Benefit	Average Annual Benefit	Present Value of Benefits	Expected Removal
	No.	Annual Benefit	Post-Ret. Increases	No.	Annual Benefit	No.	Annual Benefit				
1986	8	\$ 64,758		1	\$ 3,820	71	\$ 531,906	12.9%	7,492	\$ 6,006,326	1.3
1987	6	45,628		3	12,295	74	565,239	6.3	7,638	6,307,514	1.6
1988	6	82,290		2	8,825	78	538,704	13.0	8,188	6,997,601	1.7
1989	6	71,518	\$ 26,993	1	4,836	83	732,379	14.7	8,824	7,902,521	1.9
1990	5	102,108		2	13,370	86	821,117	12.1	9,548	8,852,756	2.1
1991	10	185,752		6	53,568	90	953,301	16.1	10,592	10,403,174	2.2
1992	10	154,697		4	41,160	96	1,066,838	11.9	11,113	11,711,334	2.4
1993	6	110,685		3	26,135	99	1,151,388	7.9	11,630	12,514,776	2.6
1994	21	648,681			(1,572)	120	1,798,497	56.2	14,987	20,491,084	2.7
1995	6	84,312		4	55,506	122	1,827,303	1.6	14,978	21,287,811	2.9
1996	20	446,833		6	60,831	136	2,213,305	21.1	16,274	25,459,651	2.0
1997	14	420,457		1	10,217	149	2,623,545	18.5	17,608	30,537,712	2.8
1998	8	163,633		4	56,055	153	2,731,123	4.1	17,850	31,402,870	3.6
1999	10	286,293		3	69,193	160	2,948,223	7.9	18,426	33,748,959	4.0
2000	11	340,403		8	59,325	163	3,229,301	9.5	19,812	37,083,835	4.0
2001	9	240,483		3	24,905	169	3,444,879	6.7	20,384	39,424,271	4.4
2002	8	189,284		6	59,479	171	3,574,684	3.8	20,905	40,667,169	4.4
2003	15	521,015		4	17,957	182	4,077,742	14.1	22,405	47,046,673	4.4
2004	21	615,572		7	87,193	196	4,606,121	13.0	23,501	53,030,527	4.8
2005	14	520,152		5	101,352	205	5,024,921	9.1	24,512	57,995,428	4.8
2006	15	609,624		3	29,746	217	5,604,799	11.5	25,829	64,573,648	4.8
2007	18	459,496		3	53,602	232	6,010,693	7.2	25,908	68,494,664	5.5
2008	11	176,381		3	30,933	240	6,156,141	2.4	25,651	69,351,765	5.8
2009	23	1,270,351		8	114,219	255	7,312,273	18.8	28,676	84,166,668	6.4
2010	17	547,081		7	93,784	265	7,765,570	6.2	29,304	88,664,507	6.4
<b>2011</b>	<b>62</b>	<b>3,024,612</b>		<b>5</b>	<b>49,056</b>	<b>322</b>	<b>10,741,127</b>	<b>38.3</b>	<b>33,358</b>	<b>125,716,820</b>	<b>6.8</b>

**RETIREES AND BENEFICIARIES - DECEMBER 31, 2011**  
**TABULATED BY VALUATION DIVISIONS**

**DEFINED BENEFIT MEMBERS**

<b>Valuation Division</b>	<b>No.</b>	<b>Annual Benefits</b>	<b>Age</b>
General	215	\$ 5,385,649	67.6 years
Public Safety	<u>107</u>	<u>5,355,478</u>	60.8 years
Totals	322	\$ 10,741,127	

**RETIREES AND BENEFICIARIES INCLUDED IN DEFINED BENEFIT VALUATION  
TABULATED BY TYPE OF BENEFITS BEING PAID  
DECEMBER 31, 2011**

Type of Benefits Being Paid	Number	Annual Benefits
Age and Service benefits		
Regular benefit - benefit terminating at death of retirant	96	\$ 2,690,980
100% Joint and Survivor benefit		
Option A	80	3,937,629
Option C	62	2,291,871
50% Joint and Survivor benefits		
Option B	22	606,394
Option D	23	743,242
Survivor Beneficiary	<u>27</u>	<u>319,415</u>
Total age and service benefits	310	\$10,589,531
Casualty benefits		
Non-Duty Disability - Regular		
- Retiree - Regular benefit	1	\$ 29,547
- Retiree - Option C	1	12,097
- Beneficiary	4	21,843
Duty- Disability - Option A	1	7,866
Non-Duty Death benefit	3	44,206
Duty Death benefit	<u>2</u>	<u>36,037</u>
Total Casualty benefits	12	151,596
<b>Total Benefits Being Paid</b>	<b>322</b>	<b>\$10,741,127</b>

**RETIREES AND BENEFICIARIES INCLUDED IN DEFINED BENEFIT VALUATION  
BY ATTAINED AGES  
DECEMBER 31, 2011**

<b>Attained Ages</b>	<b>No.</b>	<b>Annual Pensions</b>
40-44	1	\$ 45,670
45-49	7	296,027
50-54	39	1,826,795
55-59	62	2,763,848
60-64	75	3,070,498
65-69	48	1,217,117
70-74	29	719,110
75-79	21	392,225
80-84	26	274,788
85-89	12	118,935
90-94	2	16,115
95-99	0	0
<b>Totals</b>	<b>322</b>	<b>\$ 10,741,127</b>

**VESTED TERMINATED MEMBERS INCLUDED IN DEFINED BENEFIT VALUATION  
BY ATTAINED AGES  
DECEMBER 31, 2011**

Attained Ages	Estimated	
	No.	Annual Benefits
48	1	\$ 5,110
50	1	13,230
52	2	15,012
53	1	8,033
54	1	16,662
56	1	13,419
57	1	3,414
58	1	11,442
59	2	31,580
<hr/>		
<b>Totals</b>	<b>11</b>	<b>\$ 117,902</b>

**ACTIVE MEMBERS - DECEMBER 31, 2011**  
**TABULATED BY VALUATION DIVISIONS**

**DEFINED BENEFIT MEMBERS**

<b>Valuation Division</b>	<b>No.</b>	<b>Annual Payroll</b>	<b>Average Age</b>	<b>Average Service</b>	<b>Average Pay</b>
General	25	\$ 1,440,202	51.8 years	17.8 years	\$57,608
Public Safety	<u>45</u>	<u>3,987,435</u>	44.5 years	17.6 years	88,610
Totals	70	\$ 5,427,637			

## ACTIVE MEMBERS INCLUDED IN DEFINED BENEFIT VALUATION

Valn. Date Dec. 31	Active Members					Average				
	General		Public Safety			Valuation Payroll	Age	Service	Pay	% Incr.
	Class/ Exempt	Other	Comm/ Other	TPOA	Total					
1972		183		66	249	\$ 2,907,267	36.1 yrs.	4.7 yrs.	\$11,676	7.6 %
1973		205		64	269	3,434,997	36.2	4.9	12,770	9.4
1974		222		68	290	4,123,892	36.3	5.3	14,220	11.4
1975		247		81	328	4,996,368	36.2	5.5	15,233	7.1
1976		254	20	62	336	5,615,394	36.8	6.2	16,712	9.7
1977		269	18	63	350	5,970,264	37.7	6.5	17,058	2.1
1978		261	18	69	348	6,628,692	38.0	7.2	19,048	11.7
1979		282	22	72	376	7,700,464	37.9	7.2	20,480	7.5
1980		279	21	86	386	8,947,885	38.0	7.6	23,181	13.2
1981	100	167	25	87	379	9,697,649	38.4	8.3	25,587	10.4
1982	92	163	32	78	365	9,954,722	39.0	9.2	27,273	6.6
1983	94	140	30	78	342	10,214,049	39.2	10.0	29,866	9.5
1984	97	135	32	74	338	10,518,429	39.2	11.3	31,120	4.2
1985	103	139	32	79	353	11,373,793	39.2	11.1	32,220	3.5
1986	108	141	37	79	365	12,048,592	39.5	11.0	33,010	2.5
1987	116	143	41	84	384	13,083,451	40.0	11.3	34,071	3.2
1988	118	142	43	86	389	14,162,413	40.4	11.7	36,407	6.8
1989	122	144	47	86	399	14,774,001	40.5	11.7	37,028	1.7
1990	128	148	46	90	412	16,105,129	41.1	12.0	39,090	5.6
1991	129	150	44	98	421	17,323,677	41.5	12.0	41,149	5.3
1992	132	150	45	96	423	17,619,701	42.0	12.7	41,654	1.2
1993	134	150	47	93	424	18,518,880	42.6	13.1	43,677	4.9
1994	128	147	39	87	401	17,598,618	43.0	13.4	43,887	0.5
1995	127	153	43	95	418	19,039,969	43.4	13.6	45,550	3.8
<b>1996@</b>	<b>135 *</b>	<b>160</b>	<b>44</b>	<b>95</b>	<b>434</b>	<b>20,535,959</b>	<b>43.2</b>	<b>13.1</b>	<b>47,318</b>	<b>3.9</b>
1997	55 *	146	37	102	340	16,133,023	42.4	12.1	47,590	0.6
1998	59	116 *	40	99	314	16,201,219	43.0	13.3	51,761	8.8
1999	55	85 #	40	99	279	15,056,554	43.4	14.4	54,553	5.4
2000	55	76	29	97 *	257	15,441,200	44.1	14.8	60,317	10.6
2001	56	73	20	92	241	14,566,460	44.7	14.7	60,442	0.2
2002	59	66	21	71	217	13,552,549	45.7	15.8	62,454	3.3
2003	56	61	19	69	205	13,052,713	46.5	16.3	63,672	1.9
2004	52	54	19	61	186	12,572,374	46.9	16.9	67,593	6.2
2005	48	51	21	54	174	12,099,631	47.7	17.4	69,538	2.9
2006	44	46	20	51	161	11,471,511	48.0	17.6	71,252	2.5
2007	37	40	21	49	147	11,045,745	48.1	18.1	75,141	5.5
2008	37	36	22	47	142	10,953,297	48.8	19.0	77,136	2.7
2009	30	32	20	46	128	10,483,020	48.9	19.1	81,899	6.2
2010	23	28	18	46	115	8,959,340	49.1	19.7	77,907	(4.9)
<b>2011</b>	<b>9</b>	<b>16</b>	<b>11</b>	<b>34</b>	<b>70</b>	<b>5,427,637</b>	<b>47.1</b>	<b>17.7</b>	<b>77,538</b>	<b>(0.5)</b>

\* Includes 1 member on leave of absence.

# Includes 3 members on leave of absence.

@ Represents the peak of active membership.

**ADDITIONS TO AND REMOVALS FROM ACTIVE MEMBERSHIP  
ACTUAL AND EXPECTED NUMBERS**

Year Ended Dec. 31	Normal Retirement		Disability Retirement		Died-In-Service		Terminations			Active Members End of Year
	A	E	A	E	A	E	Trans. to DC	Other	E	
							A	A		
1991	9	8.7	0	1.1	0	1.0		6	24.8	421
1992	7	6.6	0	1.2	0	1.0		4	23.1	423
1993	6	9.1	0	1.2	0	1.2		11	21.4	424
1994	19	14.6	0	1.2	1	1.1		12	20.5	401
1995	3	8.6	0	1.2	1	1.2		10	17.8	418
1996	15	8.7	0	1.3	0	0.8		9	23.5	434
1997	13	8.7	0	1.3	0	0.8	98	10	23.5	340
1998	4	6.9	0	0.8	0	0.8	28	3	18.6	314
1999	7	8.6	0	0.7	0	0.5	26	7	14.7	279
2000	9	9.3	0	0.6	0	0.4	11	3	10.3	257
2001	4	6.9	0	0.6	1	0.5	10	1	8.2	241
2002	6	5.3	0	0.8	0	0.5	19	0	6.5	217
2003	10	4.4	0	0.7	1	0.4	0	1	5.3	205
2004	15	13.5	0	0.6	0	0.4	0	4	3.5	186
2005	10	13.5	1	0.6	0	0.4	0	1	3.5	174
2006	13	10.6	0	0.6	0	0.4	0	1	3.1	161
2007	13	9.5	0	0.6	0	0.4	0	1	2.6	147
2008	5	11.5	0	0.5	0	0.3	0	0	2.3	142
2009	14	11.7	0	0.5	0	0.3	0	0	2.0	128
2010	12	12.8	1	0.5	0	0.3	0	0	1.7	115
<b>2011</b>	<b>44</b>	<b>13.1</b>	<b>1</b>	<b>0.4</b>	<b>0</b>	<b>0.2</b>	<b>0</b>	<b>0</b>	<b>1.4</b>	<b>70</b>
<b>5-Yr. Totals</b>	<b>88</b>	<b>58.6</b>	<b>2</b>	<b>2.5</b>	<b>0</b>	<b>1.5</b>	<b>0</b>	<b>1</b>	<b>10.0</b>	

A represents actual number.

E represents expected number based on assumptions outlined in Section C.

**GENERAL (CLERICAL) - DECEMBER 31, 2011**  
**BY ATTAINED AGE AND YEARS OF SERVICE**

Age	Years of Accrued Service						Totals	
Group	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Salary
35-39		1					1	\$ 53,101
40-44			1				1	48,320
45-49		1					1	67,944
50-54		1	1				2	101,570
60				1			1	53,963
66			1				1	48,886
68		1					1	43,097
<b>Totals</b>		<b>4</b>	<b>3</b>	<b>1</b>			<b>8</b>	<b>\$ 416,881</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest:

Age:           52.6 years.

Service:       16.2 years.

Annual Pay:     \$52,110

**GENERAL (CLASSIFIED AND EXEMPT) - DECEMBER 31, 2011**  
**BY ATTAINED AGE AND YEARS OF SERVICE**

Age Group	Years of Accrued Service					Totals		
	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Salary
40-44			1	1			2	\$ 144,247
45-49							0	0
50-54			1	3			4	244,083
55-59			2	1			3	195,285
<b>Totals</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>\$ 583,615</b>	

While not used in the financial computations, the following group averages are computed and shown because of their general interest:

Age: 50.8 years.

Service: 19.2 years.

Annual Pay: \$64,846

**GENERAL (AFSCME) - DECEMBER 31, 2011**  
**BY ATTAINED AGE AND YEARS OF SERVICE**

Age Group	Years of Accrued Service						Totals	
	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Salary
40-44		1					1	\$ 38,092
45-49			1				1	62,984
50-54		1	1	1			3	172,790
55-59			1	1			2	113,847
61			1				1	51,993
<b>Totals</b>		<b>2</b>	<b>4</b>	<b>2</b>			<b>8</b>	<b>\$ 439,706</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest:

Age: 52.2 years.

Service: 17.8 years.

Annual Pay: \$54,963

**PUBLIC SAFETY – (T.F.S.O.A.) - DECEMBER 31, 2011**  
**BY ATTAINED AGE AND YEARS OF SERVICE**

Age Group	Years of Accrued Service					Totals		
	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Salary
60							0	\$ -
<b>Totals</b>							<b>0</b>	<b>\$ -</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest:

Age: 0.0 years.

Service: 0.0 years.

Annual Pay: \$0

**PUBLIC SAFETY (T.P.O.A.) - DECEMBER 31, 2011**  
**BY ATTAINED AGE AND YEARS OF SERVICE**

Age Group	Years of Accrued Service						Totals	
	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Salary
30-34		2					2	\$ 149,694
35-39		4					4	336,833
40-44		5	8	1			14	1,117,743
45-49			3	5			8	669,177
50-54				3			3	239,287
55-59				2			2	196,348
60				1			1	77,969
<b>Totals</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>0</b>		<b>34</b>	<b>\$ 2,787,051</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest:

Age: 44.3 years.

Service: 17.3 years.

Annual Pay: \$81,972

**PUBLIC SAFETY (T.C.O.A.) - DECEMBER 31, 2011**  
**BY ATTAINED AGE AND YEARS OF SERVICE**

Age Group	Years of Accrued Service						Totals	
	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Salary
35-39		1					1	\$ 102,646
40-44		2	3				5	531,823
45-49			1	2			3	333,596
50-54				1	1		2	232,319
55-59								
<b>Totals</b>		<b>3</b>	<b>4</b>	<b>3</b>	<b>1</b>		<b>11</b>	<b>\$ 1,200,384</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest:

Age: 45.1 years.

Service: 18.5 years.

Annual Pay: \$109,126

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## **SECTION C**

**FINANCIAL PRINCIPLES, ACTUARIAL VALUATION  
PROCESS, ACTUARIAL COST METHODS,  
ACTUARIAL ASSUMPTIONS AND DEFINITIONS OF  
TECHNICAL TERMS**

---

## **BASIC FINANCIAL PRINCIPLES AND OPERATION OF THE RETIREMENT SYSTEM**

***Benefit Promises Made Which Must Be Paid For.*** A retirement program is an orderly means of handing out, keeping track of, and financing pension promises to a group of employees. As each member of the retirement program acquires a unit of service credit the member is, in effect, handed an "IOU" which reads: "The City of Troy Employees Retirement System promises to pay you one unit of retirement benefits, payments in cash commencing when you retire."

The principal related financial question is: When shall the money required to cover the "IOU" be contributed? This year, when the benefit of the member's service is received? Or, some future year when the "IOU" becomes a cash demand?

The Constitution of the State of Michigan is directed to the question:

"Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities."

This Retirement System meets this requirement by having as its ***financial objective the establishment and receipt of contributions which will fund the expected benefits over the average future working lifetimes of the remaining active members.***

The accumulation of invested assets ***is a by-product of pre-funding a retirement system, not the objective.*** Investment income is a major contributor to the retirement program, and the amount is directly related to the amount of contributions and investment performance.

If contributions to the retirement program are less than the preceding amount, the difference, *plus investment earnings not realized thereon*, will have to be contributed at some later time (or benefits will have to be reduced) to satisfy the fundamental fiscal equation under which all retirement programs must operate:

$$\mathbf{B = C + I - E}$$

The aggregate amount of **B**enefit payments to any group of members and their beneficiaries cannot exceed the sum of:

The aggregate amount of **C**ontributions received on behalf of the group

... plus ...

**I**nternal investment earnings on contributions received and not required for immediate cash payments of benefits

... minus ...

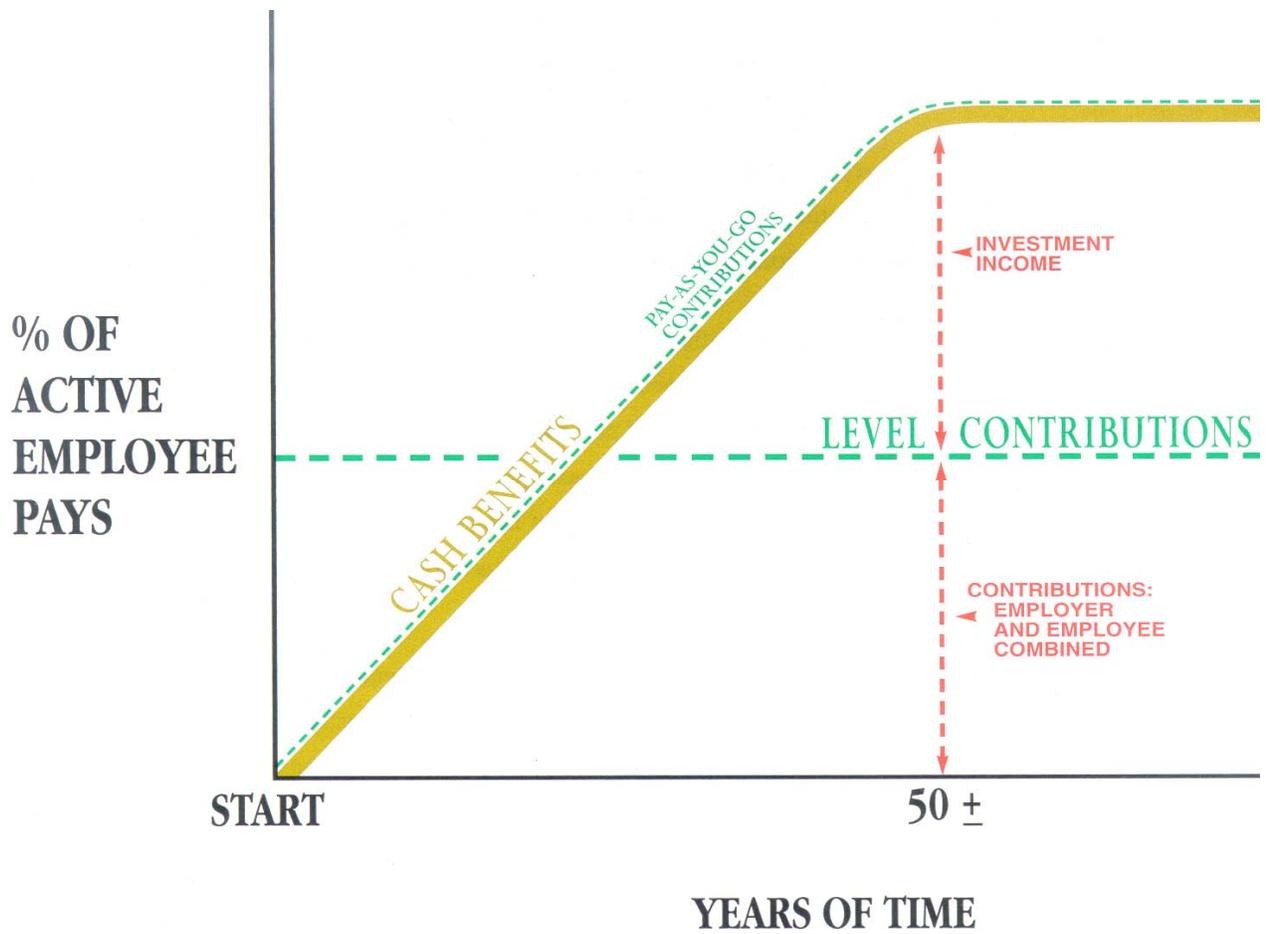
The **E**xpenses of operating the program.

There are retirement programs designed to defer the bulk of contributions far into the future. The present contribution rate for such systems is *artificially low*. The fact that the contribution rate is destined to increase relentlessly to a much higher level is often ignored.

*This method of financing is prohibited in Michigan by the state constitution.*

*Computed Contribution Rate Needed to Finance Benefits.* From a given schedule of benefits and from the data furnished, the actuary calculates the contribution rate *by means of an actuarial valuation* - the technique of assigning monetary values to the risks assumed in operating a retirement program.

Pre-funding retirement benefits results in each generation of taxpayers paying for the benefits earned during that generation. Deferring the bulk of contributions into the future can result in the next generation paying for the benefits earned in the current generation.



**CASH BENEFITS LINE.** This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

**LEVEL CONTRIBUTION LINE.** Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

- Economic Risk Areas
  - Rates of investment return
  - Rates of pay increase
  - Changes in active member group size
- Non-Economic Risk Areas
  - Ages at actual retirement
  - Rates of mortality
  - Rates of withdrawal of active members (turnover)
  - Rates of disability

## THE ACTUARIAL VALUATION PROCESS

The *financing diagram* on the previous page shows the relationship between the two fundamentally different philosophies of paying for retirement benefits: the method where contributions match cash benefit payments (or barely exceed cash benefit payments, as in the Federal Social Security program) which is an *increasing contribution method*; and the *level contribution method* which equalizes contributions between the generations.

---

The *actuarial valuation* is the mathematical process by which the level contribution rate is determined, and the flow of activity constituting the valuation may be summarized as follows:

A. *Covered Person Data*, furnished by plan administrator.

Retired lives now receiving benefits

Former employees with vested benefits not yet payable

Active employees

B. + *Asset data* (cash & investments), furnished by plan administrator

C. + *Assumptions concerning future financial experience in various risk areas*, which assumptions are established by the Board of Trustees after consulting with the actuary

D. + The *funding method* for employer contributions (the long-term, planned pattern for employer contributions)

E. + *Mathematically combining the assumptions, the funding method, and the data*

F. = Determination of:

Plan financial position

and/or New Employer Contribution Rate

## ACTUARIAL COST METHODS USED FOR THE VALUATION

The funding method used in this actuarial valuation is the *Aggregate Cost Method*. Under this method the Actuarial Present Value of Projected Benefits of the group included in the valuation, less the sum of the Funding Value of Assets and the Actuarial Present Value of Future Member Contributions is allocated over a future scheduled period. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the City's Annual Normal Cost. Under this method, actuarial gains (losses) reduce (increase) future Normal Costs.

## ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS

The actuary calculates contribution requirements and actuarial present values of a retirement system by applying actuarial assumptions to the benefit provisions and people information of the system, using the actuarial cost methods described on page C-5.

The principal areas of risk which require assumptions about future experience are:

- (i) Long-term rates of investment return to be generated by the assets of the System.
- (ii) Patterns of pay increases to members.
- (iii) Rates of mortality among members, retirees and beneficiaries.
- (iv) Rates of withdrawal of active members.
- (v) Rates of disability among active members.
- (vi) The age patterns of actual retirements.

In making a valuation, the actuary calculates the monetary effect of each assumption for as long as a present covered person survives - - - a period of time which can be as long as a century.

---

The employer contribution rate has been computed to remain level from year to year so long as benefits and the basic experience and make-up of members do not change. Examples of favorable experience which would tend to reduce the employer contribution rate are:

- (1) Investment returns in excess of 6.5% per year.
- (2) Member non-vested terminations at a higher rate than outlined on page C-11.
- (3) Mortality among retirees and beneficiaries at a higher rate than indicated by the RP-2000 Combined Healthy Mortality Table.

Examples of unfavorable experience which would tend to increase the employer contribution rate are:

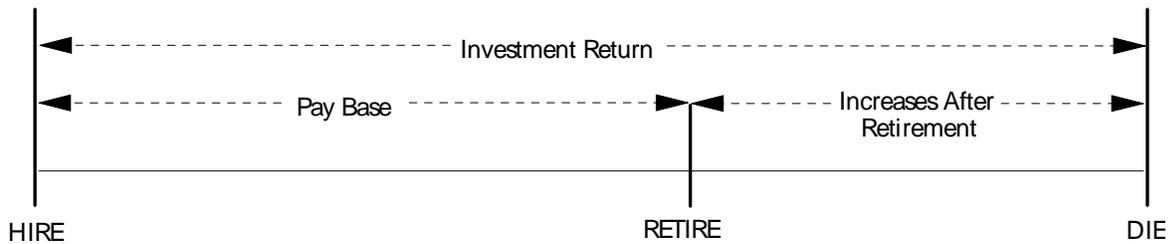
- (1) Pay increases in excess of the rates outlined on page C-9.
- (2) An acceleration in the rate of retirement from the rates outlined on page C-12.

---

Actual experience of the system will not coincide exactly with assumed experience, regardless of the choice of the assumptions, the skill of the actuary or the precision of the calculations. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time one or more of the assumptions is modified to reflect experience trends (but not random or temporary year to year fluctuations).

## RELATIONSHIP OF ECONOMIC ASSUMPTIONS IN COMPUTING CONTRIBUTIONS TO A RETIREMENT SYSTEM



### **Investment Return**

An increase in this assumption reduces computed contributions. The assumption operates over all parts of an employee's lifetime.

### **Pay Base**

An increase in this assumption increases computed contributions. However, a 1% increase in this assumption, coupled with a 1% increase in Investment Return reduces computed contributions. This is because the Pay Base assumption operates only over an employee's working lifetime, while the Investment Return assumption operates over the employee's entire lifetime, and therefore has a greater effect.

### **Increases After Retirement**

An increase in this element increases computed contributions.

---

If Investment Return, Pay Base, and Increases After Retirement are each increased by equal amounts, computed contributions remain the same (except in plans using Final Average Pay as a factor in computing benefits; the multi-year average used for Final Average Pay causes computed contributions to decrease slightly).

If Investment Return and Pay Base are increased by equal amounts, with no change in Increases After Retirement, computed contributions decrease – sometimes significantly. The decreases represent the projected devaluation of an employee's benefits following retirement.

## ACTUARIAL ASSUMPTIONS USED FOR THE VALUATION

**Investment Return** (net of expenses).

6.5% per year, compounded annually. This rate consists of a real rate of return of 3.0% per year plus a long-term rate of wage inflation of 3.5% per year.

This assumption is used to equate the value of payments due at different points in time and was first used for the December 31, 1995 valuation. The 3.5% wage inflation assumption was first used for the December 31, 2007 valuation. Approximate rates of investment return, for the purpose of comparisons with assumed rates, are shown below:

	Year Ended December 31				
	2011	2010	2009	2008	2007
Recognized Rate of Investment Return of Funding Value of Assets	6.1%	4.9%	2.9%	0.7%	7.2%

The nominal rate of return was computed using the approximate formula  $i = I$  divided by  $1/2 (A + B - I)$ , where  $I$  is actual investment income (after smoothing gains and losses) net of expenses,  $A$  is the beginning of year valuation asset value, and  $B$  is the end of year valuation asset value.

**These rates of return should not be used for measurement of an investment advisor's performance or for comparisons with other systems -- to do so will mislead.**

**Pay Projections.** These assumptions are used to project current pays to those upon which benefits will be based. The assumptions were first used for the December 31, 2007 valuation.

Annual Rate of Pay Increase for Sample Ages			
Sample Ages	Base (Economic)	Merit and Longevity	Total
35	3.5	2.5	6.0
40	3.5	2.2	5.7
45	3.5	1.7	5.2
50	3.5	1.2	4.7
55	3.5	0.7	4.2
60	3.5	0.2	3.7

Changes actually experienced in average pay have been as follows:

Increase in	Year Ended December 31					3-Year Average	5-Year Average
	2011	2010	2009	2008	2007		
Average pay	(0.5)%	(4.9)%	6.2%	2.7%	5.5%	0.2%	1.7%

Note: The changes in average pay shown above are affected by changes in active membership during the year as well as individual annual pay increases of the members.

**Mortality Table.** The RP-2000 Combined Healthy Mortality Table, for males and females. This table was first used for the December 31, 2007 valuation. Sample values follow:

Sample Attained Ages	Single Life Retirement Values			
	Present Value of \$1.00 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
	50	\$156.42	\$161.11	30.80
55	146.11	152.04	26.18	28.91
60	133.49	140.76	21.74	24.38
65	118.85	127.55	17.61	20.12
70	102.73	112.76	13.88	16.23
75	85.47	96.73	10.57	12.74
80	68.04	79.91	7.75	9.68

This assumption is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement.

Disabled and Pre-Retirement Mortality rates are static tables and do not reflect any future mortality improvements.

**Rates of separation from active membership.** The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	Percent Separating Within Next Year	
		General	Public Safety
ALL	0	30.00 %	15.00 %
	1	20.00	10.00
	2	15.00	8.00
	3	10.00	7.00
	4	7.00	6.00
25	5 & Over	6.00	5.00
30		6.00	4.50
35		6.00	3.55
40		6.00	1.45
45		3.50	0.75
50		1.50	0.75
55		1.50	0.75
60	1.50	0.75	

The rates were first used for the December 31, 1975 valuation.

**Rates of Disability.** These assumptions represent the probabilities of active members becoming disabled.

Sample Ages	Percent Becoming Disabled Within Next Year	
	Men	Women
20	0.08 %	0.10 %
25	0.08	0.10
30	0.08	0.10
35	0.08	0.10
40	0.20	0.36
45	0.27	0.41
50	0.49	0.57
55	0.89	0.77
60	1.41	1.02
65	1.66	1.23

These rates were first used for the December 31, 1976 valuation.

**Rates of Retirement.** These rates are used to measure the probabilities of an eligible member retiring during the next year.

Retirement Ages	Percent of Active Members Retiring Within Next Year			
	General	Public Safety		
		T.F.S.O.A. & Exempt	T.C.O.A.	T.P.O.A.
43			35	40
44			25	40
45			20	40
46			15	40
47			15	40
48			15	40
49			15	35
50	15	35	15	20
51	10	25	25	15
52	5	20	30	15
53	5	15	100	15
54	5	15		15
55	5	15		15
56	5	15		15
57	5	15		25
58	5	25		100
59	5	30		100
60	5	100		
61	5			
62	30			
63	10			
64	10			
65	100			

T.P.O.A, T.F.S.O.A. and T.C.O.A. members were assumed to be eligible for retirement after 25 years of service, or after attaining age 60 with 10 or more years of service. General AFSCME, General Clerical, and Classified or Exempt members were assumed to be eligible for retirement after attaining age 50 with 27 years of service, or age 55 with 25 years of service; or age 60 with 10 years of service.

These rates were first used for the December 31, 1973 valuation. The rates for Classified, Exempt and Command Officers were first used for the December 31, 1981 valuation. The rates for Non-Classified/Exempt General members were first used for the December 31, 1986 valuation.

**SUMMARY OF ASSUMPTIONS USED  
DECEMBER 31, 2011**

**Pensions in an Inflationary Environment**

**VALUE OF \$1,000/MONTH RETIREMENT BENEFIT  
To an Individual Who Retires at Age 60  
In an Environment of 3.50% Inflation**

<u>Age</u>	<u>Value</u>
60	\$1,000
61	966
62	933
63	901
64	871
65	842
70	708
75	596
80	502
85	423

The life expectancy of a 60 year old male retiree is age 82. The life expectancy for a 60 year old female retiree is age 84. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

**SUMMARY OF ASSUMPTIONS USED**  
**MISCELLANEOUS AND TECHNICAL ASSUMPTIONS**  
**DECEMBER 31, 2011**

**Marriage Assumption.** 90% of males and 90% of females are assumed to be married for purposes of death-in-service benefits.

**Pay Increase Timing.** Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

**Decrement Timing.** Decrements of all types are assumed to occur mid-year.

**Eligibility Testing.** Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

**Benefit Service.** Exact fractional service is used to determine the amount of benefit payable.

**Decrement Relativity.** Decrement rates are used without adjustment for multiple decrement table effects.

**Decrement Operation.** Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.

**Normal Form of Benefit.** The assumed normal form of benefit is the straight life form.

**Incidence of Contributions.** Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

## DEFINITIONS OF TECHNICAL TERMS

**Accrued Service.** Service credited under the system which was rendered before the date of the actuarial valuation.

**Actuarial Accrued Liability.** The difference between the actuarial present value of system benefits and the actuarial present value of future normal costs. Also referred to as "past service liability".

**Actuarial Assumptions.** Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

**Actuarial Cost Method.** A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefits" between future normal costs and actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

**Actuarial Equivalent.** One series of payments is said to be actuarially equivalent to another series of payments if the two series have the same actuarial present value.

**Actuarial Gain (Loss).** The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities -- during the period between two valuation dates. It is a measurement of the difference between actual and expected experience.

**Actuarial Present Value.** The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments.

**Amortization.** Paying off an interest-discounted amount with periodic payments of interest and (generally) principal -- as opposed to paying off with a lump sum payment.

**Aggregate Cost Method** is a method where the Actuarial Present Value of Projected Benefits of the group included in the valuation, less the sum of the Funding Value of Assets and the Actuarial Present Value of Future Member Contributions is allocated over a future scheduled period. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the **City's Annual Normal Cost**. Under this method, actuarial gains (losses) reduce (increase) future Normal Costs.

**Credited Projected Benefit.** The portion of a member's projected benefit attributable to service before the valuation date - allocated based on the ratio of accrued service to projected total service and based on anticipated future compensation.

**Experience Gain (loss).** The difference between actual actuarial costs and assumed actuarial costs – during the period between two valuation dates.

**Funding Value of Assets.** Also referred to as actuarial value of assets, smoothed market value of assets, or valuation assets.

Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, valuation assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. If assumed rates are exactly realized for 4 consecutive years, valuation assets will become equal to market value.

**Normal Cost.** The portion of the actuarial present value of future benefits that is assigned to the current year by the actuarial cost method. Sometimes referred to as "current service cost".

**Unfunded Actuarial Accrued Liabilities.** The difference between actuarial accrued liabilities and valuation assets. Sometimes referred to as "unfunded past service liability" or "unfunded supplemental present value".

Most retirement systems have unfunded actuarial accrued liabilities. They arise each time new benefits are added and each time an actuarial loss occurs.

The existence of unfunded actuarial accrued liabilities is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liabilities do not represent a debt that is payable today. What is important is the ability to amortize the unfunded actuarial accrued liabilities and the trend in their amount (after due allowance for devaluation of the dollar).

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## **SECTION D**

### **CERTAIN DISCLOSURES REQUIRED BY STATEMENTS NO. 25 AND NO. 27 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

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**This information is presented in draft form for review by the City's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the City's financial statements.**

## ACTUARIAL ACCRUED LIABILITY

The actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. The excess of the Actuarial Present Value of Projected Benefits of the group included in an Actuarial Valuation over the Actuarial Value of Assets is allocated **on a level basis over the payroll of the group between the valuation date and assumed exit**. This allocation is performed for the group as a whole, not as a sum of individual allocations. That portion of the Actuarial Present Value allocated to a valuation year is called the Normal Cost. The Actuarial Accrued Liability is equal to the Actuarial Value of Assets. Under this method, the Actuarial Gains (Losses), as they occur, reduce (increase) future Normal Costs.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

The Present Value of Projected Benefits was determined as part of an actuarial valuation of the plan as of December 31, 2011. Significant actuarial assumptions used in determining the Present Value of Projected Benefits include (a) a rate of return on the investment of present and future assets of 6.5% per year compounded annually, (b) projected salary increases of 3.5% per year compounded annually, (c) additional projected salary increases of 0.0% to 2.5% per year attributable to seniority/merit, and (d) that there will be no cost of living adjustments after retirement.

Actuarial Present Value of All Past and Future Benefits	
Active members	\$ 35,317,190
Retired members and beneficiaries currently receiving benefits	125,716,820
Vested terminated members not yet receiving benefits	<u>1,016,254</u>
Total	162,050,264
Actuarial Value of Assets (market value was \$143,345,352)	145,522,890
Present Value of Future Employee Contributions	<u>1,464,906</u>
Unfunded Present Value of Future Benefits	\$ 15,062,468

During the year ended December 31, 2011, the Plan experienced a net change of \$11,203,091 in the actuarial present value of projected benefits. There were no changes in actuarial assumptions or benefits during the year. The City experienced a large number of retirements due to an Early Retirement Incentive. There was also a method change resetting the phase-in of the unrecognized investment performance as of 12/31/2010.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
(\$ AMOUNTS IN THOUSANDS)

<b>Actuarial Valuation Date December 31</b>	<b>Actuarial Value of Assets# (a)</b>	<b>Actuarial Accrued Liability* (AAL) (b)</b>	<b>Unfunded AAL (b)-(a)</b>	<b>Funded Ratio (a)/(b)</b>	<b>Active Member Covered Payroll (c)</b>	<b>Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)</b>
1995	\$ 94,730	\$ 85,625	\$ (9,105)	110.6	\$19,040	(47.8) %
1996	106,334	92,845	(13,489)	114.5	20,536	(65.7)
1997	120,718	105,689	(15,029)	114.2	16,133	(93.2)
1998	109,474	90,869	(18,605)	120.5	16,201	(114.8)
1999	118,595	94,661	(23,934)	125.3	15,057	(159.0)
2000	123,956	99,740	(24,216)	124.3	15,441	(156.8)
2001	123,669	97,140	(26,529)	127.3	14,566	(182.1)
2002	117,372	95,527	(21,845)	122.9	13,553	(161.2)
2003	126,738	103,558	(23,180)	122.4	13,053	(177.6)
2004	126,802	109,364	(17,438)	115.9	12,572	(138.7)
2005	128,790	113,260	(15,530)	113.7	12,100	(128.4)
2006	132,168	119,299	(12,869)	110.8	11,472	(112.2)
2007	132,917	123,162	(9,755)	107.9	11,046	(88.3)
2008	128,249	126,138	(2,111)	101.7	10,953	(19.3)
2009	132,465	139,519	7,054	94.9	10,483	67.3
2010	133,400	139,232	5,832	95.8	8,959	65.1
<b>2011</b>	<b>145,523</b>	<b>153,564</b>	<b>8,041</b>	<b>94.8</b>	<b>5,428</b>	<b>148.1</b>

# Smoothed-market value.

\* Reflects entry age normal actuarial cost method to comply with GASB Statement No. 50.

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ending June 30</b>	<b>Actuarial Valuation Date December 31</b>	<b>Annual Required Contribution* (In thousands)</b>
1995	1993	\$3,146
1996	1994	3,267
1997	1995	3,367
1998	1996	2,759
1999	1997	2,655
2000	1998	1,087
2001	1999	1,174
2002	2000	1,461
2003	2001	1,605
2004	2002	1,482
2005	2003	117
2006	2004	213
2007	2005	273
2008	2006	273
2009	2007	428
2010	2008	1,361
2011	2009	2,505
<b>2012</b>	<b>2010</b>	<b>N/A</b>

\* *Since it was stated to the actuary that the City's practice is to contribute the percent of payroll employer contribution rate shown in the actuarial valuation results, the values shown are the actual contributions reported by the City in the fiscal year. Also, for fiscal years ending in 2004 and earlier, annual required contributions include contributions for retiree health benefits.*

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS**

Valuation Date	12/31/2011
Actuarial Cost Method	Aggregate
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return*	6.5%
Projected Salary Increases*	3.5% - 7.5%
*Includes Inflation	3.5%

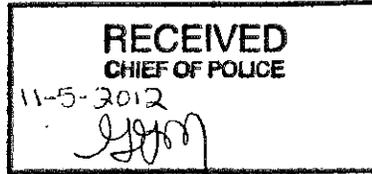
Office of the Prosecuting Attorney  
County of Oakland



JESSICA R. COOPER  
Prosecutor

November 1, 2012

Paul T. Walton  
Chief Assistant Prosecutor



DETECTIVE KRISTINE SHULER -  
THANK YOU FOR YOUR GOOD  
WORK ON THIS TRAGIC INCIDENT.  
THE VICTIMS OF THESE CRIMES  
AND TROY PD APPRECIATE YOUR  
PROFESSIONALISM AND ABILITY.

Chief Gary G. Mayer  
Lieutenant Christopher Stout  
Troy Police Department  
West Big Beaver Road  
Troy, Michigan 48084

Dear Chief Gary G. Mayer and Lieutenant Christopher Stout,

I am writing this letter to inform you that over the past year, I have had the benefit of working with Detective Kristine Shuler on several significant cases out of your jurisdiction. I have been an assistant prosecuting attorney for the past 18 years with Oakland County and I am currently assigned to the Warrants' Division. I am specifically assigned to review all of the cases for charging decisions for the Special Victim's Unit of our Circuit Court Division. It is due to this specialized assignment that I have come to work so closely with Detective Shuler.

Over the course of my employment with Oakland County, I have worked with numerous detectives on important cases, but Detective Shuler's investigations are second to none. The investigations she handles are extremely thorough and well thought out. She leaves no stone unturned in her tackling of complex cases. More importantly, the recent homicide case of REDACTED, impressed me the most with her skills and training. I do not think I have ever reviewed a case of this magnitude where I did not have to request a further investigation. She had every piece of evidence already put together for me in a binder that was organized and easy to review. Her hard work and determination were clearly evident in her investigation of this horrific crime.

Furthermore, besides the exceptional investigative qualities she already possesses, what I find to be her biggest attribute is the emotional stance she takes on her cases. She believes in her victims and actively pursues justice for them. She fights for each and every one of them, so that they will have a voice in this system. As we all know in this profession, ours is often a thankless one. Thus, I thought it was important to point out how grateful and privileged I am, to have worked with such an outstanding detective. Detective Shuler makes a difference in each and every case she handles as the officer in charge. She truly is an asset to the Troy Police Department and a wonderful advocate for victims of crime.

Sincerely,  
  
Shareen M. Lynch  
Assistant Prosecuting Attorney



michigan municipal league

**PRESS RELEASE**► 1675 Green Road  
Ann Arbor, MI 48105-2530TEL 734.662.3246 800.653.2483  
FAX 734.741.1774  
WEB [www.mml.org](http://www.mml.org)**Contact:**Matt Bach, Communications Director  
Michigan Municipal League  
734-669-6318  
[mbach@mml.org](mailto:mbach@mml.org)  
[www.mml.org](http://www.mml.org)**FOR IMMEDIATE RELEASE:** November 7, 2012**Troy Recognized for Environmental Leadership**

**LANSING, Michigan** – The city of Troy was recognized for environmental leadership at the Michigan Green Communities conference in Lansing on November 2. As part of the recently expanded Michigan Green Communities Challenge (<http://mml.org/green>), participating local governments were awarded Gold, Silver, Bronze or Member seals of achievement reflecting community leadership in areas such as natural resource conservation, green economic development and energy efficiency.

Troy achieved Bronze status for exemplary action in a variety of categories, including participation in the South Oakland County Resource Recovery Authority's extensive recycling program, and implementing design standards for trees, storm water management and open space planning and other sustainability concerns.

The Challenge is a new tool to help local leaders measure their progress in implementing energy, economic development and environmental improvements. It is supported by the Michigan Association of Counties, Michigan Department of Environmental Quality, Michigan Economic Development Corporation Energy Office, Michigan Municipal League and Michigan Townships Association. It uses a rating system to recognize sustainability accomplishments and serves as a guide for community leaders looking to learn from their peers. Participation is free and open to all local governments in Michigan as part of the statewide Michigan Green Communities network that aims to support local sustainability efforts.

The Challenge launched in 2009 and emphasized energy efficiency projects in an effort to help local governments prepare for and make the best use of federal Energy Efficiency and Conservation Block Grant (EECBG) funds. Over the last year, a team of graduate students from the University of Michigan worked with Challenge participants and the staff of partner organizations to update the program. The updated Challenge reflects broader topics, such as green economic development, resource conservation and water quality in addition to maintaining a strong energy component.

*For more information contact Laura Matson at 952-217-3744 or [lmatson@a2gov.org](mailto:lmatson@a2gov.org).*

**Michigan Municipal League advocates on behalf of its member communities in Lansing, Washington, D.C., and the courts; provides educational opportunities for elected and appointed municipal officials; and assists municipal leaders in administering services to their communities through League programs and services.**

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