K-01

City of Troy

MEMORANDUM

TO: Members of the Troy City Council
FROM: Lori Grigg Bluhm, City Attorney LGB RN
DATE: January 28, 2009
SUBJECT: Ability of DDA to exempt inflation capture

At the January 26, 2009 City Council meeting, a question was asked about the feasibility of excluding property growth resulting solely from inflation from the taxes captured by the Troy Downtown Development Authority (TDDA).

Although it is not often used, MCL 125.1664 (1) does allow for inflationary growth to be excluded from the captured value of a Downtown Development Authority. However, this exclusion must be expressly detailed in the approved Tax Increment Financing Plan and the Development Plan. Troy's approved plans do not meet this requirement. Under Troy's approved plans, a significant amount of the capture is inflationary growth, since there has been limited new construction in the TDDA to date. There are outstanding debt obligations and contracts that were issued based on the predicted growth of the TDDA, which is set forth in these plans. Any retroactive amendment to capture the inflationary growth could significantly impair the TDDA debt obligations, and could be unlawful. In addition, any amendments could provide a window of opportunity for other taxing jurisdictions (county, school, etc.) to opt out of the tax capture.

Future TDDA plans could expressly incorporate MCL 125.1664, and the capture from Troy, as well as the capture from the other taxing jurisdictions, would be proportionally reduced.

Please let me know if you have any questions.

K-1

City of Troy

TO: The Mayor and City Council

FROM: Phil Nelson, City Manager PLN

SUBJECT: Latest Budget Numbers

DATE: January 21, 2009

After the last Council workshop on the budget, staff continued working on determining the potential level of funding available for the fiscal year 2009/10 budget.

The Council made some tough decisions concerning revenues and expenditure changes and reduced a potential deficit of approximately $5.5 million to approximately $935,000. As you recall, a significant portion of the deficit reduction was based on several employees taking early retirement, and the transfer of excess special assessment funding that provided a total amount of approximately $2.3 million. There is a good news—bad news scenario in the two elements. The bad news is that there are probably not going to be a sufficient number of retirees to get enough funding from the projected early retirement figures. The good news is that we should be able to return a significant amount of salary and benefit funding to the General Fund balance as a result of the employees who will take advantage of the retirement package. There still is, however, a total gap of approximately $539,000 in the estimated amount of savings from early retirements and the $1.3 million that was originally proposed.

As a reminder of revenue enhancements and expenditure cuts the Council took action on, staff is providing the following charts for your review. As indicated in the disposition phase, staff noted that actions were favored, deleted, or postponed so that Council could take additional time to consider final action on the items. Included for your consideration is additional information requested on specified items. Staff needs to have final direction from the Council on these items so the budget can be compiled as soon as is possible.

Potential New Revenues

Program (Objective)	Estimated Dollar Value	Strongly Consider	Consider	Outcome Connection	Council Action
Transfer excess Special Assessment funds	$ 1,000,000	7		1,2,3	Favor
Increase DDA charge for charge for services	175,000	5	2	1,2,3	Favor
Implement Police arrest booking fee	158,600	5	2	1,2,3	Favor
Implement downed wire fire response fee (electric co. pays)	10,000	5	2	1	Delete
$1.00 service charge on all parks and recreation transactions	100,000	4	2	1,2,3	Favor
Charge admission to museum grounds (currently donation is requested)	20,000	4	2	1,2,3	Favor
Charge non-resident fee for Internet usage at Library	20,000	4	2	2	Favor
Implement property damage auto crash recovery fee	135,000	3	1	1,2,3	More Info
Increase building permit fees by 5%	70,000	3	2	1,3	Favor
Charge non-profit groups for use of Community Center meeting rooms	30,000	3	1	2,3	Favor
Increase shelter fees	10,000	3	3	2,3	Favor
Charge seniors the full cost of all programs	100,000	2	3	1,3	Favor
Implement auto injury accident cost recovery fee	61,500	2	3	1,3	More Info
Implement structure fire response fee	12,500	2	4	1,2,3	Favor
Implement fire re-inspection and revised plan review fee	18,750	2	5	1	Favor
Implement a fuel surcharge on traffic tickets	100,000	2	4	1,2,3	More Info
Implement suspicious fire response and investigation fee	12,500	1	3	1,2,3	Favor
Potential Revenue Enhancement	**2,033,850**				

Running Total of "favored" items **1,727,350**

Note: The transfer of excess Special Assessment funds is a "one-time" revenue enhancement meaning that subsequent years would require either additional revenues or additional expenditure reductions.

Potential Expenditure Savings	Estimated Dollar Value	Strongly Consider	Consider		Council Action
Freeze positions through retirement incentives (2009/2010)	$ 1,300,000	6	1		Favor
Eliminate City Calendar	35,000	4	1		Favor
Eliminate all irrigation except athletic fields, DDA and City Hall	100,000	3	2		Favor
Reduce part-time staff in the parks by 25%	85,000	3	2		Favor
Reduce number of right of way mowing from 6 to 3 cuttings per year	39,000	3	1		More Info
Eliminate annual plantings, mulch, street maint. except DDA & Civic Center	8,000	3	3		Favor
Reduce Civic Center maintenance levels	30,000	2	4		Favor
Eliminate employee tuition reimbursement	25,000	2	3		Favor
Negotiate hiring part-time in lieu of full-time		2	3		Favor
Reduce mowing in parks/public grounds	15,000	2	2		Favor
Limit snow plowing of subdivisions to straight time, with min. overtime	30,000	2	2		RC
Eliminate Family Festival	6,800	1	4		Favor
No snow removal on overtime (City Property)	100,000	1	3		Delete
Eliminate annual boards and committees appreciation banquet	15,000	1	3		Postpone
Estimated Expenditure Savings	**1,788,800**				

Other Ideas	Estimated Dollar Value	Strongly Consider	Consider	Outcome Connection	Council Action
Consider benefits of alternative fuel vehicles		6	1	1,2	Favor
Develop and promote energy saving policy		6	1	1,2,3	Favor
Direct city manager & department heads to cut lowest priority services		5	2	1,2,3	Favor
Promote Troy to the film industry-reap the benefits		5	2	1,2,3	Favor
Reevaluate Troy Daze event- including size, location, duration, purpose		2	2		RC
Buy distressed property in Troy and use to rebuild for the future		2	2	1,2,3	More Info
Operate the Nature Center as a park	300,000	2	2		Fee Offset

Running Total **1,619,800**
Grand Totals **3,347,150**

The Council also looked at the following items, but took no definitive action pending additional information.

Item	Estimated Dollar Value	Strongly Consider	Consider	Neutral	Council Action
Implement business occupancy permit and annual renewal fee	75,000	2	1	3	More Info
Implement a single-family residential rental inspection program	25,000	1	2		More Info
Charge youth groups full cost for field usage	10,000	1	2	1	Change formula
Eliminate community agency contributions:			3	1	More Info
Troy Youth Assistance	40,000				
Troy Community Coalition	97,000				
The Haven	4,370				
Troy Boys/Girls Club	76,320				
Eliminate Citizens Academy	3,000	2	1	1	members pay
Operate City Hall on a four-ten hour day schedule, closing one day per week					
Privatize City Attorney's Office					
Total Estimated Savings	**330,690**				

If the Council was to take affirmative action on the "postponed or more information or RC" (requires Council consideration) categories, the estimated budget deficit could almost be eliminated. However, if the City does not realize total estimated savings from the early retirement package, the Council would need to take action to reduce the budget in an estimated amount of about $500,000.

As stated, the two largest sum items that are being used to reduce the budget deficit are one-time solutions. Coupled with increasing costs, decreasing property values and one-time enhancements or reductions, the City could be faced with another $5 million dollar deficit for the 2010/11 budget.

If the Council chooses to not implement the remaining expenditure cuts or revenue enhancement the City could be looking at a total deficit of $1,474,000. Without the additional revenue enhancements or expenditure cuts, the Council still has the following options available to balance the budget.

1. Reduce expenditures in highest priority departments including Police, Fire and Public Works. These additional savings could be made in areas such as reducing overtime, or reducing service levels offered by the departments.

2. Moving .25 mills from the Capital Construction Fund mill levy to the General Fund. Preliminary estimates indicate a .25 mill shift could generate approximately $1.2 million in additional revenue for the General Fund.

3. The other option that has to be explored is additional layoffs of employees. Staff has placed a hiring freeze on non-high priority department job openings. Staff has also initiated a merger of the Engineering, Building Inspection, Planning and Real Estate and Economic Development Departments into the Community Development Department.

Staff size will be reduced, but even so, staff is estimating that an additional 6 to 10 people will have to be laid off this fiscal year, with significant additional layoffs required during the following fiscal year. In keeping with the Council's wishes, planning for staff layoffs will not include personnel in the highest priority services for the coming fiscal years.

4. While the Council has stated that staff is not to utilize cash reserves to balance the budget, the Council could utilize approximately $2.3 million dollars of the uncommitted General Fund cash reserve balance and keep a 10% reserve total.

January 21, 2009

TO: Phil Nelson, City Manager

FROM: Charles T. Craft, Chief of Police

SUBJECT: Potential Revenue Sources

In response to Council's request for additional information regarding potential revenue sources and cost recovery possibilities, the following has been determined:

- **Property Damage/Injury Traffic Crash Cost Recovery** – A specific cost recovery ordinance is required assessing a fee to ticketed at fault drivers. If such an ordinance is enacted, the 52-4 Court indicates that they will comply with it and collect the money. Department policy requires that at fault crash drivers be cited for the hazardous action that caused the crash; assessing the cost recovery fee with the citation payment is the most efficient, effective, and fair manner of collecting the revenue.

- **Booking Fee** – State law allows for the recovery of up to $60.00 per day from detainees who are ultimately convicted. This requires a cost recovery ordinance and assistance from the City Attorney's Office.

- **Traffic Citation Vehicle/Fuel Cost Recovery** – Like traffic crash cost recovery, a specific cost recovery ordinance is required. The fee would be assessed on each citation, collected by the court and returned to the City.

Each of the above listed actions requires City Council to implement specific cost recovery ordinances. If so directed, the Police Department will undertake the development of the ordinances.

In addition to those areas already considered by Council, the following revenue enhancements are being implemented or are under consideration:

- **Traffic Citation Fine Increase** – The 52-4 District Court expects to have a $10.00 increase on all traffic fines in place by April of 2009. This will yield approximately $36,000 annually in increased revenue. No action is required on our part.

- **OWI (Drunk Driving) Forfeiture Recovery** – The Oakland County Prosecutors Office has created an Economic Recovery Unit and they are proposing the use of forfeiture procedures on OWI 2nd and 3rd offense vehicles. This program is being used in other jurisdictions and will require the approval of the District Court

Judges. Potential revenue is approximately $60,000 annually. No action is required on our part.

- **Motor Carrier Enforcement –** State law allows for the recovery of 70% of commercial vehicle fines if the Commercial Vehicle Code is adopted as city ordinance. We are working with the City Attorney on this and hope to have something for City Council in February 2009. Revenue amounts are unknown.

We continue to investigate cost recovery possibilities and ready to move forward on these upon direction. As for the specific amount of the fees, the figures provided (traffic crashes, vehicle/fuel cost recovery) are estimates and are probably on the low end. Prior to proposing an ordinance we will develop a fee that is based to some degree on the cost of service rendered.

Charles T. Craft, Chief of Police
Troy Police Department
500 West Big Beaver Road
Troy, Michigan 48084

OPERATIONS DIVISION
248-524-3426

MEMORANDUM

DATE: January 20, 2009

TO: Captain Colleen Mott

FROM: Lieutenant David Livingston

RE: Cost Recovery Status Report for City Council

The following is a summary of some options I feel are worth implementing for cost recovery purposes:

Citation Fine Schedule Increase

Recently I spoke with the 52/4 District Court Administrator, Jim VerPlugg, regarding cost recovery programs. Mr. VerPlugg indicated he hoped to increase the fine schedule for each traffic infraction by an amount of $10.00.

Mr. VerPlugg has a meeting with the judges on Friday, January 23, 2009, to discuss this. He is hopeful the increase will be approved. He will let me know the results of his meeting. Mr. VerPlugg said that if the proposal is approved the increases would probably begin sometime in April 2009.

If in fact an increase in the fine schedule is approved, it would mean an additional cost recovery of about $36,000.00, based on 12,000 annual citations at the $ 3.00 (30%) amount the court would send to us for each citation.

Property Damage and Personal Injury Crash Fees

I also spoke with Mr. VerPlugg regarding additional fees attached to citations written to those at fault in traffic crashes. I told him about one city (Livonia) that adds an additional surcharge to the citation fine schedule on those citations issued to drivers found at fault in traffic crashes. Mr. VerPlugg indicated that if the Troy City Council enacted an ordinance and **phrased the ordinance as a cost recovery measure**,

the 52-4 District Court would comply with it. The amount of the surcharge decided on by the City Council would then be given entirely to the City, similar to how the OWI cost recovery program works now in the court.

If the ordinance only called for an increase in the fine schedule for those found at fault at traffic crashes, the City would only get 30% of the fine and costs associated with the citation.

I spoke with Sue Lancaster about this possibility. Sue told me that she was working on an ordinance that would call for repayment for services rendered at crash scenes where additional personnel were needed, either for traffic control, wash downs using fire equipment, or other services such as vehicle extractions, Haz-Mat situations, etc. I sent Sue some information I had regarding the research I have already done on that cost recovery venture.

It appears that the work being done by the Legal Department on the cost recovery program involving emergency personnel (police and fire) is something the Legal Department is putting together in lieu of the surcharge option I posed to Mr. VerPlugg. The Legal Department is also developing a form to be used at the scenes of these calls for service to document the number of additional personnel and extra equipment that were used to service the call to make it easier for billing purposes.

I got the feeling in speaking with Sue that the Legal Department is going ahead with work on developing a cost recovery ordinance that will provide cost recovery options for emergency responses to calls for service involving emergency personnel and equipment.

If, for the sake of argument, we were to get an ordinance that placed a $50.00 surcharge on all traffic crash citations issued at crash scenes, it could generate anywhere from $150,000.00 to $200,000.00, based on over 4,000 traffic crashes in the City of Troy last year.

I am not sure what cost figures or presumptions are being made with regard to the cost recovery program being developed by the Legal Department.

OWI Forfeiture Recovery

The Oakland County Prosecutors Office has a new Economic Recovery Unit (forfeiture) headed by Kim Mitseff. I am going to meet with her on Thursday, January 22, 2009, to discuss the program and find out what we need to do, as an agency, to get involved in this process. The program itself is basically ready to roll. The only delay right now would come if the District Court judges do not want to participate in the program. Kim indicated most District Court judges she has had contact with have no problems with it.

Basically, the way the forfeiture program works is that when a subject is arrested for OWI 2nd or OWI 3rd, they are issued an "Intent to Forfeit' letter from the arresting

officer. The vehicle is seized and towed to the impound yard and held there until the case is disposed of.

For OWI 2nd offenses, the forfeiture is $ 900.00. For OWI 3rd offenses, the forfeiture is for $ 1,800.00. Kim indicated that in 99 out of 100 cases the owner pays the sum rather than have the vehicle permanently seized.

Of the forfeiture sum, the arresting agency will get one-half of the sum. Twenty-five percent goes to a county program and the other twenty-five percent goes to the prosecutor's office.

The only time a forfeiture proceeding can be done on an OWI 1st is if the driver is involved in a crash that leads to a death or serious injury.

Last year the Troy Police Department made sixty-four (64) OWI 2nd arrests. Using that figure, the City would have received over $28,000.00 in forfeiture funds. We also made thirty-six (36) OWI 3rd arrests. Using that figure the City would have received over $32,000.00 for a total of over $60,000.00. This total would be in addition to the OWI cost recovery figure we currently receive from the 52-4 District Court.

This forfeiture program has been very successful in Macomb County for the past two to three years. St. Clair Shores is one city that uses the program.

I believe this is a **very good** avenue to pursue for cost recovery considerations. I will work closely with the Oakland County Prosecutors Office to try to get this type of program going for the Troy Police Department. As long as the District Court judges agree to this program, we could conceivably be up and running with it in a short period of time because, according to Kim, the forms are already available.

I will keep you informed on the progress of our January 22, 2009, meeting.

Motor Carrier

Another cost recovery avenue that I believe we should pursue involves the creation of a full-time Motor Carrier Officer. This officer will concentrate on safety inspections of commercial vehicles that travel within the City of Troy. The fines for some of the equipment violations are much higher than those associated with passenger vehicles. The State of Michigan also **allows cities to obtain 70% of the fines** associated with these commercial violations.

The only problem we have now is to get the City to adopt the commercial vehicle laws as written in the Motor Vehicle Code and the Uniform Traffic Code. Once the City of Troy adopts those laws the Motor Carrier officer, and the other three commercial vehicle inspectors we have in the Traffic Safety Unit, can write the violations under **CITY ORDINANCE**, which means the 70% cost of the fines would go to the City of Troy.

Sue Lancaster, in the Legal Department, is working on this and hopes to have an ordinance proposal ready for City Council approval by February 2009. She is hoping to have it ready by February 2, 2009.

I believe that if we concentrate our efforts on enacting laws/ordinances that would enable the Troy Police Department to recoup costs utilizing the programs listed above, we could generate a significant amount of revenue.

It is difficult to pinpoint an exact figure of how much we could recover based on the unknowns associated with the Motor Carrier venture and the cost recovery program being authored by the Legal Department, but I AM confident that the amount would be substantially more than what we are getting now for providing these services.

Please let me know if you have any questions or concerns regarding this information.

Charles T. Craft, Chief of Police
Troy Police Department
500 West Big Beaver Road
Troy, Michigan 48084

SERVICES DIVISION
248-680-7224

MEMORANDUM

DATE: January 21, 2009

TO: Chief Craft

FROM: Lieutenant Lyczkowski

RE: The Inmate Reimbursement to Municipalities Act

CC: Deputy Chief Mayer; Captain Frye

The Inmate Reimbursement to Municipalities Act (Act 88 of 2006) allows a municipality to seek reimbursement from any person, who is ultimately convicted, for the costs associated with that person's pretrial detention. A summary of the law is as follows:

- The municipal treasurer may determine the amount due to the municipality.
- The municipality shall develop a form to determine the financial status of the inmate.
- Reimbursement shall not exceed $60 per day.
- Reimbursement may be ordered as a condition of probation.
- The municipal attorney may file a civil action to seek reimbursement in the district court.
- Reimbursement shall be credited to the municipality's general fund.

In 2008, we processed 2750 prisoners in Lockup. The number of prisoners has been relatively consistent for several years. This represents a potential for an approximate annual revenue of $165,000, if we collect the maximum fee from each person.

Assistant City Attorney Sue Lancaster is assisting us with this project. It is the City Attorney's intent to pursue reimbursement through restitution orders from the applicable courts of jurisdiction. The Statute appears to grant that authority to the courts. Sue Lancaster is currently working to establish a protocol for determining the

financial status of our pretrial detainees and seeking reimbursement through restitution with the appropriate courts.

Attachment to 2-1

City of Troy

Fire Department

MEMORANDUM

January 16, 2009

TO: Phil Nelson, City Manager

FROM: William Nelson, Fire Chief WSN
David Roberts, Fire Marshal DR

RE: Business Occupancy Permits

Purpose
The purpose for business occupancy permits is to ensure potential new occupants in existing commercial and industrial businesses an orderly and informative process by which to occupy without violating the requirements of the Fire Prevention Ordinance, Troy City Code Chapter 93.

Reason
The Fire Prevention Division has encountered countless occasions where a business either unknowingly occupies a building or tenant space in violation of the Fire Prevention Ordinance, or seeks input from the City but is not properly informed of the appropriate requirements for occupancy. In either case, the result is a business in violation of the ordinance, potential business interruption and additional expenditures in order to comply with the ordinance, and the embarrassment of having to explain why the business was misinformed by "the City" to begin with. Oftentimes, the business being conducted contains materials and processes that are of a hazardous nature to the occupants, their neighbors, and to responding firefighters in the event of a fire.

Proposal
We believe that a business occupancy permit requirement, with a one-time initial fee to help defer the cost of the permitting process, would help to alleviate fire safety concerns. Working in conjunction with other departments such as the building department, real estate & development, planning, and community affairs; and agencies like the Chamber of Commerce and local realtors, would help publicize this requirement in a pro-active manner thereby saving the potential hassles of an after-the-fact remedy. We anticipate being able to administer this requirement with existing staff.

Revenue
According to information provided by the assessing department, there were 464 new commercial occupants who moved into the City from 2007 to 2008. If the permit fee were $100.00, for example, this would yield $46,400 in revenue for that time frame.

Conclusion
We believe a one-time business occupancy permit and fee will; 1) Help alleviate potential hazards as a result of unregulated business occupancies; 2) Provide a customer-friendly relationship with new occupancies; 3) Avoid costly after-the-fact remedies; and 4) generate a modest yet helpful source of revenue to address the City's current economic situation.

TO: The Mayor and City Council

FROM: Phil Nelson, City Manager

SUBJECT: Additional Information Requested by City Council Regarding Potential New Revenue Sources/Expenditure Savings: Buy Distressed Property in Troy and Use to Rebuild for the Future

DATE: January 21, 2009

As part of the overall budgeting process, staff provided a listing of possible revenue enhancements as well as possible expenditure cuts in an effort to balance the next fiscal year budget. One of the options listed was the purchase of distressed properties to rebuild for the future.

The basic premise is to purchase properties in areas that are identified in the Comprehensive Development Plan for changes in longer-term land use. By purchasing the homes now, or within the capital improvement 6-year timeframe, the City could keep the costs of acquiring the properties to today's prices, or, in some cases, the City could purchase and raze the property, re-designate the property to a higher land use and zoning classification and prepare for future changes in land uses. The City or the Downtown Development Authority (DDA), where applicable, could also use ownership of the land as leverage should a developer plan something in the areas that have been purchased. The land could either be sold to the developer, or the City or DDA could go into partnership with the City or DDA holding additional leverage in what is constructed and to make sure that the development would fit the concepts of the Comprehensive Plan or the Big Beaver Corridor Study.

Areas that could be considered for possible redevelopment could include: Big Beaver Road within the DDA boundaries, Rochester Road, and Maple Road.

The up side of the proposal is that the City starts the redevelopment process to provide some conformance with longer-range policy documents, could either be partners in future development, or could have leverage as to what is built so as to get the highest potential uses and value on the property.

The down side of the proposal is that purchasing the properties and changing land uses or zoning could impact remaining adjacent properties with increased valuations that could mean higher property tax payments. Vacant properties owned by the city would also mean additional maintenance responsibilities, and would take the properties from the tax rolls.

January 20, 2009

PN

To: John M. Lamerato, Assistant City Manager/Finance and Administration

From: Carol K. Anderson, Parks and Recreation Director

Subject: Nature Center Budget Reductions

This memo provides an informational update to the proposed changes (increased revenues/decreased expenses) for the 09-10 Nature Center budget.

Proposed decreases in budget expenses:

Contractual Services	2,000
Supplies for Resale	2,000
Computers	8,580
Part-time personnel hours - 750	9,708
Total	$22,288

Proposed revenue increases:*

Admission charge @ $1	$10,000
Annual admission pass $10 individual/$25 family	7,600
Adopt NC animals	1,300
Group Hayride tours at farm	1,480
Antique flea market at farm	2,600
Total	$24,180

*Proposed revenues are net.

The proposed reductions and increases to the Nature Center are intended to keep the experience of the user intact but impact the budget. The Nature Center programs and activities along with the building and trails/grounds are utilized by many people in our community. The opportunity to experience the out of doors and the educational opportunities at the Nature Center are unique in the community. However, there is an awareness that changes to the budget be made for long term viability.

CITY COUNCIL REPORT

DATE: January 20, 2009

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services
Mark Stimac, Director of Building & Zoning

SUBJECT: Agenda Item – Additional Information
Potential New Revenues
Implementation of Single-Family Rental Inspection Program

Background:

- At the City Council Study Session of November 24, 2008, City Council asked for additional information regarding the potential new revenue item for implementing an inspection program for single-family residential homes that are used as rental property.
- The inspections are intended to be done to insure the health and safety of residents that do not have direct control over the condition and maintenance of the dwelling in which they live.
- The exact number of homes that are used for rental property is not exactly known.
- We do, however, know that approximately 1,900 single-family homes in the City of Troy do not claim a homestead exemption on their property tax.
- We also have approximately 120 dwelling units in duplex structures.
- If we require an inspection of these structures every other year, the same frequency that we use for multifamily units, then we would be inspecting approximately 1,000 units per year.
- Other cities such as Madison Heights, Royal Oak, Southfield, Birmingham, already have such an inspection program in place.
- At a projected fee of $75 per inspection to cover the costs of administering the program, this would generate approximately $75,000 annually.
- This revenue would cover staff time, vehicle expense, computer expense, office supplies, postage, and clerical costs.
- A review of fees from other the cities that already have a program in place show that they range from $65 to $200 biannually.
- Based upon current workloads, the inspections would be conducted utilizing current staffing levels.
- The initial implementation of this program would inherently require a substantial informational program and education of the public on the new requirements.

- Also the initial round of inspections would undoubtedly reveal a number of code violations and instances of work that was done without permits. These would result in a number of new permits that would be required to legitimate and correct faulty work.

Financial Considerations:

- Implementation of an inspection program for single-family residential rental homes would potentially result in annual revenues of $75,000.

Legal Considerations:

- The adoption of a program of inspection of single-family rental dwellings is permitted by PA 408 of 2008.

Policy Considerations:

- G. Continue inspection services
- K. Continue code enforcement
- M. Investigate funding options that reduce demand on the City's budget.

Options:

- City Council can direct staff to prepare ordinance language to implement an inspection program for single-family residential rental dwellings.
- City Council can choose not to direct staff to prepare language.

SINGLE FAMILY RESIDENTIAL RENTAL INSPECTION PROGRAM SURVEY

CITY	PROGRAM YES OR NO	FEE	COMMENTS	REQUIRED INSPECTIONS
Berkley	YES	$200.00		EVERY 2 YEARS
Birmingham	YES	$125.00		EVERY 2 YEARS
Bloomfield Hills	NO			
Bloomfield Twp	NO			
Farmington Hills	NO			
Ferndale	YES	$65.00		EVERY 2 YEARS
Hazel Park	YES	$200.00		EVERY 2 YEARS
Madison Heights	YES	$90.00	$30 reinsp fee beyond 1 reinsp.	EVERY 2 YEARS
Novi	NO			
Orion Twp	NO			
Pittsfield Twp.	YES	$150.00		
Plymouth	NO			
Rochester Hills	NO			
Royal Oak	YES	$100.00		EVERY 2 YEARS
Southfield	YES	$200.00		
Sterling Heights	NO			
Warren	YES	$125.00	$40 reinsp fee	EVERY 2 YEARS

Survey Conducted January 2009

CITY COUNCIL REPORT

January 21, 2009

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services
Timothy L. Richnak, Public Works Director

SUBJECT: Additional Information Requested by City Council Regarding Potential New Revenue Sources/Expenditure Savings:
1) Limit Snow Plowing of Subdivisions to Straight Time, with Minimum Overtime
2) Reduce Number of Right-of-Way Mowing from 6 to 3 Cuttings Per Year

1) Plowing subdivisions on straight time with minimal overtime hours would result in the following:

- Subdivisions plowed with a 4" plus snowfall generally take 24 hours of plowing. Without overtime this operation would take three 8-hour days in addition to any days that would fall on a weekend. It would be possible that it could be 5 days before all subdivision streets would be cleared.
- Subdivisions plowed with an 8" plus snowfall generally take 48 hours of plowing. Without overtime this operation would take six 8-hour days in addition to at least 2 weekend days. It would be possible that it could be 8 days before all subdivisions would be cleared.
- Cost reductions would vary from $13,000 to $38,000 per event based on the depth of the snow and the timing (weekends and Holidays or weekdays) of the event.

Currently the Road Commission for Oakland County employs this schedule and, due to storms subsequent to the 10" snowstorm on December 19, 2009, there are subdivisions that they still have not plowed as of January 12, 2009. If we were to employ this same operation, subsequent storms would extend the time it would take to clear all subdivision streets.

2) Reduction of right of way mowing from 6 cuttings to 3 cuttings would have the following effect:

- When mowing is performed 6 times per year the vegetation ranges between 6 to 9 inches tall at the time of mowing. With a reduction in mowing to 3 times per year the vegetation would be 12 to 18 inches tall at the time of mowing, much like what you see on vacant properties that we mow 3 times per year. This would reflect in a reduction in the budget of $26,000.

The Road Commission for Oakland County only sends out a mowing crew to cut grass and weeds for sight distance problems at intersection with their county roads. Due to our higher standard of mowing, location on all major roads including the county roads are generally cut before the county crews get out on the roads in Troy. When the county does mow they only make one pass with the mower (approximately 5') they do not mow the entire area between the curb and sidewalk.