



City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

**City Commission Meeting
December 9, 2014
Agenda**

Honorable Mayor, City Commissioners and Residents: This shall serve as your official notification of the Public Hearing and Regular City Commission Meeting to be held Tuesday, December 9, 2014, at 7:30 p.m., in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069. The following items are on the Agenda for your consideration:

PUBLIC HEARING AND REGULAR CITY COMMISSION MEETING – 7:30 P.M.

1. **Meeting Called to Order.**
2. **Pledge of Allegiance.**
3. **Roll Call.**
4. **PUBLIC DISCUSSION – items not on the Agenda.**
5. **Consideration of the receiving and filing the audit of the City's Financial Statements for fiscal year ended June 30, 2014.**
6. **Consideration of the Governmental Reports.**
7. **Consideration of the City Commission Liaison Reports.**
 - *Recreation Commission – Commissioner Krzysiak
 - *Committee Liaison – Commissioner Foreman
 - *Planning Commission/DDA – Commissioner Perry
 - *Historical Commission – Commissioner Scott
8. **Consideration of the following Consent Agenda.**

All items listed on the Consent Agenda are considered to be routine by the City Commission, will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a City Commissioner or visitor so requests, in which event, the item will be removed from the consent agenda and considered as the last item of business.

 - a. Consideration of the minutes of the Regular City Commission Meeting held Tuesday, November 18, 2014.
 - b. Consideration of the Monthly Disbursement Report.
 - c. Consideration of the reappointment of Ms. Cathie Gillis, Mr. Don Hoefler, and Mr. John Wright, to the Pleasant Ridge Historical Commission, term to expire December 31, 2017.
 - d. Consideration of the reappointment of Mr. Sean O'Brien to the Pleasant Ridge Planning Commission/Downtown Development Authority, term to expire December 31, 2017.
 - e. Consideration of the 2015 Federal Poverty Guidelines.

9. **Consideration of the proposed Oakland County Community Development Block Grant Program Year 2015 Community Application and Subrecipient Agreement.**
 - a. Public Hearing – Solicitation of public comments on the proposed Oakland County Community Development Block Grant Program Year 2015 Community Application and Subrecipient Agreement.
 - b. Oakland County Community Development Block Grant Program Year 2015 Community Application and Subrecipient Agreement.

10. **Consideration of the proposed Zoning Ordinance Amendment.**
 - a. Public Hearing – Solicitation of public comments on an ordinance to amend Chapter 26 of the Pleasant Ridge City Code, Zoning, Article 4 – R-1A, R-1B, R-1C, and R-1D Single Family Residential Districts, Yard and Bulk Requirements Table; Article 5 – R-2, Two Family Residential Districts, Yard and Bulk Requirements Table; Article 6 – RM Multiple Family Residential Districts – Low Rise, Yard and Bulk Requirements Table; Article 7 – RO Restrictive Office, Yard and Bulk Requirements Tables; Article 12 – General Provisions, Section 26.12.1 Yard and Bulk Requirements to add a new Section 26.12.4 Sky Plane Side Yard Setback Requirements.
 - b. Ordinance to amend Chapter 26 of the Pleasant Ridge City Code, Zoning, Article 4 – R-1A, R-1B, R-1C, and R-1D Single Family Residential Districts, Yard and Bulk Requirements Table; Article 5 – R-2, Two Family Residential Districts, Yard and Bulk Requirements Table; Article 6 – RM Multiple Family Residential Districts – Low Rise, Yard and Bulk Requirements Table; Article 7 – RO Restrictive Office, Yard and Bulk Requirements Tables; Article 12 – General Provisions, Section 26.12.1 Yard and Bulk Requirements to add a new Section 26.12.4 Sky Plane Side Yard Setback Requirements.

11. **Consideration of an ordinance to amend Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-696 Segregated Capital Asset Fund.**
 - a. Public Hearing – Solicitation of public comments on an ordinance to amend Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-696 Segregated Capital Asset Fund.
 - b. Ordinance to amend Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-696 Segregated Capital Asset Fund.

12. **Consideration of the discussion regarding a non-resident business or commercial property owner member to the Pleasant Ridge Planning Commission/Downtown Development Authority.**

13. **Consideration of establishing a public hearing on Tuesday, January 13, 2015, at 7:30 p.m., to solicit public comments on the following:**
 - a. Ordinance to amend Chapter 26 of the Pleasant Ridge City Code, Zoning, Article 12: Schedule of Regulations, Section 26-12.2 General Requirements; and Article 13: General Provisions, Section 26-13.1 Accessory Uses, to prohibit Accessory Dwelling Units.
 - b. Ordinance to amend Chapter 26 of the Pleasant Ridge City Code, Zoning; Article 3: Zoning Districts and Map, Section 26-3.5 District Requirements; Article 4: Single Family Residential Districts; and Article 13: General Provisions, Section 26-13.1 Accessory Uses, to list Accessory Dwelling Units as a Special Land Use in the Single Family Residential Districts, and to establish specific standards applicable to Accessory Dwelling Units.

14. **City Manager's Report.**
15. **Other Business.**
16. **Adjournment.**

**May the spirit of the Season
fill your Heart and Home
with
Peace and Joy!**

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the City at least seventy-two (72) hours in advance of the meeting, if requesting accommodations.



*23925 Woodward Avenue
Pleasant Ridge, Michigan 48069*

Regular City Commission Meeting November 18, 2014

Having been duly publicized, Mayor Metzger called the meeting to order at 7:32 p.m.

Present: Commissioners Foreman, Krzysiak, Perry, Scott, Mayor Metzger.
 Also Present: City Manager Breuckman, City Attorney Need, Assistant City Manager Pietrzak.
 Absent: None.

Public Discussion

Ms. Jane Makulski, 110 Elm Park, mentioned the Pleasant Ridge Garden Club that has approximately 50 members and has been established in the city for many years. Part of the club's purpose is public and community property landscaping, which includes Memorial Park, Stephenson Park, the wildflower garden behind City Hall, and the Blue Star Memorial. The Garden Club will be hosting two fundraisers: Greens Workshop, December 10th, 6:30 p.m., \$25.00; and Home for the Holidays, December 13th, 6:30 p.m., \$100/ticket. Flyers and invites were presented to the Commission. All profits are used for the beautification of the city.

Mr. Ted Zachary, 68 Devonshire, representing the Environmental Club, reported that the recycle bins are available for \$6.00 during the month of November (regularly \$12.00). In the month of September, 24 tons were recycled.

Mr. Robert Sakat, 8 Fairwood, thanked the Women's Club for the lasagna dinner. Also, Mr. Sakat inquired if there are any programs through the city that will assist residents who need help with shoveling during the winter months. Assistant City Manager Pietrzak responded that the Community Center accepts calls from those who are willing to help or those who need help, and does maintain a list. Volunteers are needed to assist in these efforts.

Governmental Reports

Ms. Nancy Kerr-Mueller, Ferndale School Board, reported that a Montessori school will be established and modeled after the Ferndale program. A new Heads Start Class has begun at Harding Elementary with 18 students. November 20th is the Middle School Choir and Elementary School Orchestra performances. Ferndale Friends of Different Learners will have a meeting November 25th, 6:30 p.m., at Harding Elementary.

Fire Chief Kevin Sutherland, Ferndale Fire Department, reminded residents that if you have not had your furnace checked or cleaned, it is a good idea to do so. If you are using space heaters, make sure they have safety devices on the bottom. Fireplaces should be maintained and cleaned as well.

Another tip is to make sure that when you are out in the cold, have something across your face to protect you from the cold air going directly into your lungs.

City Commission Liaison Reports

Commissioner Scott gave an update on the Historical Commission, which normally meets on the first Wednesday of the month. The last event held by the Commission had over 400 people in attendance and netted \$700.00. The silver anniversary for I-696 is slated for January 15th, 2015. Any photographs or stories are being requested from residents to be shared with the Historical Commission.

Commissioner Krzysiak thanked everyone who came out to the Thanks and Giving Artists Market the past weekend. Over 270 people were in attendance with 30 vendors. A special thanks was given to Sue Terpack, Subcommittee Chair for this event, for her efforts in organizing and preparing food for the event, along with thanks for all involved. If you are aware of any local artists who would like to be part of this event next year, contact Assistant City Manager Pietrzak or Sue Terpack.

Commissioner Foreman mentioned the Just 4 Kicks event held November 8th raised over \$2,000.00 to be used for camp scholarships at JFK Elementary. The Ferndale Schools website has been completely rebuilt and allows staff members to update the website as needed to keep it current. The District also has a new email system that will improve productivity. The Ferndale Education Foundation has a Facebook page and they are seeking to have 700 “likes” to its page. This foundation raises money to assist teachers with projects not normally funded by the school. The 6th grade will be participating in a project sponsored by the DNR, Salmon in the Classroom, which is a year-long natural resources education program that follows the life cycle of salmon from the eggs, to hatching, to releasing the salmon in a local river.

Commissioner Perry reported that the Planning Commission and the Downtown Development Authority (DDA) met on October 27th. Public Hearings were held regarding accessory dwelling units and dimensional amendments to the Zoning Ordinance. Discussions on the accessory dwelling units will continue until the November meeting. Dimensional zoning amendments have been forwarded to the City Commission for public hearing in December. Detailed information on these amendments is on the City’s Website or at City Hall. The next meeting for the Planning Commission and DDA is November 24th, 7:00 p.m.

2014 Beautification Awards

Commissioner Foreman explained that the PR Beautification Committee is an informal group of residents who recognize neighbors whose homes enhance the beauty of the city. Representatives of this committee comprise of the City Commission, Planning Commission/DDA, Historical Commission, Recreation Commission, Garden Club, as well as two other residents at large. The awards are being brought back since a break in 2010. The city is divided into four zones, and may also include one business. Every single home is looked at in the city. This year’s awards were presented to the following addresses: 25 Woodside Park; 36 Oakland Park; 66 Kensington; and 40 Sylvan. The business award is presented to Cork, 28310 Woodward Avenue. The award winners received a Pleasant Ridge Ceramic Tile, and a certificate will be presented next spring that will include a photograph of the homes.

Consent Agenda

14-3133

Motion by Commissioner Foreman, second by Commissioner Perry, that the Consent Agenda, be approved, as listed.

Adopted: Yeas: Commissioner Foreman, Perry, Krzysiak, Scott, Mayor Metzger
 Nays: None.

Intergovernmental CATV Agreement Amendment

City Manager Breuckman explained that the ICCA had been formed over 30 years ago to oversee cable and rights-of-way in local communities and was primarily funded by grant monies. A new funding mechanism is being proposed, \$1,000.00 flat fee, for every member community, and will also be based on population.

14-3134

Motion by Commissioner Scott, second by Commissioner Foreman, that the amendment to the Intergovernmental CATV Agreement, Section 6, Responsibility of Members, (f) Payments to Authority, between the City of Pleasant Ridge and the ICCA be approved.

Adopted: Yeas: Commissioner Scott, Foreman, Krzysiak, Perry, Mayor Metzger
 Nays: None.

Huntington Woods Library Board Appointment – Marj Vaydik

City Manager James Breuckman reported that four applications were received for the opening on the Library Board.

14-3135

Motion by Commissioner Krzysiak, second by Commissioner Perry, that Marj Vaydik be appointed as the City’s representative to the Huntington Woods Library Board, term expiring November 10, 2015.

Adopted: Yeas: Commissioner Krzysiak, Perry, Foreman, Scott, Mayor Metzger
 Nays: None.

Commissioner Foreman thanked the applicants for coming to the workshop and taking the time to apply for this board.

Commissioner Perry hoped that if there are any other openings in the future that the applicants would consider reapplying because everyone was a perfect candidate.

Schedule Public Hearing – December 9, 2014, 7:30 p.m.

City Manager James Breuckman explained that a public hearing needs to be scheduled on Tuesday, December 9, 2014, at 7:30 p.m., on an Ordinance to amend Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-696 Segregated Capital Asset Fund (SCAF). This amendment will allow the city to invest in a broader amount of investments for a higher return. The information on this is on the City’s Website.

14-3136

Motion by Commissioner Foreman, second by Commissioner Scott, to establish a Public Hearing to solicit comments on the amendment of Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-695 Segregated Capital Asset Fund be held on Tuesday, December 9, 2014, at 7:30 p.m.

Adopted: Yeas: Commissioner Foreman, Scott, Krzysiak, Perry, Mayor Metzger
 Nays: None.

City Manager's Report

City Manager Breuckman reported two millages were passed at the recent election and thanked the voters for passing same. One of the key things is being able to lower utility bills as an offset to increased property taxes. The millages take effect July 1, 2015, and the City Commission will adopt a new water bill rate budget. The system in place now is purely a rate system, and options to be explored may be a flat fee and water usage rate. Overall, water bills should be lowered in the future due to the millage passed. Also, the garbage collection fees may be reduced in half. The capital improving planning process will be starting immediately in the City, which is a 6-year plan. New police cars is something that will be considered due to the fact that none have been purchased in a number of years and the current vehicles are in constant need of repairs. The budget process will begin in February/March. City Manager Breuckman did announce that residents can still apply with FEMA until the beginning of December if you experienced flooding from the August 11th storm. To date, 73 residents have applied and \$67,135.80 in direct FEMA grants have been awarded, and that does not include loans that are being offered. The last date for leaf collection is Sunday, November 23rd. The new LED lighting at the Community Center has reduced the electrical bills over \$500/month to date. The toddler structure is under construction thanks to the Pleasant Ridge Foundation. An East Side Town Hall meeting is set for November 20th, 6:30 p.m., to discuss a potential permit parking program east of Woodward

City Manager Breuckman, on behalf of Chief Nowak, reported that a charter amendment was passed that established marihuana-related crimes as the lowest law enforcement priority. The Charter amendment does not allow for medical marihuana dispensaries, but only makes possession of marihuana a low priority for police officers.

Other Business

Commissioner Krzysiak mentioned that the City Commission and City staff are working on improving the leaf collection process in the city. Commissioner Krzysiak commended the workers for doing a good job on a difficult task, and also commended the city hall staff for fielding calls from the residents.

Mayor Metzger mentioned that the WA3 was in town doing its fact-finding process and over 200 problems were discovered. The group will return in February with its recommendations. One issue is to make this area more pedestrian friendly. City Manager Breuckman added that these are nationally renowned engineers who are conducting this study and experts with pedestrian and bicycle traffic. Commissioner Scott added that one thing that was stated that by slowing down traffic you improve the flow of traffic, so this could be a possible recommendation.

Mr. Robert Sakat, 8 Fairwood, inquired if there would be a tree lighting ceremony this year, and Mayor Metzger responded that it is December 1st, 6:00 p.m.

Commissioner Perry commended the Women's Club for its tremendous dinner they hosted which benefited over \$2,000.00 that should provide four scholarships to students.

Commissioner Foreman reported that the Pleasant Ridge Social Club is hosting an event on December 6, 7:00 p.m., Detroit Yacht Club. A membership drive is currently in effect. Visit its Facebook page.

City Manager Breuckman reported that the new phone system transition has gone very well. Magnets were mailed to residents with the new numbers. The new system will save the city approximately \$10,000/year.

Commissioner Foreman added that the upcoming FPHS spring play will be "Wizard of Oz."

With no further business or discussion, Mayor Metzger adjourned the meeting at 8:46 p.m.

Mayor Kurt Metzger

Amy M. Drealan, City Clerk
/mat

NOVEMBER 2014

ACCOUNTS PAYABLE

PAYROLL LIABILITIES	\$	5,291.36
TAX LIABILITIES	\$	265,422.63
ACCOUNTS PAYABLE	\$	192,517.59
TOTAL	\$	463,231.58

PAYROLL

November 12, 2014	\$	29,585.41
November 26, 2014	\$	26,479.78

TOTAL	\$	56,065.19
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CHECK REGISTER FOR CITY OF PLEASANT RIDGE
PAYROLL LIABILITIES
October 2014

Check Date	Check	Vendor Name	Description	Amount
11/12/2014	1347	MIFOP	UNION DUES-NOV 2014	\$ 188.00
11/12/2014	1348	MISDU	FOC DEDUCTIONS	\$ 224.60
11/12/2014	1349	ROOSEN, VARCHETTI & OLIVIER	GARISHMENT FEES	\$ 274.80
11/12/2014	1350	M&T BANK - ICMA	RETIRMMENT CONTRIBUTIONS	\$ 714.11
11/12/2014	1351	ICMA RETIREMENT TRUST	DEFERRED COMP CONTRIBUTIONS	\$ 1,076.71
11/12/2014	1352	M&T BANK-ICMA	HEALTH RETIREMENT SAVINGS CONT	\$ 333.38
11/26/2014	1353	MISDU	FOC DEDUCTIONS	\$ 224.60
11/26/2014	1354	ROOSEN, VARCHETTI & OLIVIER	GARISHMENT FEES	\$ 274.80
11/26/2014	1355	M&T BANK - ICMA	RETIRMMENT CONTRIBUTIONS	\$ 624.11
11/26/2014	1356	ICMA RETIREMENT TRUST	DEFERRED COMP CONTRIBUTIONS	\$ 1,047.87
11/26/2014	1357	M&T BANK-ICMA	HEALTH RETIREMENT SAVINGS CONT	\$ 308.38
TOTAL PAYROLL LIABILITIES				\$ 5,291.36

CHECK REGISTER FOR CITY OF PLEASANT RIDGE
TAX LIABILITIES
November 2014

Check Date	Check	Vendor Name	Description	Amount
11/05/2014	2233	CITY OF PLEASANT RIDGE-DDA	2014 TAX COLLECTIONS TO 10-30-2014	\$1,181.22
11/05/2014	2234	CITY OF PLEASANT RIDGE-GENERAL	2014 TAX COLLECTIONS TO 10-30-2014	\$56,896.31
11/05/2014	2235	FERNDALE PUBLIC SCHOOL	2014 TAX COLLECTIONS TO 10-30-2014	\$27,788.68
11/05/2014	2236	OAKLAND COUNTY TREASURER	2014 TAX COLLECTIONS TO 10-30-2014	\$45,485.50
11/19/2014	2237	CITY OF PLEASANT RIDGE-DDA	2014 TAX COLLECTIONS TO 11-12-2014	\$2,073.46
11/19/2014	2238	CITY OF PLEASANT RIDGE-GENERAL	2014 TAX COLLECTIONS TO 11-12-2014	\$58,292.66
11/19/2014	2239	FERNDALE PUBLIC SCHOOL	2014 TAX COLLECTIONS TO 11-12-2014	\$26,660.08
11/19/2014	2240	LAWRENCE SOPHIEA	OVERPAYMENT OF SUMMER TAXES	\$781.95
11/19/2014	2241	OAKLAND COUNTY TREASURER	2014 TAX COLLECTIONS TO 11-12-2014	\$46,262.77
TOTAL TAX LIABILITIES				\$265,422.63

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
November 6, 2014

Check Date	Check	Vendor Name	Description	Amount
11/06/2014	19204	ANDERSON, ECKSTEIN & WESTRICK	ENGINEERING SERVICES	\$ 9,084.20
11/06/2014	19205	AQUATIC SOURCE	WINTERIZING OF THE FOUNTAIN	\$ 422.26
11/06/2014	19206	ARROW UNIFORM RENTAL	MAT RENTAL AND JANITORIAL SUPPLIES	\$ 223.16
11/06/2014	19207	BS&A SOFTWARE	SOFTWARE RENEWAL	\$ 1,798.00
11/06/2014	19208	CITY OF BERKLEY	OCTOBER DISPATCH SERVICES	\$ 3,349.61
11/06/2014	19209	CITY OF FERNDALE-RECREATION	2014 FALL SOCCER FEES	\$ 190.00
11/06/2014	19210	COMCAST	TELEPHONE AND WIRELESS SERVICES	\$ 343.02
11/06/2014	19211	INTEGRATED SAFETY & SECURITY	PARK KEY CARDS	\$ 848.00
11/06/2014	19212	JANI-KING OF MICHIGAN, INC	JANITORIAL CLEANING SERVICES	\$ 2,161.00
11/06/2014	19213	KENNETH BORYCZ	MECHANICAL INSPECTOR SERVICES	\$ 405.00
11/06/2014	19214	MARCIA HOVELAND	BEAUTIFICATION TILES	\$ 200.00
11/06/2014	19215	MELANIE SEVALD	CARDIO, STRENGTH AND FLEXIBILITY	\$ 504.00
11/06/2014	19216	OAKLAND COUNTY TREASURER	ELECTION SUPPLIES	\$ 385.02
11/06/2014	19217	SIR SPEEDY	CITY LETTERHEAD ENVELOPES	\$ 247.50
11/06/2014	19218	WEX BANK	FUEL PURCHASES FOR POLICE CARS	\$ 1,587.77
11/06/2014	19219	ZOGICS	WELLNESS CENTER SUPPLIES	\$ 206.46

Total For 11/06/2014: \$ 21,955.00

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
November 13, 2014

Check Date	Check	Vendor Name	Description	Amount
11/13/2014	19220	21ST CENTURY MEDIA-MICHIGAN	PRINTING OF LEGAL ADS	\$ 1,324.12
11/13/2014	19221	ARROW UNIFORM RENTAL	MAT RENTALS & JANITORIAL SUPPLIES	\$ 228.54
11/13/2014	19222	BEIER HOWLETT PC	CITY ATTORNEY CONTRACT	\$ 2,150.93
11/13/2014	19223	BELLE TIRE	POLICE CAR REPAIRS	\$ 525.04
11/13/2014	19224	CITY OF PLEASANT RIDGE-GENERAL	CITY SPRINKLERS, 2014 SEASON	\$ 12,570.37
11/13/2014	19225	COMCAST	TELEPHONE SERVICES	\$ 65.50
11/13/2014	19226	COMMUNITY MEDIA NETWORK	CITY COMMISSION MTG RECORDING	\$ 200.00
11/13/2014	19227	CONSUMERS ENERGY	CITY UTILITY SERVICES	\$ 502.95
11/13/2014	19228	DILISIO CONTRACTING INC	CAMBRIDGE PROJECT	\$ 46,867.50
11/13/2014	19229	DTE ENERGY	CITY UTILITY SERVICES	\$ 1,426.55
11/13/2014	19230	ERADICO SERVICES INC	EXTERMINATOR SERVICES	\$ 96.00
11/13/2014	19231	EUGENE LUMBERG	CITY ATTORNEY CONTRACT	\$ 406.25
11/13/2014	19232	G2 CONSULTING GROUP	CAMBRIDGE PROJECT	\$ 2,139.00
11/13/2014	19233	HOLIDAY FOOD CENTER	HISTORICAL COMMISSION SUPPLIES	\$ 209.14
11/13/2014	19234	J & J AUTO TRUCK CENTER	POLICE CAR REPAIRS	\$ 179.00
11/13/2014	19235	KEVIN LAUDERDALE	2014 FALL CLASSES	\$ 336.00
11/13/2014	19236	KEVIN NOWAK	UNIFORM REIMBURSEMENT	\$ 140.00
11/13/2014	19237	OAKLAND COUNTY TREASURER	SEWAGE TREATMENT	\$ 44,686.20
11/13/2014	19238	PLANTE & MORAN PLLC	ACCOUNTING SERVICES OCT 2014	\$ 5,209.00
11/13/2014	19239	PUBLIC SAFETY CENTER, INC	POLICE DEPARTMENT SUPPLIES	\$ 274.75
11/13/2014	19240	RAY KEE	BUILDING INSPECTOR SERVICES - OCT	\$ 1,200.00
11/13/2014	19241	RICHARD ARSLANIAN	REFUND OF RENTAL FEE	\$ 100.00
11/13/2014	19242	SCHEER'S ACE HARDWARE	BUILDING MAINTENANCE SUPPLIES	\$ 83.98
11/13/2014	19243	SHELLY SULLIVAN	RENTAL DEPOSIT RETURN	\$ 100.00
11/13/2014	19244	SIR SPEEDY	CITY LETTER HEAD ENVELOPES	\$ 437.72
11/13/2014	19245	SOLTMAN HEATING & COOLING	SHELTER MAINTENANCE	\$ 677.00
11/13/2014	19246	SOCRRA	REFUSE COLLECTION CONTRACT	\$ 7,250.00
11/13/2014	19247	SOCWA	WATER PURCHASES OCT 2014	\$ 10,739.44
11/13/2014	19248	STATE OF MICHIGAN	COMMUNITY PUBLIC WATER SUPPLY	\$ 1,227.99
11/13/2014	19249	TECH RESOURCES, INC.	WEB HOSTING AND BACK UP	\$ 94.90
11/13/2014	19250	U.S. POSTMASTER - ROYAL OAK	CITY POSTAGE	\$ 1,312.00

Total For 11/13/2014:

\$ 142,759.87

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
November 20, 2014

Check Date	Check	Vendor Name	Description	Amount
11/20/2014	19251	ABRAHAM & GAFFNEY, P.C.	AUDIT FIELD WORK	\$ 1,500.00
11/20/2014	19252	ACCUSHRED, LLC	CITY SHREDDING SERVICES	\$ 110.00
11/20/2014	19253	ADKISON, NEED & ALLEN P.L.L.C.	GENERAL MATTERS	\$ 1,384.75
11/20/2014	19254	ALBANA KOKA	PLEASANT RIDGE HISTORICAL CLEANING	\$ 25.00
11/20/2014	19255	AMERA PLAN	HEALTH CARE BENEFITS	\$ 259.35
11/20/2014	19256	ARROW UNIFORM RENTAL	MAT RENTALS AND JANITORIAL SUPPLIES	\$ 223.16
11/20/2014	19257	CITY OF PLEASANT RIDGE-GENERAL	OCTOBER 2014 MERS CONTRIBUTIONS	\$ 17,790.07
11/20/2014	19258	CITY OF ROYAL OAK	WATER AND SEWER MAINTENANCE	\$ 2,705.87
11/20/2014	19259	ELECTION SOURCE	ELECTION SUPPLIES AND TESTING	\$ 630.00
11/20/2014	19260	HOUSTON RADAR	POLICE EQUIPMENT AND SUPPLIES	\$ 2,515.00
11/20/2014	19261	LEGAL SHIELD	PRE PAID LEGAL SERVICES	\$ 25.90
11/20/2014	19262	NANCY ZIMMERMAN	REPARIS FROM CAMBRIDGE RECONSTRUC	\$ 120.19
11/20/2014	19263	QUILL CORPORATION	OFFICE SUPPLIES	\$ 513.43
Total For 11/20/2014:				\$ 27,802.72



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
To: Jim Breuckman, City Manager
Date: December 9, 2014
Re: Consent Agenda Items 8c and 8d

Item 8c

There are three members on the Pleasant Ridge Historical Commission, whose terms are expiring on December 31, 2014, and who are eligible to be reappointed to serve another term. The members eligible for reappointment are Ms. Cathie Gillis, Mr. Don Hoefler and Mr. John Wright. I have spoken to these members and they are excited to be reappointed. Ms. Gillis is eligible for her second full term, and Mr. Hoefler and Mr. Wright are eligible for their first full terms – as they are currently filling partial terms. The Historical Commission expressed its desire to have these members reappointed. These terms will expire December 31, 2017.

Item 8d

There are three members on the Pleasant Ridge Planning Commission/Downtown Development Authority, whose terms are expiring on December 31, 2014, Mr. Greg Sweeney, Mr. Ryan Stearn, and Mr. Sean O'Brien. Mr. Sweeney has served two full terms and is not eligible for reappointment. Mr. Stearn and Mr. O'Brien are eligible to be reappointed to serve another term. I have spoken to these members and Mr. O'Brien expressed his desire to be reappointed to his second full term. Mr. Stearn has decided he would like to step down and not serve another term. On January 1, 2015, there will be two vacancies for first full terms on the Planning Commission/DDA. These terms will expire on December 31, 2017.

Please feel free to contact me should you wish to discuss this matter further.



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
To: Jim Breuckman, City Manager
Date: December 9, 2014
Re: Consent Agenda Item 8e

The City Commission is required to adopt guidelines which set income levels in order for the Board of Review to consider poverty exemption applications. The income levels for a poverty exemption shall not be set lower by a city than the Federal Poverty Guidelines updated annually by the United States Department of Health and Human Services.

I have attached a copy of the Resolution which includes current Federal Poverty Guidelines for your review. The resolution applies to any and all Poverty Exemption Requests at the City's 2015 Board of Review Hearings.

Please contact me should you require any additional information.



23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

A RESOLUTION TO ESTABLISH POLICY AND GUIDELINES FOR USE BY THE BOARD OF REVIEW FOR GRANTING POVERTY EXEMPTIONS

WHEREAS, Section 7(u) of Act 206 Michigan Public Acts of 1893, as amended by Act 390 of Michigan Public Acts of 1994 (“Section 7(u) of the General Property Tax Act”), requires the governing body of the local assessment unit to determine the policy and guidelines for granting exemptions from property taxes for principal residences of persons in poverty (“poverty exemptions”), and

WHEREAS, the State Tax Commission has interpreted Section 7(u) of the General Property Tax and provided guidance as to the contents of the policy and guidelines applicable to a poverty exemption, and

WHEREAS, the City desires to comply with Section 7(u) of the General Property Tax Act and the guidance of the State Tax Commission,

NOW, THEREFORE BE IT RESOLVED THAT the following policy and guidelines are hereby adopted and shall be followed by the City’s Board of Review in granting poverty exemptions:

1. The total annual income for all members of the taxpayer’s family unit shall not exceed the federal poverty income standards established annually by the U.S. Department of Health and Human Services. For determinations regarding the 2014 property tax assessments, total annual income of the taxpayer seeking a poverty exemption shall not exceed the following:

Size of Family Unit	Poverty Guidelines
1	\$11,670
2	\$15,760
3	\$19,790
4	\$23,850
5	\$27,910
6	\$31,970
7	\$36,030
8	\$40,090
For each additional person, add	\$4,060

This table shall be revised annual in accordance with federal poverty income standards.

2. The maximum total value of assets of a taxpayer seeking a poverty exemption, other than a motor vehicle, personal property and the homestead being claimed, shall not exceed:

- a. \$5,000 for the taxpayer individually; and
- b. \$50,000 for the taxpayer's entire household.

These asset value limitations shall be revised annually in accordance with the applicable Cost of Living Adjustments including the Consumers Price Index of the U.S. Department of Labor.

3. The Board of Review shall follow the policy and guidelines set forth above when granting and denying poverty exemptions. The same standards shall apply to each taxpayer within the City claiming the poverty exemption for the assessment year. However, if the Board of Review determines that there are substantial and compelling reasons that impose serious hardship imposed by serious medical conditions, which warrant a deviation from the policy and guidelines, and these reasons are communicated in writing to the taxpayer claiming the exemption, such reasons constitute sufficient grounds upon which to grant a poverty exemption to a taxpayer even when the taxpayer does not satisfy the federal poverty income standards and/or the asset level established by the City in accordance with Section 7u(5) of the General Property Tax Act.

4. In addition to the requirements set forth above, to be eligible for a whole or partial exemption for the poverty exemption, a person shall do all the following on annual bases:

- (a) Own and occupy a principal residence the property, for which the exemption is requested;
- (b) File a claim with the Board of Review after January 1st, but before the day prior to the last day of the Board of Review on an application form provided by the Assessor, accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding year or the current year;
- (c) Produce a valid driver's license or other form of identification, if required by the Board of Review; and
- (d) Produce a deed, land contract or other evidence of ownership of the property for which an exemption is requested, if required by the Board of Review.

5. For the purposes of determining eligibility for a poverty exemption, the term "principal residence" of the taxpayer shall mean the principal residence as the term is defined in Section 7(d) of the General Property Tax Act.

6. The policy and guidelines for granting poverty exemptions and the application form to apply for such exemptions shall be made available to the public by the Assessor.

7. Except as otherwise provided above, taxpayers applying for a poverty exemption shall satisfy all requirements of Section 8(u) of the General Property Tax Act and State Tax Commission Bulletin No. 5 of 1995.

BE IT FURTHER RESOLVED that the State Equalized Value (SEV) on the property for which consideration is requested will not be reduced to an amount which is less than the amount which will generate property taxes equal to 3½% of the applicants' total household income plus the amount of the anticipated Michigan Income Tax household property tax credit.

Adopted: Yeas:
 Nays:
 Absent:

IN WITNESS WHEREOF, I, Amy M. Drealan, duly certified Clerk of the City of Pleasant Ridge, do hereby attest that the Foregoing is a true and accurate copy of a Resolution adopted By the Pleasant Ridge City Commission at its Regular Meeting held Tuesday, December 9, 2014.

Amy M. Drealan, City Clerk



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
 To: Jim Breuckman, City Manager
 Date: December 9, 2014
 Re: Item 9a-b – 2015 CDBG Program

In order to qualify for Federal funding through the Community Development Block Grant (CDBG) Program, a Public Hearing must be held and a resolution adopted by the governing body to approve the application and Subrecipient agreement. Pleasant Ridge qualifies for \$5,000 in CDBG funds, reduced in 2012 from \$8,000.00; the minimum funding level. Since the City receives funding at the minimum level, all the funds must be programed into one designated category.

It has been increasingly difficult to find an appropriate way to spend the City's eligible CDBG funds. Several years ago, the City's low/moderate income area was eliminated and the city lost its ability to designate funds for programs such as sidewalk repairs, tree planting, and street improvements, which require at least a portion of the project be in the low/mod area. Listed below is the program category and recommended funding for the 2015 Program year. This is the same program the City funded in 2014.

**Public Services/ - \$5,000
 Senior Services**

Public Service funds are designated to provide seniors, age 62 and above, transportation services for the Senior Travel Club, meals at the 50+ club events and other related workshops geared towards residents 62 and above. This program also may be used for the reasonable costs of overall program management, coordination, monitoring and evaluation for the program.

The City could designate our funding to other programs such as HAVEN or Oakland County Home Improvement. However, this would result in the City forfeiting our entire \$5,000 allocation to outside entities. Therefore, it is staff's recommendation that we continue to designate the money for Public Services/Senior Services.

Please feel free to contact me should you wish to discuss this matter further.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman
 To: City Commission
 Date: December 9, 2014
 Re: Recommended Zoning Amendment – Dimensional Standards and Sky Plane

The following is background information about the proposed Zoning Amendment that would add EBL setback requirements, add sky plane side yard setback requirements, increase lot coverage permitted for certain zoning districts, and reduce the permitted height for accessory buildings.

The attached amendments were recommended for approval by the Planning Commission on October 27, 2014.

1. Established Building Line Setback Requirement

Currently we require a 30-foot setback in all of our residential zoning districts. However, all or most of our streets have established building lines which are greater or lesser than 30 feet. For instance, on Oakland Park houses are set back 50 to 55 feet, on Ridge houses are set back 130 to 135 feet, on Norwich houses are set back 40 to 45 feet, and on Maywood houses are set back 22 to 27 feet.

When there is a clearly established building line along streets, it is best if new houses conform to the requirement and be built along the same building line to preserve the character and consistency on the street. Under our existing requirements a new house could be constructed well out in front of houses along Oakland Park or Ridge, and would be required to be built well behind existing houses on Maywood.

Section 26-12.3, Neighborhood Compatibility does require that new construction be consistent with adjacent properties with respect to “building placement on the lot, including setbacks and distances between buildings.” This provision does provide some protection against the house sticking out in front of others when the building line is greater than the minimum required setback, but it does not provide any relief when the building line is less than the required setback. It is also an unclear requirement, as the schedule of regulations requires a 30 foot setback but then the neighborhood compatibility requirements *may* require a greater setback.

Staff is recommending that the 30 foot minimum setback requirement be replaced with an Established Building Line setback requirement. This is a commonly used provision in many ordinances, with Birmingham and Huntington Woods being a notable nearby examples.

2. Sky Plane Side Yard Setback Requirements

“Bigfoot” houses is a term that refers to new construction in existing neighborhoods that is out of scale or character with the established character of the neighborhood. While re-investment in

existing neighborhoods is without question a good and desirable thing, we should be vigilant to ensure that we have proper controls in place to allow for new houses that meet the needs of today's housing market while controlling the potential negative impacts on neighboring properties.

One way of accomplishing this is through the use of sky plane setback requirements in side yards. A sky plane is a line that extends inwards from the property line at a 45 degree angle. New construction may not penetrate the sky plane, which ensures that an adequate supply of light and air is preserved for existing houses when a new house or addition is constructed.

Sky plane requirements are used in ordinances across the country (New York City, Baltimore, and Boulder¹ are notable examples), but are not commonly used in Michigan. These kinds of regulations are a great way to ensure that new construction does not loom over existing houses, particularly on smaller lots where houses are closer together. Given that the explicit purpose of a sky plane requirement is to preserve an adequate supply of light and air to neighboring properties, a sky plane setback requirement is in keeping with the purpose of zoning regulations.

3. Lot Coverage

If the side yard sky plane requirement is adopted, it will have the impact of reducing the cubic space available for building on a lot. In order to ensure that we are still allowing and encouraging reinvestment in our City, we could increase the maximum lot coverage in our smaller lot zoning districts to ensure that we are not reducing the buildable volume on our smaller lots in the R-1C and R-1D districts. The increase would be from 30% to 35%.

By way of comparison, here is how nearby communities handle maximum lot coverage on smaller lots (i.e. lots with a minimum lot area requirement of 6,000 square feet or less):

Birmingham: 30%

Huntington Woods: 30%

Royal Oak: 35% (total ground floor area of all buildings may not exceed 1,800 sq. ft.)

Ferndale: 35%

Berkley: 35%

Note that none of the above communities have side yard sky plane requirements.

4. Accessory Building Height

Staff recommends that the maximum height for accessory structures be reduced to 15 feet. This height is consistent with the maximum height for an accessory structure in Birmingham, Royal Oak, and Berkley. It is higher than permitted in Huntington Woods. A 15 foot maximum height for accessory structures will still allow for a bonus room above a garage, but it will reduce the potential impact on neighboring properties and reduce the chances of illegal accessory dwelling units being developed. Staff also recommends including a provision that prohibits the peak roof elevation of an accessory building from being higher than the peak roof elevation of the principal structure on the lot.

¹ Boulder's regulations can be viewed at <http://www.colocode.com/boulder2/chapter9-7.htm>. They form the basis for our recommended language.



City of Pleasant Ridge
Ordinance No. ____

AN ORDINANCE TO AMEND THE PLEASANT RIDGE ZONING ORDINANCE, ARTICLE 4 – R-1A, R-1B, R-1C, and R-1D SINGLE FAMILY RESIDENTIAL DISTRICTS, YARD and BULK REQUIREMENTS TABLE; ARTICLE 5 – R-2, TWO FAMILY RESIDENTIAL DISTRICTS, YARD and BULK REQUIREMENTS TABLE; ARTICLE 6 – RM MULTIPLE FAMILY RESIDENTIAL DISTRICTS – LOW RISE, YARD and BULK REQUIREMENTS TABLE; ARTICLE 7 – RO RESTRICTIVE OFFICE, YARD and BULK REQUIREMENTS TABLE; ARTICLE 12 - GENERAL PROVISIONS, SECTION 26-12.1 YARD AND BULK REQUIREMENTS and TO ADD A NEW SECTION 26-12.4 SKY PLANE SIDE YARD SETBACK REQUIREMENTS.

THE CITY OF PLEASANT RIDGE HEREBY ORDAINS:

Section 1. Article 4, R-1A, R-1B, R-1C, and R-1D Single Family Residential Districts, Yard and Bulk Requirements table is hereby amended to read as follows:

	R-1A	R-1B	R-1C	R-1D
Minimum Lot Area (square feet)	14,000	9,500	5,500	4,500
Minimum Lot Width	80	65	50	40
Maximum Height (in feet)				
Principal	35*	35*	35*	30*
Accessory	15	15	15	15
Minimum Setbacks				
Front	**	**	**	**
Rear	25	25	25	25
Side (one)	5	5	5	5
Side (total)	13	13	13	13
Minimum Floor Area per Dwelling Unit				
1 Floor	1,700	1,300	900	750
2 Floors	1,900	1,500	1,100	900
3 Floors	--	--	--	--
Maximum Lot Coverage (%)	30%	30%	35%	35%

* Refer to Section 26-12.4 for side yard sky plane building height requirements.

** The front yard setback requirement is based on the established building line. See Section 26-12.1, footnote 9 for established building line setback requirements.

Section 2. Article 5, R-2 Two Family Residential Districts, Yard and Bulk Requirements Table is hereby amended to read as follows:

R-2	
Minimum Lot Area (square feet)	4,500
Minimum Lot Width	40
Maximum Height (in feet)	
Principal	30*
Accessory	15
Minimum Setbacks	
Front	**
Rear	25
Side (one)	5
Side (total)	13
Minimum Floor Area per Dwelling Unit	850
Maximum Lot Coverage (%)	30%

* Refer to Section 26-12.4 for side yard sky plane building height requirements.

** The front yard setback requirement is based on the established building line. See Section 26-12.1, footnote 9 for established building line setback requirements.

Section 3. Article 6, RM – Multiple Family Residential Districts – Low Rise, Yard and Bulk Requirements Table is hereby amended to reduce the maximum building height for accessory buildings from 18 to 15 feet.

Section 4. Article 7, RO – Restrictive Office, Yard and Bulk Requirements Table is hereby amended to reduce the maximum building height for accessory buildings from 18 to 15 feet.

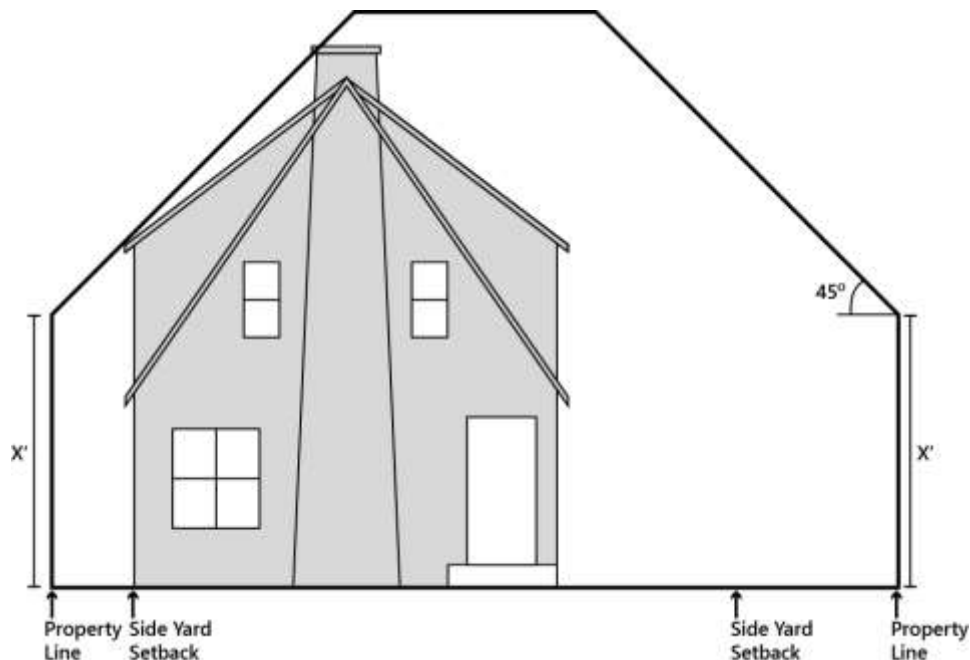
Section 5. Section 26-12.1. Yard and Bulk Requirements of the Pleasant Ridge Zoning Ordinance is hereby amended to read as follows:

	R-1A	R-1B	R-1C	R-1D	R2	RM	RO	C	M	P
Minimum Lot Area (sq. ft.)	14,000	9,500	5,500	4,500	4,500	8,000	5,000	--	--	--
Minimum Lot Width (ft.)	80	65	50	40	40	80	50	--	--	--
Maximum Building Height (ft.)										
Principal Building	35 ⁽¹⁾	35 ⁽¹⁾	35 ⁽¹⁾	30 ⁽¹⁾	30 ⁽¹⁾	35	35	40	40	--
Accessory Building ⁽¹⁾	15	15	15	15	15	15	15	--	--	--
Minimum Setback (ft.)										
Front ⁽²⁾	(9)25	(9)	(9)	(9)	(9)	30	20	10	30	10
Rear ⁽²⁾	5	25	25	25	25	25	25	10	30	0
Side (one) ⁽⁴⁾	13	5	5	5	5	5	5	0	60	0
Side (total)		13	13	13	13	13	13	0	30	0
Minimum Floor Area (sq. ft.) ⁽³⁾										
One story	1,700	1,300	900	750	(6)	(7)	--	800	--	--
Two stories	1,900	1,500	1,100	900	--	--	--	2,000	--	--
Three stories	--	--	--	--	--	--	--	3,500	--	--
Maximum Lot Coverage	30%	30%	35%	35%	30%	30%	40%	40%	50%	--
Neighborhood Compatibility	Refer to Footnote 8									

1. In all districts, one (1) accessory buildings per zoning lot is permitted and shall not exceed a height of fifteen (15) feet or occupy an area more than 30% of the established rear yard or 750 square feet whichever is less. The peak roof elevation of any accessory building may not exceed the peak roof elevation of the principal structure.
9. When an established building line exists, the minimum required front yard setback shall be the average setback of homes within 250 feet and on the same block. The front building wall of any new construction may not be set back more than 5 feet from the established building line. If no established building line exists, the minimum front yard setback shall be 30 feet.
10. Refer to *Error! Reference source not found.* for sky plane side yard building height requirements.

Section 6. Section 26-12.4. Sky Plane Side Yard Setback Requirements is hereby added to the Pleasant Ridge Zoning Ordinance, reading as follows:

1. **Purpose.** Buildings with tall side walls may impact privacy, views or visual access to the sky on neighboring properties. The purpose of the sky plane height standards is to ensure that buildings step down towards neighboring properties in order to enhance privacy, and to preserve views and visual access to the sky on lots or parcels that are adjacent to new development.
2. **Scope.** This section shall apply to any new construction, addition to an existing building, or modification of an existing building, inclusive of both principal and accessory buildings. Such activities shall comply with the requirements of this section, in addition to the maximum permitted height for the zoning district. Existing buildings which do not comply with the sky plane setback requirement may be maintained so long as the nonconformity is not increased. Alterations which reduce but do not eliminate the nonconformity are permitted.



3. **Measurement Standards.** Any proposed addition, reconstruction, or new construction shall not pen

Figure 1. The sky plane begins at a point above the side yard property line and then angles inwards towards the center of the lot at a 45 degree angle until the sky plane meets the maximum building height or intersects with the sky plane that extends inwards from the lot line on the opposite side of the lot or parcel. In the above illustration, X equals either 10 or 17 feet.

strate the sky plane.

The sky plane for portions of a lot that are adjacent to an existing house or within 10 feet of the rear building wall of an adjacent house (measured at a 90 degree angle from the back of the existing adjacent house), the sky plane shall be measured at a 45 degree angle from a point 17 feet above the existing grade along the side yard property line or the top of wall elevation of the existing house plus two feet, whichever is lower. For portions of a lot that are not located adjacent to or within 10 feet of an existing adjacent house, the sky plane shall be measured at a 45 degree angle from a point 10 feet above the existing grade along the side property line.

4. **Encroachments.** Permitted encroachments into the sky plane include:
- a. Roof overhangs or eaves for the primary roof, provided that the overhang or eaves do not project more than 30 inches horizontally beyond the sky plane.
 - b. A rooftop solar system.
 - c. The gable end of a sloping roof form, provided that:
 - (1) The roof ridge of the gable end does not extend more than eight feet beyond the sky plane, including any roof overhang.
 - (2) The portion of the gable end that extends beyond the sky plane has a maximum width of 40 feet, including any roof overhang.
 - d. Dormers, provided that:
 - (1) The highest point of any dormer is at or below the height of the primary roof ridge.
 - (2) The portion of any dormer that extends beyond the sky plane limit has a maximum width of eight feet, including any roof overhang.
 - (3) The maximum height of any dormer is six feet or less, as measured from the surface of the roof on which it is located to the top of the dormer roof.
 - (4) The combined width of all dormers does not exceed fifty percent of the length of the roof on which they are located.
 - (5) The space between dormers is not less than one-half the width of the adjacent dormer or the average of the two if they are different sizes, whichever is greater.
 - e. Chimneys.

Insubstantial encroachments that are small and do not substantially increase the bulk of the building, including antennae, small architectural details, sculptural elements, decorations, etc.

Section 7. Severability – This ordinance and each article, section, subsection, paragraph, subparagraph, part, provision, sentence, word and portion thereof are hereby declared to be severable, and if they or any of them are declared to be invalid or unenforceable for any reason by a court of competent jurisdiction, it is hereby provided that the remainder of this ordinance shall not be affected thereby.

Section 8. Repeal and Effective Date

Repeal – All regulatory provisions contained in other City ordinances which are inconsistent with the provisions of this ordinance are hereby repealed.

Effective Date - This Ordinance shall be effective fifteen days after enactment and upon publication.

Certificate

I hereby certify that the foregoing ordinance was adopted by the City Commission of the City of Pleasant Ridge at a meeting thereof on _____, 20__

Amy M. Drealan, Clerk
City of Pleasant Ridge

Planning Commission Public Hearing:Monday, October 27, 2014
Planning Commission Recommendation:Monday, October 27, 2014
City Commission Introduction:Tuesday, November 18, 2014
City Commission Public Hearing:Tuesday, December 9, 2014
City Commission Adoption:.....
Published:.....
Effective:.....



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: December 9, 2014
Re: Segregated Capital Asset Fund (SCAF) Investment Reclassification

Overview

Attached to this memo you will find items relating to the creation of a parks operations and maintenance special revenue fund within the SCAF. The items include a proposed amendment to the SCAF Ordinance (Chapter 2, Division 9 of the City Code), an amended investment policy, and a letter from the City Attorney regarding the proposed ordinance amendment

Background

The proposed ordinance amendment is necessary to create and govern the investment and use of monies generated by the parks operations and maintenance special revenue fund. The special revenue fund was made possible by an amendment to state law in 2008 that allows for investment of special revenue monies under the State pension fund act. This allows for a wider array of investment options for the City, opening up the possibility for greater interest and dividend returns and also for long-term capital appreciation on principal.

Next Steps

The process to complete the creation of the parks operations and maintenance special revenue fund is as follows:

1. City Commission holds public hearing for proposed ordinance amendment (December, 2014)
2. City Commission deliberates on proposed ordinance amendment (December, 2014 or January, 2015)
3. City Commission adopts revised investment policy (December, 2014 or January, 2015)
4. City Commission reviews Investment Committee members and appoint new members as necessary (January, 2015 or February 2015)



City of Pleasant Ridge

Ordinance No.

AN ORDINANCE TO AMEND CHAPTER 2 (ADMINISTRATION) DIVISION 9 (I-696 SEGREGATED CAPITAL ASSET FUND) OF THE PLEASANT RIDGE CITY CODE.

THE CITY OF PLEASANT RIDGE ORDAINS:

Section 1. Amendment – Chapter 2 of the Pleasant Ridge City Code is hereby amended to read as follows:

DIVISION 9. I-696 SEGREGATED CAPITAL ASSET FUND

Sec. 2-131. Establishment.

The city shall establish, and by this division does hereby establish, a special fund to be entitled I-696 segregated capital asset fund (referred to in this division as "the fund"). The fund shall be inclusive of a fund invested under the terms of Section 1 of Public Act 20 of 1943 (MCL 129.91, as may be amended or superseded in the future), and a Parks Special Revenue Fund invested under the terms of Section 7a of Public Act 20 of 1943 (MCL 129.97a, as may be amended or superseded in the future).

(Code 1979, § 2-101; Code 1997, § 2-131)

Sec. 2-132. Allocations.

There shall be allocated to the fund the following sums receivable from the state, forthwith upon such receipt, pursuant to the state's condemnation of city-owned property under Public Act No. 87 of 1980 (MCL 213.51 et seq.) ("the act"):

- (1) The amount of the state's "good faith offer" of just compensation for city property taken by the state, and for damages to remaining city-owned property, required to be paid by the state for the city's immediate use under the act.
- (2) Any additional amount received by the city as just compensation for city property taken, and for damages to remaining city-owned property, as a result of final judgment or settlement of the proceedings instituted pursuant to the act.
- (3) Interest on the amount received by the city from the state under subsection (1) of this section for the period from March 14, 1984, to date of receipt.
- (4) Interest on the amount received by the city from the state under subsection (2) of this section for the period from March 14, 1984, to date of receipt.

(Code 1979, § 2-102; Code 1997, § 2-132)

Sec. 2-133. Principal; investment by city.

All sums received by the city under section 2-132(1) through (4), inclusive, are hereby deemed to constitute the fund's principal. Such principal shall be invested and reinvested by the city at the highest level of return consistent with safety, prudence, and sound financial practice in accordance with the City's adopted Investment Policy. The fund's principal shall not be invaded except as otherwise expressly provided in this division.

(Code 1979, § 2-103; Code 1997, § 2-133)

Sec. 2-134. Interest and investment returns.

All interest and investment returns received by the city on the fund's principal shall be used solely for the purposes set forth in section 2-135, except as otherwise expressly provided in this division.

(Code 1979, § 2-104; Code 1997, § 2-134)

Sec. 2-135. Use of interest and investment returns.

The purpose of the fund being to mitigate, to the maximum extent reasonably possible, the loss of and damage to city property, and related damage caused directly or indirectly to the city by the highway, the following uses for interest on the fund's principal (in such amounts and with such priorities as may be allocated and determined by the city commission from time to time) shall be exclusive until such time as such purposes have been achieved:

- (1) To replace lost recreational property or otherwise to enhance the city's recreation program.
- (2) To purchase needed capital equipment and/or to repair existing equipment, expenditures previously deferred for lack of sufficient city funds, such insufficiency being caused in major part by the erosion of the city's tax base attributable to the highway.
- (3) To fund such studies and furnish such seed monies as may be necessary or appropriate to initiate the city's evaluation of development and/or redevelopment projects designed to restore, or prevent the further erosion of the city's tax base, including, without limitation, the redevelopment or other revitalization of the city's commercial district on the east side of Woodward Avenue.
- (4) Such other uses as are consistent with the basic purpose of the fund as set forth in this section and which are properly characterized as uses designed to replace or to restore and repair capital assets of the city lost or damaged as a result of the highway.
- (5) Interest and investment returns earned from investment of the Parks Special Revenue Fund may be used for operation and maintenance of the City's recreational properties, including, without limitation, salaries, wages, benefits, and employer-paid employment taxes for the recreation director and other employees of the City's parks and recreation department allocable to parks operation and maintenance; general maintenance and repair of the Community Center building and swimming pool; general maintenance and repair of other park properties (including irrigation, lawn mowing, fertilization, and maintenance and replacement of landscaping); general

maintenance and repair of all recreational facilities and equipment within the Community Center or any city park; supplies used by the parks and recreation department; and promotional and other expenses for recreational programming.

- (6) Upon realization of the purposes set forth in this section, interest on the fund's principal then, but only then, except as otherwise expressly provided in this division, may be used for the city's general operating expenses and for purposes not directly or indirectly related to loss or damage sustained by the city as a result of the highway, as such purposes may be designated by the city commission.

(Code 1979, § 2-105; Code 1997, § 2-135)

Sec. 2-136. Administration.

The fund itself and all transactions relating thereto shall be established, administered and accounted for in accordance with this division and with such recommendations as may be furnished to the city by its auditors and approved by the city commission. If so recommended by the auditors, or if independently deemed appropriate by the city commission, the fund shall be included in any capital program of the city and hence shall be subject to the provisions of sections 6.07 and 6.08 of the Charter.

(Code 1979, § 2-106; Code 1997, § 2-136)

Sec. 2-137. Invasion of principal or diversion of interest or investment returns.

- (1) It is the enduring sense of the city commission that the public welfare requires that the fund's principal not be dissipated or depleted, and that interest on the fund's principal not be diverted to uses other than those specified in this division, unless and until the purposes of the fund have been achieved to the maximum extent reasonably possible. Accordingly, no invasion of the fund's principal or diversion of the fund's interest or investment returns shall occur except as may be required by the most urgent and compelling circumstances and in accordance with the following procedure: any resolution for invasion of the fund's principal or diversion of the fund's interest or investment returns shall first be introduced by any city commissioner by causing such resolution to be placed on the agenda for any regular meeting of the city commission or any special meeting called for such purpose. Such resolution, after its introduction, shall not be subject to immediate adoption but shall be set for public hearing. After such public hearing, the resolution may be moved for adoption and must be seconded. Adoption shall require the affirmative vote of four members of the commission and shall be supported by an express finding of the commission that the resolution is justified by compelling and urgent circumstances and express findings by the commission of the underlying facts supporting such conclusion.
- (2) The principal balance of the parks special revenue fund shall be added to over time by means of retaining interest and investment returns generated by the fund at a rate that exceeds the annual rate of inflation to preserve the parks special revenue fund's value in perpetuity. The interest and investment

returns generated by the fund in excess of the rate of inflation may be used to support the City's parks and recreation operations and maintenance.

- (3) Should, due to market fluctuations which impact the value of the principal, the parks special revenue fund's principal value fall below the amount established by the City Commission by resolution upon its initial funding plus any future additions to the fund by City Commission resolution, adjusted for inflation, only interest or dividends shall be removed from the parks special revenue fund until the market value of the fund's principal recovers and is higher than the amount established by said resolution(s), adjusted for inflation.
- (4) For the purpose of this Section, inflation shall be measured by the United States Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U).

(Code 1979, § 2-107; Code 1997, § 2-137)

Sec. 2-138. Interpretation of division.

The city commission shall have the sole right to construe and interpret this division and all provisions thereof, and its construction and interpretation shall be final, conclusive and binding on any and all persons or parties directly or indirectly affected thereby.

(Code 1979, § 2-108; Code 1997, § 2-138)

Sec. 2-139. Revocation and amendment of division.

This division may only be revoked or amended by the affirmative vote of four members of the city commission.

(Code 1979, § 2-109; Code 1997, § 2-139)

Section 2. Effective Date – This Ordinance shall be effective fifteen (15) days after enactment and upon publication.

Certificate

I hereby certify that the foregoing ordinance was adopted by the City Commission of the City of Pleasant Ridge at a meeting thereof on _____, 20__

Amy M. Drealan, Clerk
City of Pleasant Ridge

Introduced: Tuesday, November 18, 2014
Public Hearing: Tuesday, December 9, 2014
Adopted:
Published:
Effective:



City of Pleasant Ridge

James Breuckman, City Manager

Administrative Policy #2014-02

Investment Policy

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I. Scope

This investment policy applies to all activities in regard to investing the financial assets of all funds (current and anticipated in the future) of the City of Pleasant Ridge. These funds are accounted for in the city's annual financial report and include:

- General Fund
- Act 51 Major & Local Street Funds
- Segregated Capital Assets Fund (SCAF), [including the Parks Special Revenue Fund](#)
- Water & Sewer Fund
- Trust & Agency Fund
- Any other funds created by the City, unless specifically exempted by the City Commission

II. Investment Objectives

The following investment objectives will be applied in the management of city funds.

- Funds of the City will be invested in accordance with Section 129.91 of the Michigan Compiled Laws, these policies and written administrative procedures.
- The primary objective of the City's investment activities is the preservation of capital and the protection of the investment principal.
- In investing public funds, the City will strive to maximize the return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk taking into account the cash flow characteristics of the portfolio.
- The investment portfolio of the City of Pleasant Ridge shall remain sufficiently liquid to enable the City to meet operating requirements such as payroll, accounts payable and debt service payments in a timely manner.
- The City will employ mechanisms to control risks and diversify its investments regarding specific security types or individual financial institutions.
- The investment portfolio shall be designed with the objective of regularly exceeding the average return of three month U.S. Treasury Bills to the extent possible. The investment program shall seek to augment return above this threshold as conditions warrant, consistent with risk limitations identified herein and prudent investment policies.
- Investments shall be made based on statutory constraints and subject to available designated staffing capabilities.
- Funds held for future capital projects (i.e. bond proceeds) shall be invested to produce enough income to offset increases in construction costs due to inflation subject to Federal Arbitrage regulations.
- [Where possible, prepayment funds for long-term debt service shall be invested to ensure a rate of return at least equal to the interest being paid on the bonds.](#)
- [The objective of the SCAF Parks Special Revenue Fund shall be to support parks and recreation maintenance and operations using interest, dividends, and gains on the principal balance of the fund.](#)

III. Prudence

In managing its investment portfolio, city officials shall avoid any transaction that might impair public confidence in the government of the City of Pleasant Ridge. Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the requisite safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the City's overall portfolio. Investment officers of the City of Pleasant Ridge acting in accordance with this Investment Policy and written procedures as may be established and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

IV. Ethics

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose in writing to financial institutions that conduct business with this jurisdiction, and they shall further disclose any large personal performance of this jurisdiction's portfolio. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

V. Responsibility for the Investment Program

Management responsibility for the Investment Program is hereby delegated to the Investment Committee which shall establish written procedures for the operation of the Investment Program consistent with the Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and procedures established by the Investment Committee.

The Investment Committee shall consist of the ~~city manager~~City Manager, the City Clerk and such other officials designated by the City Commission as may be desired.

A record of the administrative policies, investment program, actual investments conforming to the Investment Policy and Investment Program structures, and minutes of Investment Committee meetings will be maintained by the ~~City Treasurer~~City Manager or his/her designee.

VI. Cash Management

The City's Policy regarding cash management is based upon the realization that there is a time-value to money. Temporarily idle cash may be invested for a period of one day up to one year depending on when the money is needed. Accordingly, the ~~City Treasurer~~City Manager or his/her designee shall cause to be prepared written cash management procedures which shall include, but not be limited to, the following:

- A. **Receipts.** All monies due to the City shall be collected as promptly as possible. Monies that are received in the Treasurer's office shall be deposited in approved financial institutions no later than the next business day after the receipt by the City. Amounts that remain

uncollected after a reasonable length of time shall be subject to any available legal means of collection.

B. Disbursements.

1. Any disbursements to suppliers of goods or service or to employees for salaries and wages shall be contingent upon an available budget appropriation.
2. Disbursement shall be made subject to the following limitations:
 - a) payments from a petty cash fund may not exceed \$30 and must be authorized by a department director.
 - b) payments for goods and services not covered by a contract up to \$500 must be authorized by the ~~city treasurer~~ City Manager or his/her designee or the city manager and department director as needed.
 - c) payments for goods and services covered by a contract within a specific department shall be authorized by the ~~city treasurer~~ City Manager or his/her designee and department director.
 - d) payments for goods and services covered by a contract which is not in a specific department and under \$5,000 or payroll shall be authorized by the ~~city treasurer~~ City Manager or his/her designee pursuant to authority delegated by the city manager.
 - e) payments for goods and services over \$5,000 must be authorized by the city manager, ~~city treasurer~~ City Manager or his/her designee and the department director.

- C. **Cash Forecast.** At least annually, a cash forecast shall be prepared using expected revenue sources and items of expenditure to project cash requirements over the fiscal year. The forecast shall be updated from time to time to identify the probable investable balances that will be available.

D. Pooling of Cash.

1. Except for cash in certain restricted and special accounts, the City may pool cash of various funds to maximize investment earnings.
2. Investment income shall be allocated to the various funds based upon their respective participation.

VII. Accounting

The City of Pleasant Ridge maintains its records on the basis of funds ~~and account groups~~, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the City in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Boards (GASB). Accounting treatment will include:

- Investment will be ~~carried at cost or amortized cost which approximates market~~recorded at market value.
- Premiums or discounts will be amortized over the life of the investment.
- Gain or losses of investments in all funds will be recognized at the time of disposition of the security.
- Investment income will be recognized when earned.

VIII. Delegation of Authority

The ~~City Treasurer~~City Manager or his/her designee is designated as the investment officer of the City of Pleasant Ridge and is responsible for investment decisions made within his or her discretion in applying the procedures adopted by the Investment Committee, under the supervision of the City Manager and adhering to the guidelines established by this Investment Policy.

IX. Monitoring and Adjusting the Portfolio

The investment officer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly.

X. Investment Performance and Reporting

The ~~City Treasurer~~City Manager or his/her designee shall submit a quarterly investment report that provides the amount of the principal and the type of investment by fund, earnings for the current month, current quarter, and year to date, and a summary report of cash and investments maintained in each financial institution. The report shall provide such other data that may be needed to make an informed investment decision. The quarterly reports shall be submitted to the Investment Committee.

The Investment Committee shall submit an investment report to the City Commission on a quarterly basis. Material deviations from projected investment strategies shall be reported immediately to the Investment Committee. The format of all investment reports will be prescribed by the Investment Committee.

XI. Portfolio Definition

The portfolio shall be defined as all funds except the Segregated Capital Assets Fund. Exceptions in regards to maturity, liquidity and investment instrument selection will be noted in the respective sections of the policy.

XII. Investment Maturity and Liquidity

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest the portfolio in securities maturing more than one (1) year from the date of purchase. No more than 50% of the City's total investment portfolio shall be placed in securities maturing in more than one (1) year.

The Segregated Capital Asset Fund may purchase investment funds for its portfolio securities maturing at a maximum time level of five (5) years. This is to allow this fund to be able to stagger investment maturities based upon the nature of this fund and to obtain higher returns when short term rates are less than favorable in light of the need of the City.

XIII. Diversification

The ~~City Treasurer~~City Manager or his/her designee shall diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities to the extent possible. Diversification strategies shall be determined and revised periodically by the Investment Committee for all funds.

XIV. Criteria for Selection of Financial Intermediaries and Issuers

Certificates of Deposit shall be purchased only from financial institutions which qualify under Michigan law. Other securities shall be purchased only through financial institutions (which qualify as public depositories which provide the services of a securities dealer, or through the “primary government securities dealers” as designated by the Federal Reserve Bank. These institutions, dealers and issuers must meet capital adequacy guidelines as determined by their respective regulatory agencies and certify that no material adverse events have occurred since the issuance of their most recent financial statements. They must also agree to notify the City in the event of material adverse events affecting their capital adequacy.

XV. Third-Party Custodial Agreements

All securities purchased by the City under this section shall be properly designated as an asset of the City of Pleasant Ridge and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the order of the ~~City Treasurer~~City Manager or his/her designee.

XVI. Internal Controls

The Investment Committee shall establish a system of internal controls, documented in writing, which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and/or officers of the City. Required elements of the system of internal controls shall include 1) the timely reconciliation of all city bank accounts (i.e. monthly reconciliations within 30 days of the end of the monthly cycle) and 2) details of delivery vs payment procedures and trust receipt documentation. Internal controls will also encompass at a minimum these additional issues:

- Fidelity bonds for employees.
- Transfers of all funds.
- Custodial safekeeping
- Avoidance of delivery of bearer form or non-wireable securities to the City.
- Written internal confirmations of telephone transactions.
- Identification and minimization of the number of authorized investment officials.
- Documentation of decisions made at the committee level and transactions by investment officials.

XVII. State Authorized Investment Securities

The following is a list of authorized securities for investment by the Investment Committee pursuant to Public Act 239 of 1988, [MCL Section 129.91](#), as amended:

- A. Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the government national mortgage association;
- B. Certificates of Deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings & loan or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended;
- C. In United States government of federal agency obligation repurchase agreements;
- D. In bankers acceptances of United States banks;
- E. No more than 50% of any one fund may be invested in commercial paper rated at the time of purchase within the 3 highest classifications established by not less than 2 standard rating service and which matures not more than 270 days after the date of purchase; and
- F. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

XVIII. Investment Instrument Selection

The portfolio maturities and limits on security issues and issuers which are used to be absolute magnitude guidelines by the Investment Committee are detailed below:

- A. **Portfolio Maturity:** The average maturity of the portfolio may not exceed 180 days, except for the Segregated Capital Assets Fund which may have an average maturity of 1095 days.
- B. **Government Securities:**
 - 1. Portfolio Composition. No more than 10% of the portfolio may be in direct government securities or repurchase agreements involving guaranteed government securities.
 - 2. Maturity Limitations. The maximum length to maturity of any investment in government obligations is 1 years.
- C. **Non-negotiable Interest Bearing Time Certificate of Deposit.**
 - 1. Portfolio composition – a maximum of 50% of the total portfolio may be invested in non-negotiable CD's.

2. Limits on Individual Issuers – all issuers must be eligible to be a depository of surplus funds pursuant to Section 5 or 6 of Act No. 105 of Public Acts of 1855, as amended.
3. Maturity Limitations – no non-negotiable CD may have a maturity date longer than 365 days except for the investments by the Segregated Capital Assets Fund.

D. Commercial Paper.

1. Portfolio composition – a maximum of 25 % of the portfolio may be invested in “prime” commercial paper.
2. Individual Issuers- the issuer must be on a current list of approved issuers as developed and maintained by the Investment Committee.
3. Maturity Limitations – the maximum length to maturity for an investment in Prime commercial paper is 270 days.

- E. Money Market Mutual Funds:** A maximum of 100% of the portfolio may be invested in money market mutual funds which meet the state criteria in regards to fund composition.

XIX. Limitations on Investment Instrument Selection Absolutes Based Upon Underlying Objectives of Liquidity, Diversification, and Risk Factors

- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through marketable U.S. Treasury bills or money market funds.
- Default risk: Excluding the primary bank, no more than 40% of the overall portfolio may be invested in the individual securities of a single bank (i.e. CDs and pooled funds) or corporation (i.e. commercial paper).
- No more than 25% of the total portfolio may in commercial paper. The total portfolio herein being defined as all city funds investment monies that are available. Positions in individual securities having potential default risk (uncollateralized commercial paper) shall be limited to no more than 5% of the portfolio, so that in case of default, the portfolio’s annual investment income would exceed a loss on a single issuer’s securities.
- Diversification of credit risk normally will be accomplished through investments in money market funds.
- Risks of market price volatility shall be controlled through maturity diversification limitations set as investment program objectives by the Investment Committee.

XX. SCAF Parks Special Revenue Fund

The following provisions apply to the SCAF Parks Special Revenue Fund. In case of any conflict between the terms of this section and any other section of this policy, this section shall prevail.

- A. **Statutory Authorization.** The SCAF Parks Special Revenue Fund may invest in securities identified in the public employee retirement system investment act, PA 314 of 1965, MCL 38.1132 to 38.1140m, pursuant to the authorization contained in Section 7a of the

investment of surplus funds of political subdivisions act, PA 20 of 1943, MCL 129.97a, with the further limitations imposed by this Investment Policy and the City's Segregated Capital Assets Fund Ordinance, City Code Sections 2-131 through 2-139.

B. Allowable Investment Instruments. The SCAF Parks Special Revenue Fund principal may be invested in stocks, exchange traded funds (ETFs), mutual funds, and obligations (i.e. bonds) as defined in MCL 38.1132d-e. The SCAF Parks Special Revenue Fund may only be invested in securities that are actively traded on a major United States stock index. The use of low-cost index fund(s) or ETF(s) is preferred.

C. Liquidity and Maturity. There is no limitation on investment maturity for the SCAF Parks Special Revenue Fund.

D. Use of Investment Returns. The City Commission, with the advice of the investment committee, shall determine annually what interest, dividends, and gains shall be retained in the fund and what should be used to support parks operations and maintenance, with the following stipulations:

1. The principal balance of the fund shall not be diverted or spent except in accordance with the provisions established by City Code, and shall be added to over time at a rate that exceeds the annual rate of inflation to preserve the Special Revenue Fund's value in perpetuity.
2. Should, due to market fluctuations which impact the value of the principal, the parks special revenue fund's principal value fall below the amount established by the City Commission by resolution upon its initial funding plus any future additions to the fund by City Commission resolution, adjusted for inflation, only interest and dividends shall be removed from the parks special revenue fund until the market value of the fund's principal recovers and is higher than the amount established by said resolution(s), adjusted for inflation.
3. Inflation shall be measured by the United States Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U).

~~XX~~.XXI. Investment Program

The exact guidelines for the current investment portfolio shall be established by the Investment Committee taking into account all absolutes contained in the Investment Policy of the City. The program shall be revised and updated on a periodic basis as needed.

Any investment manager representing, advising, or acting on behalf of the City shall sign an affirmation that they have read the policy, understand the policy, and assume responsibility for adhering to the investment policy in relation to the funds entrusted to them.


~~XXI~~.XXII. Policy Amendment

If any policy considerations are necessary to be changed under amendments to the state law or through deliberations of the Investment Committee, the Investment Committee shall recommend to the City Commission any changes necessary to the respective sections of this Policy for their consideration.

~~XXII.~~ XXIII. **Effective Date**

Upon adoption by resolution of the City Commission the Investment Policy will become effective January xx, 20xx. The time period between resolution adoption and effective date will be the transition period in which the Policy will start to be implemented in order to be fully operational by the effective date indicated herein.

Amended: December xx, 20xx



James Breuckman, City Manager
December xx, 20xx



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November 10, 2014

VIA ELECTRONIC MAIL

Mr. James Breuckman, City Manager
City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

Re: Proposed Amendment to SCAF Ordinance

Dear Mr. Breuckman:

As requested, I reviewed the latest draft of the proposed amendment to Chapter 2 of the City Code dealing with the Segregated Capital Asset Fund ("SCAF"). The form of the amendment is satisfactory.

The proposed revision to Section 2-135(5) includes some specific provisions regarding allowable uses for interest and investment returns for the new Parks Special Revenue Fund. The statute which allows for the more expanded investment options for that fund provides that it must be used for "park operations and maintenance", but contains no definition or further guidance as to the meaning of that term. In my opinion, the allowed uses listed in proposed Section 2-135(5) meet the intent of the statute.

Should you need anything further, please contact me.

Very truly yours,

ADKISON, NEED & ALLEN, P.L.L.C.

Gregory K. Need
Interim City Attorney

/mms



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: September 4, 2014
Re: Segregated Capital Asset Fund (SCAF) Investment Reclassification

Overview

Attached to this memo you will find a letter from our interim City Attorney regarding the reclassification of a portion of the SCAF principal to expand the range of investment options available to the City. The mechanism would be to reclassify a portion of the SCAF principal as a parks and recreation special revenue fund.

This is not a suggestion to spend, consume, or deplete SCAF principal. What is being suggested is to reinvest a portion of the SCAF consistent with sound investment practice in order to achieve higher investment returns, and to allow for capital appreciation of the principal balance to ensure that our City's endowment continues to grow over time.

Background

The SCAF was created in 1986 as a result of a settlement between the State and the City in connection with condemnation proceedings instituted by the State to "take" City-owned property. The City created an ordinance which protected the principal balance and established permitted uses of the interest generated by the investment of the principal. Essentially, the SCAF became like an endowment fund for the City. The restricted principal balance is \$3,242,872.

For two decades the SCAF generated good returns, generally in the \$100,000 to \$180,000 range.

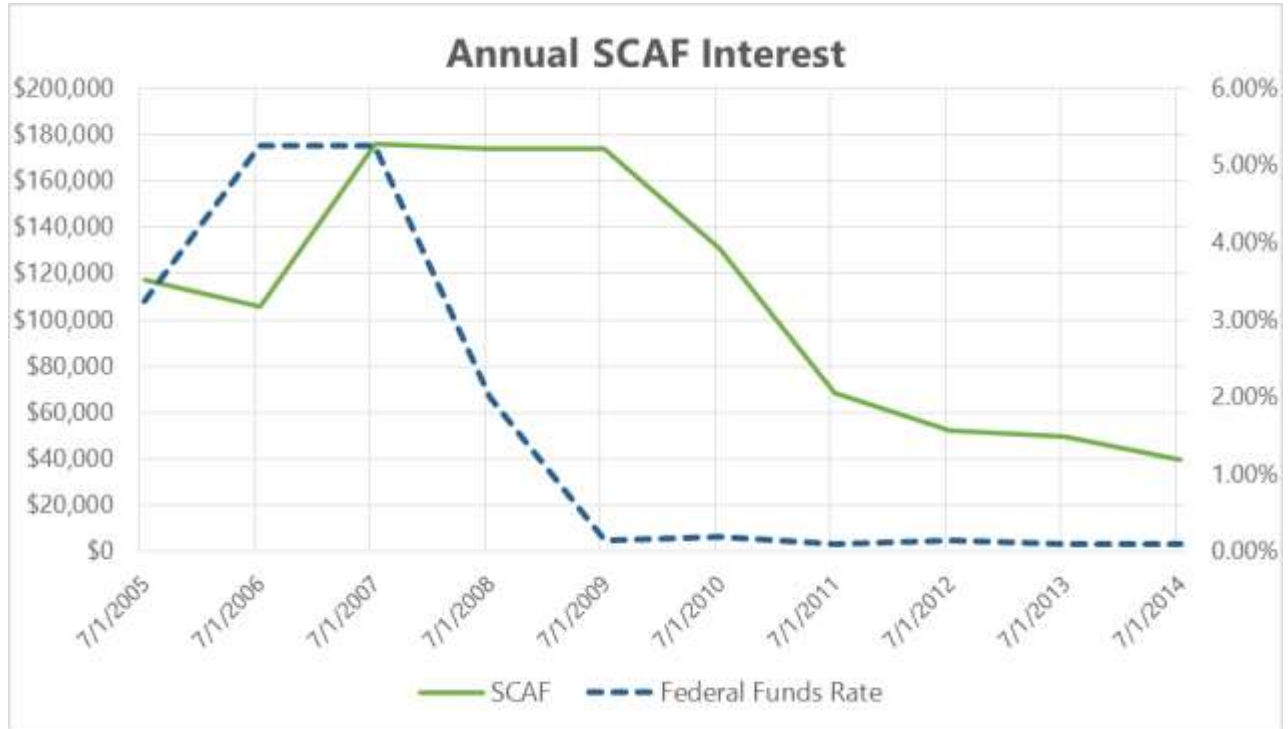
The SCAF principal is invested consistent with the restrictions of Public Act 20 of 1943, which establishes how surplus government funds can be invested. The options are limited to very safe, essentially risk-free investment vehicles such as US Government bonds, certificates of deposit, and investment grade commercial paper with a maturity date of not more than 270 days.

PA 20 was amended by Public Act 404 of 2008 to adopt Section 7a to allow a public corporation which has a special revenue fund consisting of payments for park operation and maintenance to invest those assets under the guidelines of Public Act 314 of 1965, the Public Employee Retirement System Investment Act. The purpose of Section 7a is to expand investment options for those public corporations that have special revenue funds for parks purposes.

This is consistent with the first established use of interest generated by the SCAF: "to replace lost recreational property or otherwise to enhance the City's recreation program" (City Code Section 2.105.a).

Historical SCAF Returns

Over the past few years SCAF has been returning about 1% on principal, which is less than the rate of inflation. In dollar terms, SCAF interest payments have fallen from about \$160,000 in 2007-2009 to about \$30,000 today, as shown in the following chart. Note that the SCAF return tracks, and slightly lags, changes in the federal funds rate. This is because the types of investments that PA 43 allows Cities to invest surplus funds in closely track the federal overnight funds rate.



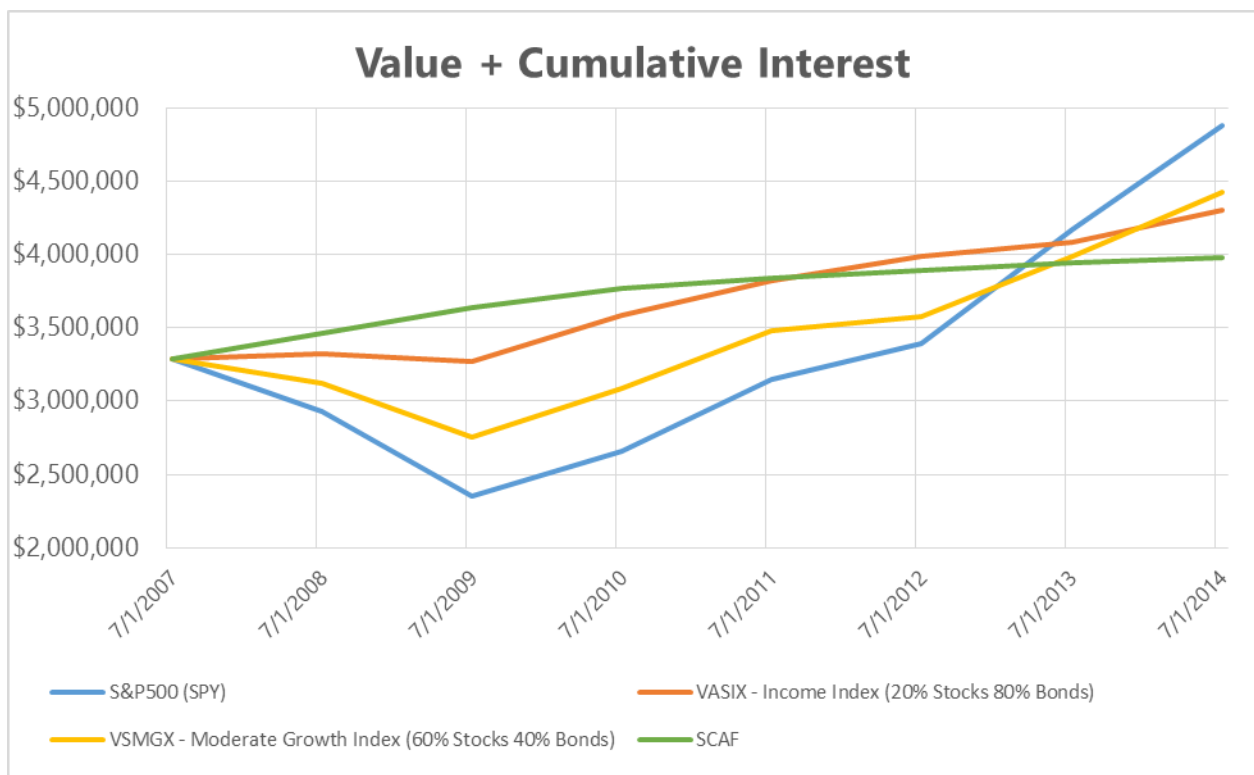
There is a low likelihood of the Fed increasing the overnight rate in the foreseeable future, so it is likely that SCAF will continue to see interest returns of around \$40,000 a year. This represents a loss of over \$100,000 in revenue to the City compared to prior periods.

Risk/Reward Considerations

Classification of a portion of the SCAF as a special revenue fund would allow for a wider range of investment alternatives, allowing for better short term cash returns and also long-term capital appreciation. It is well-established that the stock market has achieved average annual returns of about 8% over the long-run, and a diversified investment strategy is consistent with “safety, prudence, and sound financial practice” (City Code Sec. 2-103).

Of course, there is always risk involved in investing in the equities and bonds markets, however, that risk is manageable. As a test, the following chart shows that principal value plus the cumulative value of dividends and cash interest payments for SCAF and three alternative investments in securities and bonds if the investments were made on July 1, 2007, which was near the top of the market prior to the downturn of 2008-2009, which was the sharpest downturn since the Great Depression.

The chart shows that the market funds initially lost value, but by 2012 all of them had at least regained their initial value and by 2013 the principal value + retained dividends/interest earnings of the funds had surpassed that of SCAF. This chart shows that despite the short term market risk of investing in stocks and bonds, over the long run all evidence shows that an investment in the market will provide better returns for the City.



Expected Return

If pursued, Staff would recommend investing a portion of the SCAF in equities and bonds, while retaining a portion in short term nearly risk free instruments, as currently invested. Keeping about 1/3 of the SCAF in short term securities would ensure that the City continues to have a completely secure fund that can be used as a source of financing to fund infrastructure projects, as has been done in the past. The remaining 2/3 would be classified within the SCAF as a recreation special revenue fund and invested in equities and bonds.

We anticipate setting a target return of 4-5% for the reinvested portion of SCAF, with any excess earnings being retained in the fund to build up principal balance and also to provide a buffer against future short term downturns in the market. In the short run, should market fluctuations cause the principal balance of the SCAF to fall below the protected amount the target return would be adjusted and only dividends and cash returns would be taken out of SCAF. This means that, in the short run, returns could be in the 2-3% range, which is still better than current returns as invested today.

Based on an expected return of 4-5% on the market investment, total returns from SCAF would increase from \$40,000 to between \$100,000 and \$120,000. This would result in an increase of \$60,000 to \$80,000 of annual revenue to the City over the long run.

Relationship to Requested General Operating Millage

As you are aware, the City has placed a question for a general operating millage increase on this November's ballot. If approved, the general operating millage would result in about \$108,000 of new revenue to the City, which will help offset a \$145,000 structural deficit in the City's budget that has existed since 2010.

The proposed SCAF reclassification and reinvestment would generate \$60,000 to \$80,000 of new revenue, and we estimate that we can find an additional \$20,000 to \$25,000 of annual savings by continuing to trim costs and find efficiencies as recommended by the Citizen's Advisory Committee.

In a best-case scenario, where the millage is approved, costs are cut, and SCAF is reinvested and performs as expected and returns 4-5%, the net benefit to the City's bottom line would be about \$200,000 per year. If SCAF is reinvested but returns 2-3%, the net benefit would be about \$170,000 a year.

The City needs \$145,000 to offset deferred maintenance and fund balance draw-downs, but that does not address the issue of the City's fund balance being in an unhealthy state. The City must also begin to save money every year to rebuild our fund balance to a healthy level at 25-30% of general fund expenditures. Thus, putting the City back on healthy footing will require a combination of the millage increase, cost savings, and increased SCAF returns. Any one or two of those three elements will help the City's bottom line, but will not solve the City's funding problem.

Next Steps

Staff is prepared to continue working on a reclassification of a portion of the SCAF. Next steps would be the creation of an investment strategy, preparation of an amendment to the SCAF ordinance, and preparation of a budget amendment to create the parks and recreation special revenue fund within the SCAF.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: December 2, 2014
Re: Planning Commission Appointments

Overview

There will be two vacancies on the Planning Commission/DDA after the December meeting. Commissioner Sweeny is completing his second term and is term limited out, and Commissioner Stearn is completing his first term and does not wish to be re-appointed.

At this time, I am suggesting that the City Commission consider reserving one seat on the Planning Commission/DDA for the owner of a business or commercial building in Pleasant Ridge, even if that person is not a resident.

Background

Attached is a letter from the City Attorney regarding the potential to appoint a non-resident to our Planning Commission/DDA. I asked the City Attorney to provide us with an opinion on this matter as we could benefit from having the perspective of a local business or property owner on our PC/DDA.

I believe there would be advantages to having such a perspective. Our local business community is an important segment of the community that currently does not typically have an official voice in City business. Many planning decisions, and by nature all DDA decisions relate to and impact our business district.

One of the recommendations of the Citizens Advisory Committee was to separate the PC and DDA functions. While this is standard practice for most Cities, I have concerns about our long-term ability to fill out a 9+ member DDA board with the limited number of businesses that are in town. Further, our DDA budget is quite small, and I am concerned that seating a separate DDA would create expectations for action that are beyond our financial means. Reserving one seat on the PC/DDA for a business representative that may or may not live in Pleasant Ridge would begin to act upon one of the recommendations of the CAC, and also to address the intent of State Law that the Planning Commission represent all important segments of the community. It would also provide the business community with a voice in DDA matters.

The Planning Commission discussed this item at their November 24 meeting and were amenable to the idea.

Requested Action

Please provide direction to staff on how the Commission would like to proceed with Planning Commission appointments.



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OF COUNSEL:
KEVIN M. CHUDLER

November 19, 2014

VIA ELECTRONIC MAIL

Mr. James Breuckman, City Manager
City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

Re: Appointment of Nonresident to Planning Commission

Dear Mr. Breuckman:

You have asked whether an individual who is not a qualified elector of the City may be appointed to the Planning Commission. In my opinion, as more specifically detailed below, such appointment is lawful.

The Michigan Planning Enabling Act, Act 33, Public Acts of 2008 (“Act 33”) was enacted effective September 1, 2008, and replaced several planning-related statutes. It contains several provisions regarding planning commission membership.

Initially, Section 15(3) of Act 33 requires, in part, that:

The membership of a planning commission shall be representative of important segments of the community, such as the economic, governmental, educational, and social development of the local unit of government, in accordance with the major interests as they exist in the local unit of government, such as agriculture, natural resources, recreation, education, public health, government, transportation, industry, and commerce.

Pursuant to Section 15(4) Act 33, members of a planning commission must be qualified electors of the local unit of government, except that, as pertains to Pleasant Ridge, a city with a population less than 5,000 on September 1, 2008, may have two members who are qualified electors of another local unit of government. Generally, a qualified elector is a United States

citizen who has attained the age of twenty-one years, resided in Michigan six months, and who meets the requirements of local residence in that particular community.

The City Charter has two provisions affecting Planning Commission membership. Section 3.07 A provides in relevant part that:

- A. In order to insure that members of the city boards, commission and committees have the background necessary for their policy-making and related responsibilities, all persons appointed to serve on such bodies shall have the same qualifications as persons eligible for election or appointment to the City Commission, except as otherwise provided in this Charter or by law. (Emphasis added.)

Section 2.02 requires that an individual elected or appointed to the City Commission must be a qualified elector of the city, and also a legal resident for a period of one year prior to the date of appointment or election.

While prior to September 1, 2008 a city planning commissioner must have been a qualified elector of the City per the above, the enactment of Act 33 allows for the appointment of individuals who would not meet the qualifications of Section 2.02. The phrase at the end of Section 3.07 A, "except as otherwise provided in this Charter or by law" broadens the range of possible appointees. Thus, the City Commission, in its discretion, has the ability to appoint up to two Planning Commissioners who are not qualified electors of the City, so long as they are qualified electors of another community.

Should you have any questions or need anything further, please contact me.

Very truly yours,

ADKISON, NEED & ALLEN, P.L.L.C.



Gregory K. Need.
Interim City Attorney

/mms



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
 To: City Commission
 Date: December 2, 2014
 Re: Accessory Dwelling Units Ordinance Amendments

Overview

Attached are two potential zoning ordinance amendments that both deal with accessory dwelling units. The zoning ordinance is currently ambiguous on the issue, making administration of the ordinance difficult and subject to interpretation. City staff have prepared two potential ordinances to address the issue – one which would prohibit ADU's outright, and one that would allow for them in certain instances and establish rules by which approved ADU's must be inhabited and operated.

The Planning Commission has considered the two amendments and has recommended denial of the ordinance to prohibit, and has recommended approval of the ordinance to permit.

I will provide an introduction for each potential ordinance amendment at the meeting on the 9th. For reference, here is how other nearby communities handle ADUs:

- a. Birmingham – No.
- b. Ferndale – Yes, as a special land use.
- c. Huntington Woods – No.
- d. Royal Oak – Yes, only for elderly relatives with deed restrictions. The ADU must be within or attached to the principal structure. Refer to Royal Oak zoning ordinance section 770-71 (attached).

Here are some commonly cited pros and cons of ADUs:

Pros	Cons
<ul style="list-style-type: none"> • Increases housing choice for elderly or one-person households • Responsive to changing household demographics • Potential source of additional income for property owner • Increased tax revenue for City 	<ul style="list-style-type: none"> • Privacy for neighbors • Increased parking and traffic • Neighborhood character/neighbor objections • Enforcement

Requested Action

The requested action at this time is for the City Commission to provide input on any additional information you would like to aid in your consideration of these ordinances, and also to schedule public hearings for the ordinance amendments for the City Commission meeting to be held on January 13, 2015.

Draft: December 2, 2014



City of Pleasant Ridge
Ordinance No. ____

AN ORDINANCE TO AMEND THE PLEASANT RIDGE ZONING ORDINANCE, ARTICLE 12: SCHEDULE OF REGULATIONS, SECTION 26-12.2 GENERAL REQUIREMENTS; and ARTICLE 13: GENERAL PROVISIONS, SECTION 26-13.1 ACCESSORY USES, TO PROHIBIT ACCESSORY DWELLING UNITS.

THE CITY OF PLEASANT RIDGE HEREBY ORDAINS:

Section 1. Article 12: Schedule of Regulations, Section 26-12.2 General Requirements subsection 2 is hereby amended to read as follows (underlined text added to existing text):

2. Number of Principal Uses per Lot. Only one principal building shall be placed on a lot of record, and only one dwelling unit shall be permitted per lot of record in single-family residential districts.

Section 2. Article 13: General Provisions, Section 26-13.1 Accessory Uses is amended to add a new subsection 9 as follows:

9. Residential occupancy of an accessory building is prohibited. Any accessory structure that contains a combination of services that would allow it to be used as an accessory dwelling unit requires approval as an accessory dwelling unit. A combination of services (which may include water, sewer, gas, and/or electric) which would make an accessory building easily convertible to habitable space, as determined by the Zoning Inspector, is prohibited.

Section 3. Severability – This ordinance and each article, section, subsection, paragraph, subparagraph, part, provision, sentence, word and portion thereof are hereby declared to be severable, and if they or any of them are declared to be invalid or unenforceable for any reason by a court of competent jurisdiction, it is hereby provided that the remainder of this ordinance shall not be affected thereby.

Section 4. Repeal and Effective Date

Repeal – All regulatory provisions contained in other City ordinances which are inconsistent with the provisions of this ordinance are hereby repealed.

Effective Date - This Ordinance shall be effective fifteen days after enactment and upon publication.

Kurt Metzger, Mayor
City of Pleasant Ridge

Certificate

I hereby certify that the foregoing ordinance was adopted by the City Commission of the City of Pleasant Ridge at a meeting thereof on _____, 20__

Amy M. Drealan, Clerk
City of Pleasant Ridge

Planning Commission Public Hearing:Monday, October 27, 2014
Planning Commission Recommendation:Monday, October 27, 2014
City Commission Introduction:Tuesday, December 9, 2014
City Commission Public Hearing:
City Commission Adoption:.....
Published:.....
Effective:.....



City of Pleasant Ridge

Ordinance No. ____

AN ORDINANCE TO AMEND THE PLEASANT RIDGE ZONING ORDINANCE, ARTICLE 3: ZONING DISTRICTS AND MAP, SECTION 26-3.5 DISTRICT REQUIREMENTS; ARTICLE 4, SINGLE FAMILY RESIDENTIAL DISTRICTS; and ARTICLE 13: GENERAL PROVISIONS, SECTION 26-13.1 ACCESSORY USES, TO LIST ACCESSORY DWELLING UNITS AS A SPECIAL LAND USE IN THE SINGLE FAMILY RESIDENTIAL DISTRICTS, AND TO ESTABLISH SPECIFIC STANDARDS APPLICABLE TO ACCESSORY DWELLING UNITS.

THE CITY OF PLEASANT RIDGE HEREBY ORDAINS:

Section 1. Article 3: Zoning Districts and Map, Section 26-3.5 District Requirements, Regulated Uses Table and Article 4: Single Family Residential Districts, List of Special Land Uses are hereby amended to list Accessory Dwelling Units as a special land use in the R-1A, R-1B, R-1C, and R-1D Single Family Residential Districts.

Section 2. Article 13: General Provisions, Section 26-13.5 Special Land Uses is amended to add a new subsection R under Standards for Specific Uses as follows:

- r. One (1) Accessory Dwelling Unit (ADU) may be permitted per lot of record. The Planning Commission shall take into consideration the proximity of a detached ADU to other surrounding residential structures, the availability of parking, and potential impact of the proposed ADU on the neighborhood as part of the special land use review. In order to approve an ADU, the Planning Commission shall make a finding that all of the standards of Section 26-13.5(4) are met.

The following specific regulations shall apply to any ADU:

1. Accessory Dwelling Unit Defined. An ADU is a second subordinate dwelling unit located on a lot of record where a one-family dwelling already exists.
2. One Unit. One (1) ADU shall be allowed in conjunction with an existing detached single family dwelling, located on a lot with a minimum area of five thousand (5,000) square feet.

3. Minimum/Maximum Size. The ADU shall not exceed twenty five (25) percent of the gross floor area of the primary dwelling unit, or 750 square feet in gross floor area, whichever is less.
4. Location and Design.
 - a. The ADU may only be located in a detached accessory structure.
 - b. The ADU may not have an exterior entrance that is visible from the parcel's primary street frontage.
 - c. If an ADU is permitted on a property, the structure containing the ADU shall be the only accessory structure on the property.
 - d. Any detached accessory building containing an ADU shall comply with all applicable standards of Section 26-13.1.
5. Building Height. The maximum height for a detached accessory structure containing an approved ADU shall be 17 feet.
6. Minimum Parking. A minimum of three (3) off-street parking spaces shall be provided on-site, with one (1) space specifically assigned to the ADU. Garage spaces may be counted towards the minimum parking requirement.
7. Owner Occupancy. One (1) of the dwelling units shall be owner-occupied and shall have been owner-occupied by the current owner for the twelve (12) calendar months preceding the date of application to create an ADU. If the parcel ceases to be owner-occupied, the ADU may not be occupied.
8. Separate Meter Required. The ADU shall have a separate water meter tied to the City water main.
9. Bedroom Maximum. A maximum of two (2) bedrooms are permitted within an ADU. Occupancy shall be limited to no more than two (2) persons.
10. Landlord License. The property owner shall register the accessory dwelling unit as a rental unit in accordance with Section 18, Article IV of the City Code of Ordinances and remain in compliance with the landlord licensing requirements at all times.
11. Leasing or Rental. Leasing or rental of the ADU for tenancies of less than one hundred eighty days shall be prohibited. The property owner shall submit signed copies of the lease agreement indicating such to the City.
12. Restrictive Covenant. A restrictive covenant, the form of which shall be approved by the city attorney, enforceable by the City shall be recorded prior to the issuance of a building permit stipulating that the ADU may not

be conveyed separately from the primary dwelling unit, and that the ADU may only be occupied if the owner of the parcel is an occupant of the principal or accessory dwelling unit.

13. Enforcement. In addition to the other remedies available to the City provided in Article 21 for violations of this Ordinance:
 - a. Should the zoning inspector determine that any of the provisions of this subsection have been violated, the Zoning Inspector may do any or all of the following:
 - i. Notify the property owner of a requirement to show cause why the approval for the ADU should not be revoked or modified. If the City determines that there is cause to revoke or modify the ADU approval, it shall schedule a hearing before the Planning Commission for such purpose.
 - ii. Require additional periodic inspections of the property.
 - iii. Suspend water service to the ADU, following the expiration of the term of any then-existing lease agreement, until such time as the property owner can demonstrate compliance with the provisions of this subsection.
 - iv. The property owner may appeal a decision of the Zoning Inspector pursuant to subsections 13(a)(iii) and 13(a)(iv), above.
 - b. Should the Planning Commission determine that any of the provisions of this subsection have been violated, it may, following a show-cause hearing, with notice given to the property owner:
 - i. Revoke or modify the ADU approval. If revoked, the improvements added to convert the accessory structure to an accessory dwelling unit shall be removed within 45 days of the Planning Commission's decision.
 - ii. Provide that the lot of record is not permitted to have an ADU for some specified period of time.

Section 3. Severability – This ordinance and each article, section, subsection, paragraph, subparagraph, part, provision, sentence, word and portion thereof are hereby declared to be severable, and if they or any of them are declared to be invalid or unenforceable for any reason by a court of competent jurisdiction, it is hereby provided that the remainder of this ordinance shall not be affected thereby.

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Kurt Metzger, Mayor
City of Pleasant Ridge

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Amy M. Drealan, Clerk
City of Pleasant Ridge

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