



# Rochester Hills Minutes City Council Work Session

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Home Page:  
[www.rochesterhills.org](http://www.rochesterhills.org)

*John L. Dalton, Bryan K. Barnett, Jim Duistermars, Melinda Hill,  
Barbara L. Holder, Linda Raschke, Gerald Robbins*

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Wednesday, January 28, 2004

7:30 PM

1000 Rochester Hills Drive

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## CALL TO ORDER

*President Dalton called the Regular Rochester Hills City Council Work Session to order at 7:33 p.m.*

## ROLL CALL

**Present:** Dalton, Barnett, Duistermars, Hill, Holder and Robbins

**Absent:** Raschke

*Council Member Raschke provided previous notice she would be unable to attend and asked to be excused.*

## Others Present:

*Ed Anzek, Director of Planning/Development  
Scott Cope, Director of Building/Ordinance Enforcement  
Jean Farris, Procurement Supervisor  
Pam Lee, Director of Human Resources  
Roger Rousse, Director of DPS/Engineering  
Bob Spaman, Director of Finance*

## PLEDGE OF ALLEGIANCE

## PUBLIC COMMENT

*Mr. Robert Allan and Mrs. Joan Allan, 760 Cherrytree Lane, stated that they had received a water bill of \$531. Mr. Allan explained that they had been out of town and when they returned discovered that an outside spigot had been turned on. He stressed that they are retirees on a fixed income and "that type of bill hurts badly." He requested some sort of "relief from that bill."*

*President Dalton asked Mr. Roger Rousse, Director of DPS/Engineering if he were aware of the situation and what could be done, if anything, to assist these residents.*

*Mr. Rousse explained that the ordinance does not grant the authority to anyone in the City to offer a refund or credit under these circumstances.*

*President Dalton stressed that the ordinance was "written pretty tight" and leaves no room for leeway. He noted that the City is a reseller of these services and has already paid the Detroit Water and Sewer Department for the water used.*

*Mr. Robbins suggested that the homeowner may find compensation through their homeowners insurance.*

*Mr. Allen stated that he had considered this option, however, his deductible is \$500. He then questioned whether the City has insurance that may cover this situation.*

*Mr. Rousse noted that the City's insurance also carries a deductible.*

*President Dalton expressed his sympathy for the resident's situation, but noted that he was hesitant to set a precedent. He suggested that the homeowner contact the DPS Department to make arrangements for a payment plan.*

*Rev. Dr. Pamela Whateley, 1600 Livernois, expressed her opinion that President Dalton had intentionally set the evening's agenda knowing that many concerned residents would not be available to attend.*

*President Dalton assured residents that no decisions or actions would be taken this evening. He stressed that Council Work Sessions were for discussion only.*

## ADMINISTRATION

### 2004-0040 Update Regarding DPS Facility

Presentation for informational purposes only.

*Mr. Scott Cope, Director of Building/Ordinance Enforcement, and Mr. Roger Rousse, Director of DPS/Engineering, along with Mr. Robert Szantner and Mr. David Gassen from Yamasaki Associates, Inc. and Mr. Matt Hubbard and Mr. Jack Michael of DeMattia Group, discussed the various options for the renovation or reconstruction of the existing Department of Public Service (DPS) Facility.*

*Mr. Cope gave a brief overview of the history of the project dating from January 2002 through the present, noting the Maximus and ASTI studies, various Work Session meetings, and Council's authorization of Yamasaki Associates, Inc. and DeMattia Group to provide architectural and construction management pre-construction services. Mr. Cope then introduced Mr. Ed Anzek, Director of Planning/Development, to provide an update with regard to the sale of the Hamlin Road property.*

*Mr. Ed Anzek, Director of Planning/Development, explained that the sale of the Hamlin Road property to Donaldson and Company, as had previously been approved by Council, was cancelled. He introduced Mr. Dan Casey, who had recently joined the City as Economic Development Manager, noting that Mr. Casey's first task is to take a "fresh look" at the Hamlin Road property and determine how it can be marketed.*

*Mr. Dan Casey, Economic Development Manager, noting that there were numerous developers in the metropolitan Detroit area who were unaware of the Hamlin Road property, described his initial marketing efforts:*

- \* Redistributed the original request for proposal (RFP).*
- \* Spoke to five (5) developers.*
- \* Met with two (2) developers.*
- \* Showed the office building to two (2) companies.*
- \* Showed the manufacturing facility to Signature & Associates, as well as to an agent of a group of developers as an investment opportunity.*
- \* Will continue to market the property for purposes of potential redevelopment.*
- \* Added the property listing to various on-line real estate listing services.*
- \* Had discussions with the State regarding the use of SmartZone in this property.*
- \* Suggested the possibility of Rochester Hills considering multiple jurisdiction with Auburn Hills for an LDFA to purchase the property from the City.*

*Mr. Roger Rousse, Director of DPS/Engineering, described a video presentation that highlighted the following:*

- \* Garage was constructed over thirty (30) years ago, although some additions have been made.
- \* Some structural elements need to be replaced at substantial cost.
- \* Maximus's facilities condition assessment determined that the building is in need of approximately \$400,000 of improvements.
- \* Accessibility - building does not meet ADA requirements (no ramps or hand rails).
- \* Security - need to control access from the individual parking lot to the equipment and to the interior of the compound.
- \* Ventilation - vehicle exhaust fumes travel to the air intake into the building.
- \* Height problems - not enough space between top of vehicles and maintenance garage ceiling.
- \* Drainage - moisture stays on the ground creating unsafe circumstances.
- \* Limited crane accessibility - cannot move in all directions, affecting efficiency.
- \* Storage - items must be moved manually throughout the building.
- \* Deterioration of equipment - approximately \$5.5 million worth of rolling stock that remains outside exposed to the elements accelerating deterioration.
- \* Exterior storage - stock (such as tires) stored outside the building exposed to elements resulting in deterioration.
- \* Salt loading - salt is loaded into trucks in the elements resulting in difficulty distributing clotted salt.
- \* Fuel island - only two (2) vehicles can refuel at the same time resulting in inefficiency.
- \* Environmental concerns - canopy over salt storage does not offer complete coverage resulting in tracking of salt onto gravel surfaces.
- \* Proximity to homes to the north - renovation would limit exposure to those residents.
- \* Scale placement - location in front of building results in traffic pattern inefficiency.
- \* Boiler room - used as a multi-tasking room including custodian's desk and uniform storage.
- \* Locker room - very congested with two (2) showers with exposure to an outside window.
- \* Congestion - map room, meter room, superintendent's office, lunch room all used for multiple purposes.

Mr. Rousse praised the employees for "making due" with the space and systems available, however, he stressed that the proposed plans would address the above issues.

Mr. Robert Szantner and Mr. David Gassen of Yamasaki Associates, Inc., along with Mr. Matt Hubbard and Mr. Jack Michael of DeMattia Group, presented the findings of their study entitled "Phase I - Conceptual Design Executive Summary: Interim Report - January 2004":

#### OPTION 1 - RENOVATION AND EXPANSION

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##### Advantages:

- \* Improved site and building security.
- \* Partial usage of the bulk storage area on the east side of the site possible.
- \* Minimized noise to surrounding properties.
- \* Indoor storage of vehicles will result in longer life and less maintenance of vehicles.
- \* Improved containment of vehicle fluids (indoors).
- \* Slightly less cost than Option No. 2.

##### Disadvantages:

- \* Site activities operating from both sides of the yard.
- \* Salt storage building located closer to Auburn Road.
- \* Building deliveries along Auburn Road.
- \* Partial reuse of existing building results in minor inefficiencies of space allocation.

- \* Extensive renovation of existing space is more time consuming and can be more difficult than building new space.
- \* The renovation and expansion of the facility will be completed in phases, resulting in disruptions and inconveniences to the current operations.

OPTION 2 - NEW BUILDING

Advantages:

- \* Improved site and building security.
- \* Improved site circulation, resulting in more efficient operations.
- \* All site activities contained on one side of the yard.
- \* Salt storage building more centrally located, thus less obtrusive to Auburn Road.
- \* Building deliveries contained to the east side of the site, thus screened from Auburn Road.
- \* Benefit of a new facility, with spaces designed specifically for their intended use.
- \* Avoids the downfalls of a hybrid building; part new, part existing.
- \* Minimized noise to surrounding properties.
- \* Indoor storage of vehicles will result in longer life and less maintenance of vehicles.
- \* Improved containment of vehicle fluids (indoors).
- \* Construction of the new facility can occur without much disruption to the current operations.

Disadvantages:

- \* Slightly higher cost than Option 1.
- \* Usage of the existing bulk storage area on the east side of the site eliminated.

ESTIMATED TOTAL PROJECT COST:

\$11,695,609 - Option 1 (renovation and addition)  
 \$11,788,986 - Option 2 (new construction)  
 \$93,377 - Difference

SCHEDULE - OPTION 1: RENOVATION AND ADDITION

- \* Approximately five (5) weeks longer than new construction (Option 2).
- \* DPS Administrative personnel will be relocated to temporary trailers.
- \* Will create several operating inefficiencies.
- \* DPS site will be almost cut in half by construction area.
- \* DPS trucks may have to use Auburn Road to get from one side of site to the other.

SCHEDULE - OPTION 2: NEW CONSTRUCTION

- \* Approximately five (5) weeks sooner than renovation and addition (Option 1).
- \* Main building of new facility can be constructed in entirety without disrupting existing facility's operations.
- \* No need for temporary facilities.
- \* Two (2) fewer moves required.

PUBLIC COMMENT:

Rev. Dr. Pamela Whateley, 1600 North Livernois, questioned whether there was a safe

way for traffic to move from one side of the facility to the other without "causing a safety hazard."

Mr. Szantner explained that vehicles can travel through the facility.

COUNCIL COMMENTS:

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Mr. Cope acknowledged the discrepancies between the new study presented tonight and the Maximus study. He indicated that the latest study examined "the situation a little closer" and included a reevaluation of the Maximus study.

President Dalton expressed his confusion regarding the potential use of the Hamlin Road property for the DPS facility as opposed to the current Auburn Road location.

Ms. Holder listed some of the problems associated with the Hamlin Road property, including the elevation resulting in "danger coming in and out of that site" and the need for "several tons of fill" to correct the elevation.

Ms. Hill expressed her belief that the cost will rise on this project and that the door should not be closed on the Hamlin Road property. She agreed that a new building would be the best option, but there is no money for either option to move forward.

Mr. Robbins asked Mr. Casey to explain the difference in cost per square foot between the Maximus study and the current study.

Mr. Casey, explaining that he had only been on the job for three (3) weeks and was unfamiliar with either study, noted that the Hamlin Road property has a higher value.

Mr. Anzek noted that the Auburn Road location would require more environmental cleanup if it were not used for the DPS facility and were placed on the real estate market.

Mr. Robbins acknowledged the obvious need for a DPS facility with more space. However, he noted that Council needs more time to evaluate the options.

Mr. Cope reiterated the problems with the Hamlin Road location including the grading improvements and fill dirt requirements, along with demolition costs.

Ms. Hill stated that she also sees the need for a new facility but expressed her concern over conflicting data and a possible need for further evaluation, possibly at a committee level. She also stressed again the lack of funds to continue with the project.

Ms. Holder clarified that a final decision was not being made, but rather preparations for the eventuality that funds become available and the project can move forward immediately thereafter.

Mr. Duistermars expressed his desire that the "best building be built."

(Recess 9:15 p.m. - 9:35 p.m.)

Mr. Szantner stated that the current Auburn Road site is best suited for this particular use.

President Dalton asked whether the Yamasaki and DeMattia representatives had examined the Hamlin Road site.

Mr. Hubbard explained that no analysis of that site had been conducted, however, use

*of the Hamlin Road site would increase the cost estimates.*

*Mr. Cope asked Council for direction moving forward with this project.*

*Ms. Hill, while acknowledging her support for a new building, reiterated that there is no money available at this time. She expressed her reluctance to commit any funds to the design process prior to the sale of the Hamlin Road property.*

*Mr. Barnett agreed with Ms. Hill regarding further funding, but did express his support for the eventual use of the Auburn Road site.*

*Ms. Holder expressed her support for new construction.*

*Mr. Rousse noted various funding options:*

- \* The sale of the Hamlin Road property*
- \* Increased water and sewer rates*
- \* Bonding*
- \* Revenue financing*
- \* Debt financing*

*He noted that, at this time, the Administration is looking for direction with regards to the design aspects of the project only.*

*Mr. Robbins questioned the cost for this design work.*

*Mr. Rousse stated that funds for design were approved and carried over from the 2003 budget. He stressed that the cost for either site "is the same from the foundation up," however, the Hamlin Road site would require more pre-construction work. He also stressed that the Hamlin Road property is more valuable and, thus, possesses superior revenue generating potential.*

*Mr. Robbins noted that, since the funds for design were already budgeted, the plan design phase could move forward.*

*A consensus of Council agreed with Mr. Robbins that the design phase move forward.*

## **2004-0041**

### **Discussion Regarding Solid Waste**

*For discussion purposes only.*

*Mr. Scott Cope, Director of Building/Ordinance Enforcement and Mr. Bob Spaman, Director of Finance, presented information regarding proposed funding methods for solid waste, recycling and yard waste services.*

*A brief history of the issue was presented dating from July of 1999 to the present noting the RRSI study and various discussions at Committee and Council level.*

*Funding-System Goals:*

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- \* Lowest start-up costs*
  - \* Least on-going administrative burden*
  - \* Easy to implement*
  - \* Easy to administer*
  - \* Least complicated to maintain*

*Program Funding Options:*

- \* *Public Act 298 - Millage*
- \* *Fee for Service - Billing System*
- \* *Pay-As-You-Throw (PAYT)*
- \* *Hauler Franchise*

*Public Act 298 - Millage:*

- \* *Permits cities to levy up to three (3) mills tax*
- \* *Tax deductible*
- \* *For refuse, recycling, HHW, etc.*
- \* *Action by City Council only*
- \* *Vote of residents not required*
- \* *Primary funding method in area*
- \* *Spreads cost across all parcels*
- \* *Higher value parcels pay more*
- \* *Business pays - often not served*
- \* *Multi-family pays*
- \* *Overall lowers cost to residents*
- \* *Very low cost to collect*
- \* *Non-pays become lien on property*

*Fee For Service - Billing System:*

- \* *Essentially a "user fee"*
- \* *Fees match level of service*
- \* *Parcel must benefit from the service*
- \* *Generally voluntary - can self haul*
- \* *Ordinance used to limit to one hauler*
- \* *Examples of this approach in area*
- \* *All pay same fees*
- \* *Higher value parcels pay same*
- \* *Businesses/multi-family do not pay*
- \* *Charges full cost to residential sector*
- \* *Fee collection more costly than millage*
- \* *Need collection process for no-pays*

*Pay-As-You-Throw (PAYT):*

- \* *Variation of Fee for Service*
- \* *Residents pay for level of service used*
- \* *May combine flat fee with unit based fee*
  - *Imprinted bags*
  - *Stickers*
  - *Carts*
- \* *Flat fee often is Act 298 Millage*
  - *Recycling*
- \* *Equitable system*
- \* *High generators pay more*
- \* *Encourages recycling*
- \* *Higher collection costs than millage*
- \* *Need collection process for no-pays*
- \* *Revenue more difficult to forecast*
  - *Bulk purchases*

- \* Only tagged items are collected
- \* Complicated to administer
- \* Major change in trash collection process for residents

*Hauler Franchise:*

- \* Variation of fee-for-service
- \* Hauler is licensed to operate in City
- \* May license more than one hauler to operate in "franchise districts"
- \* Hauler establishes own fees
- \* Hauler bills residents
- \* No clear Michigan legislative authority
- \* Legal basis not established
- \* Limits ability to restrict other haulers
- \* No clear source of savings for residents
- \* Not used much in Michigan cities

*Two Primary Funding Options:*

- \* Fee for Service Billing System
  - Costly to implement
  - Costly to administer
  - Needs collection process for "no pays"
  - Revenue difficult to forecast
- \* Public Act 298 Millage
  - Least expensive to implement
  - Least expensive to administer
  - Not most equitable
  - Tax deductible
  - Lowers cost to residents
  - Charter/Act 298 authorized

*Oakland County Communities - Funding Type by Community Count:*

- \* Current
  - Subscription - 35%
  - Municipal Millage - 2%
- \* Proposed
  - Contract Millage - 57%
  - Contract Billing - 6%

*Billing Option:*

- \* Five Vendor Proposals Received
  - One time set-up fees of \$5,000
  - Annual fees of \$124,000
  - Covers all printing/mailling/processing fees
- \* WMI Billing Proposal
  - One time set-up fees of \$5,000
  - Annual fees of \$63,000
- \* In-House Option Priced Out
  - One time set-up fees of \$20,000
  - Annual personnel cost of \$60,000
  - Builds on current utility billing system



*System Costs to City (Year One Total Costs):*

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*Millage - \$3,265,361*

*Billing - \$3,345,361*

*Cost to Each Parcel (Millage Method):*

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*\$70,000 taxable value - \$72.10 annual cost*

*\$100,000 taxable value - \$103.00 annual cost*

*\$130,000 taxable value - \$133.90 annual cost*

*\$160,000 taxable value - \$164.80 annual cost*

*\$190,000 taxable value - \$195.70 annual cost*

*Cost to Each Housing Unit (Billing Method):*

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*\$3,345,361 - Total Cost to City*

*23,000 - Number of Housing Units*

*\$145.50 - Cost Per Year for Each House*

*Compare to Current Rates in City:*

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*WMI = \$252 subscription / \$204 subdivision*

*Allied = \$288 subscription / \$224 subdivision*

*Trash Taxi = \$198 subscription / \$198 subdivision*

*Billing = \$144 subscription / \$144 subdivision*

*Millage = \$98 subscription / \$98 subdivision*

*Recommendations:*

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- \* Move ahead with single hauler system*
- \* Bundle services with fall leaf included*
- \* City does contractor management*
- \* Millage funding system*
- \* Service starts January 1, 2005*
- \* Prices guaranteed through 2009*
- \* Price proposals good to January 1, 2005*

*PUBLIC COMMENT:*

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*Ms. Mary Jo Dinha, 851 Dressler, Chairperson of Zero New Taxes, provided a letter read into the record by Rev. Dr. Pamela Whateley that outlined three (3) possible plans for funding a single waste hauler in the City and her objections to each plan:*

- 1. Increase in property taxes: a fee based on the valuation of ones home is "discriminatory if nothing else."*
- 2. Included in City water bills: would create a hardship on residents, as these bills are due every other month.*
- 3. Direct payment to trash hauling company: is the same option as now, except the individual residents do not get to choose the hauler.*

*She expressed her desire to retain her freedom of choice of trash hauler.*

*Rev. Dr. Pamela Whateley, 1600 North Livernois, reiterated Ms. Dinha's points regarding the three (3) payment options, expressing her opposition to the "monopoly" of a single waste hauler.*

*Mr. Gary Elliott, 2447 Frankson, questioned whether the single waste hauler plan would include leaf pickup. He noted that a neighbor was told his yard waste would be removed and it was not.*

*Mr. Cope explained that yard waste would be included for a certain number of weeks during the year with no limit on the number of bags removed. This would be guaranteed in the contract.*

*Ms. Siegrid Stern, 1185 Concord, expressed her opposition to the plan, noting that many residents leave the area during the winter season and cancel their waste service. With a single waste hauler, they will be charged for a service when they are not using it.*

*Mr. Lee Zendel, 1575 Dutton Road, questioned why the City is pursuing a single waste hauler when there is a more pressing need for funds for road repair. He questioned the motives of the waste haulers, suggesting that they are attempting to "kill competition."*

**COUNCIL DISCUSSION:**  
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*Ms. Hill stressed that the job of government is to provide service to the majority of the community at the least possible cost. She noted that other communities implementing a millage to fund this type of service are providing better service to residents. Ms. Hill stated that single hauler contracts with municipalities provide better service.*

*Mr. Robbins stated that Council members represent everyone in a community including businesses, churches, etc. He would not support a millage when there is a more pressing need in the community for more police and road improvements.*

*Mr. Duistermars agreed that he also would not support a millage to fund a single waste hauler. He spoke of residents with whom he had discussed the issue noting their desire to retain their freedom of choice.*

*Ms. Holder questioned why this issue had been brought back before Council.*

*Mr. Cope explained that he receives many waste hauler complaints, especially regarding changes to pickup dates, lack of pickup, method of pickup, and non separation of recyclables. He noted that the City's ordinance limits the City's response to such complaints. He stressed that he has received many calls from residents requesting a single hauler.*

*Ms. Holder asked if a single hauler would reduce the number of trucks on the City roads.*

*Mr. Cope explained that, while he does not have the actual number of trucks currently on the City roads, there are four (4) companies hauling waste within the City and each company sends trucks to each subdivision. In addition, all trucks must be inspected by the City, a very time consuming enterprise.*

*Mr. Barnett questioned whether the City would have the same price guarantees with the billing method.*

*Mr. Cope stated that the contracted cost is the same no matter which funding program Council chooses.*

*Mr. Barnett disputed the claim of a monopoly, noting that the City seeks bids on all purchases and services. He stressed the benefits of a single hauler including less damage to local roads, lower costs to residents, better response to complaints and rates guaranteed through 2009.*

*President Dalton asked what it would cost under the billing method if the hauler were to handle the actual billing of the customer.*

*Mr. Cope explained that there would be a 2.5% annual increase. He stressed that the billing method would only apply to those customers who use the service.*

*President Dalton expressed his support for the billing method, noting that it would free residents from having to deal with complaints and the City would have the leverage of imposing fines on the hauler if they do not address these problems. He noted that many residents are not concerned with choice.*

*Mr. Cope stressed that there will be a savings to the residents no matter which option is chosen. He noted that a resident had raised the issue of the millage continually increasing. He indicated that the original presentation the previous summer had indicated a 1.05 mills was needed. Due to an increase in taxable value, the actual cost to each resident was reduced. The millage could continue to go down based on taxable value increasing.*

*Mr. Spaman further explained that while expenses would increase 2.5% per year, the taxable value in the City was increasing 5% per year.*

*Mr. Zendel questioned the number of complaints currently received by Great Lakes Waste, the motive of a business charging \$100 for \$300 worth of service per year and, again, stressed it would result in a monopoly.*

*Ms. Hill expressed her support for the billing system, primarily stressing the benefits of the City's ability to deal with complaints.*

*President Dalton noted a general consensus among Council members was for the billing method.*

*Mr. Cope stated he would bring the matter back before Council during an upcoming Regular City Council meeting.*

## COMMENTS & ANNOUNCEMENTS

### City Council Members

*Ms. Holder announced that the Grand Opening for the renovated City Hall would be held on Saturday, January 31st between 9:00 a.m. to 1:00 p.m. All residents are invited and tours would be given of the facility. She then urged residents to shovel snow from around their mail boxes to allow postal carriers easier access. She noted that she had attended a meeting the previous evening regarding the City's sign ordinance and assured residents that more information on this subject would be forthcoming.*

### Mayor

*Nothing to report.*

### Attorney

*Nothing to report.*

## ANY OTHER BUSINESS

*President Dalton noted that the property maintenance ordinance had been discussed at a previous meeting and asked that Council members advise him as to how they would like to proceed with this matter.*

*Ms. Hill reminded Council that it had been determined that this matter would be addressed by the Administrative & Information Services Committee prior to moving on to another Committee or to Council.*

*President Dalton stated that it was requested that Council Work Sessions be conducted in a more informal manner without cable broadcast. He asked that Council members provide him feedback on this matter.*

## NEXT MEETING DATE

*Wednesday, February 4, 2004 - Regular Meeting*

## ADJOURNMENT

*There being no further business to discuss before Council, President Dalton adjourned the meeting at 11:26 p.m.*

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*JOHN L. DALTON, President  
Rochester Hills City Council*

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*BEVERLY A. JASINSKI, Clerk  
City of Rochester Hills*

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*MARGARET A. STRATE  
Administrative Secretary  
City Clerk's Office*

*Approved as presented at the March 17, 2003 Regular City Council Meeting.*