

12. PUBLIC COMMENTS

Lee Zendel, 1575 Dutton Road, referred to the Council Work Session held in February, 2002 regarding the solid waste issue. He stated the consultant working on the issue had discussed his questions with him, and provided him with a copy of a study conducted by the Resource Recovery and Recycling Authority of Southwest Oakland County entitled "Curbside Solid Waste Service Rates 2002 Report". He stated the study indicated the median rate was One Hundred Thirty-three (\$133.00) Dollars per year, with the average rate being One Hundred Thirty-six (\$136.00) Dollars per year. He felt the study should have adjusted the rates based on old and new contracts. He stated the consultant had also provided him with copies of spreadsheets, which included results regarding complaints. He discussed the average complaint calls reflected in the study per Oakland County City. He felt the complaint calls were numerous in some of the Communities serviced by Waste Management. He suggested one (1) of the reasons for utilizing a single waste hauler was to provide better service. He noted his formula $c \text{ minus } p \text{ equals } s$, which he indicated would be referenced at a future City Council Meeting.

Thomas Stevenson, 708 River Bend Drive, stated he was a member of the Citizens Ad Hoc Committee that reviewed the solid waste issue. He disputed the figures cited by Mr. **Zendel** with respect this matter. He indicated research conducted by the Ad Hoc Committee included contacting the surrounding Communities to discuss their complaint calls, which were not as high as had been quoted by Mr. **Zendel**. He noted service was also a big consideration for a single hauler, along with completing the job properly. He indicated many times the waste haulers included the compost materials in the same truck, which was against the law. He stated the City's Ordinance required the residents to separate recyclables at the curb; however, the contractors were not required to keep the recyclables separate. He suggested the numbers quoted by Mr. **Zendel** be reviewed.

13. LEGISLATIVE / ADMINISTRATIVE RESPONSE

Member Golden stated she had received telephone calls from residents regarding the solid waste issue, and requested the Community Development and Viability (CDV) Committee provide Council Members with information to allow a response to those questions. She suggested the telephone calls could be referred to the CDV Committee Members for response, and that a Council Work Session be scheduled regarding this matter. She indicated the concerns expressed by residents included the implication that a single hauler was the intent of the City due to the RFP's that had been issued in connection with the study; whether the City could be legally challenged if a single hauler was not utilized; the Charter reference to franchises; what would happen to long-term contracts held by some of the current haulers, and the issue of advance seasonal billing. She requested an update on this situation as quickly as possible.

Member Barnett provided a brief explanation of the status of the solid waste issue at the CDV Committee level. He stated the CDV Committee was directed by City Council several years ago to review the solid waste issue, and created a Citizens Ad Hoc Committee to study the matter and report back to the CDV Committee with a recommendation. He stated once the recommendation was received from the Ad Hoc Committee, the CDV Committee began working with a consultant to secure the information necessary for City Council to make a final decision. He

explained the CDV Committee had not received the consultant's report and had not made a recommendation at this time. He indicated once the report was received, it would be provided to Council Members for discussion, and the resident concerns expressed by Member Golden would be addressed. He stated until the report is received and reviewed, all information being presented in the newspaper was merely speculation. He clarified no decision had been made on this issue; and no recommendation was given to City Council by the CDV Committee. He stated despite a recent newspaper article, the Financial Services Committee had not discussed the issue. He suggested any questions be directed to him as Chairman of the CDV Committee.

Member Hill stated it was premature to request information that had not been reviewed by the CDV Committee. She also felt it was premature for articles to appear in the newspaper when the CDV Committee had not completed its review of the matter. She explained the CDV Committee had requested the professional services of a consultant to provide the information necessary to allow City Council to make a well-informed decision. She stated that information was being gathered and the project is on-track at this time. She indicated until all the information and figures are available, no decision could be made. She felt articles being printed prematurely in the newspaper were generating the volume of resident questions, particularly since the CDV Committee had not made a decision.

Member Golden questioned whether the Financial Services Committee would review the issue. President Dalton indicated the Financial Services Committee would not review the matter unless requested to do so by City Council.

Member Golden stated there was also concern on the part of the waste hauler vendors about this decision, because they were unable to determine if they would be able to continue transacting business in the City; whether they should make improvements to their services; whether they should add trucks or employees, or repair their trucks.

President Dalton clarified the City Council had referred this issue to the CDV Committee to establish a citizen-driven committee to research the matter, which is what the CDV Committee had done. He noted the CDV Committee did not have the authority to sign contracts.

Member Duistermars indicated the Ad Hoc Committee had concluded its work and brought a recommendation to the CDV Committee; however, the CDV Committee believed additional information was necessary and began working with a consultant to gather that data.

Member Barnett stated the original request for a consultant was approximately Seventy-two Thousand (\$72,000.00) Dollars; however, due to the work performed by the Citizens Ad Hoc Committee, the amount required by the consultant to complete the project dropped to approximately Forty Thousand (\$40,000.00) to Forty-five Thousand (\$45,000.00) Dollars. He indicated the effective work performed by the Ad Hoc Committee, saved the City in excess of Twenty-five Thousand (\$25,000.00) Dollars.

President Dalton noted the Rails-to-Trails presenter had arrived and Council would return to Agenda Item **10** after a brief recess to allow the presentation equipment to be set up.

Nays: None
Absent: Duistermars

MOTION CARRIED

5. APPROVAL OF MINUTES

A. Regular Meeting – December 12, 2002

Resolution

MOTION by Dalton, seconded by Kaszubski,

Resolved that the Minutes of the Community Development & Viability Committee held on December 12, 2002, be approved as presented.

Ayes: Barnett, Dalton, Cosenza, Kaszubski
Nays: None
Absent: Duistermars

MOTION CARRIED

6. COMMUNICATIONS

None presented.

7. UNFINISHED BUSINESS (UNFINISHED OR PENDING MATTERS)

A. Presentation of Final Solid Waste Recommendation Report

Mr. Cope provided a brief overview of the responsibilities of the Solid Waste Committee and thanked the City's representatives and Mr. Frey and Ms. Furlong who have worked over the past nine (9) months to complete a recommendation.

Mr. Frey provided a PowerPoint presentation on the Solid Waste, Recycling and Yard Waste Service Recommendations prepared in conjunction with the Community Development & Viability Committee and the Ad Hoc Solid Waste Citizen Advisory Committee.

The presentation included information on:

- CDV, project and long term City goals
- Procurement Strategies
- Program Process
- Services description for facilities, collection, outsource
- Responses and Evaluation of Request for Proposals
- Bundled collection option and analysis
- Description of services
- Comparable rates
- Funding goals and options

- Oakland County funding type by Community
- Bulk leaf collection
- Program management
- Quarterly billing option
- Recommendation
- System costs to City and by parcel
- Current millages
- Expected results and benefits
- Next step – CDV action; Council action, vendor negotiation and contracting

(Mr. Duistermas Entered – 6:00 PM)

Mr. Cope clarified the Council action would be to adopt a resolution to change the city's policy to change to a single hauler and that would allow the Administration to start discussions with the vendors and provide detailed cost information.

Chairperson Barnett thanked Mr. Frey and Mr. Cope for the presentation and felt it met all the objectives.

Members discussed final household counts and route details. Mr. Cope stated that final counts and details would not be known until a contractor was on board and during the negotiation of a contract. The estimated number of households is 2,300 based on the Assessing Department records.

Members discussed funding options including hauler penalties in the contract; education of the program; breach of contract; specific trash pick-up times; and length of the contract.

Mr. Barnett requested Mr. Frey to provide additional information on the City of Troy's system, as their collection services are identical to the proposed program.

Mr. Cope said in the long-term aspects, disposal sites are becoming full; disposal prices continue to rise, and eventually the residents would turn to the City for a solution.

Mr. Barnett requested Mr. Frey to add information to the presentation on: environmental benefits; safety benefits; local road system, and homestead tax deduction.

Resolution

Motion by Kaszubski, seconded by Cosenza,

Resolved that the Community Development & Viability Committee (CDV) hereby receives and accepts the Final Solid Waste Recommendation Report of the Solid Waste Committee and recommends that this report be forwarded on for Council discussion/action whatever is appropriate.

Ayes: Barnett, Dalton, Duistermars, Cosenza, Kaszubski
Nays: None
Absent: None

MOTION CARRIED

Mr. Barnett thanked the Administration Committee and Resource Recycling Systems, Inc. for all of their hard work on the project.

A copy of the final presentation are incorporated and attached to these minutes.

8. NEW AND MISCELLANEOUS BUSINESS

None presented.

9. ANY OTHER BUSINESS

None presented.

10. ADJOURNMENT

The next Committee meeting will be held April 24, 2003 at 5:30 PM.

There being no further business to discuss, Chairperson Barnett adjourned the meeting at 7:10 PM.

Minutes prepared by Lisa K. DeLeary.

6. CITY COUNCIL COMMUNICATION COMMITTEES

- 6a. Community Development and Viability - Solid Waste Report and Recommendation (A0648)** (Members received a copy of an Agenda Summary Sheet dated May 8, 2003 from Susan Koliba-Galezka, City Council Liaison, with attachments)

Member Barnett stated the Community Development & Viability (CDV) Committee had been charged with reviewing the issue of solid waste. He indicated a PowerPoint presentation would be made, followed by citizen input and Council discussion. He explained this was a Work Session and no vote would be taken by Council at this meeting.

Member Barnett noted this was the first formal presentation on this issue, and stated citizen input had been an integral part of the issue. He referred to a flyer that had been circulated throughout the City recently, which resulted in a volume of telephone calls and e-mails to the Council Members and the Administration. He indicated responses to the questions posed in the flyer would be addressed at this Work Session. He stated copies of the flyer, along with responses to the questions in the flyer and other frequently asked questions had been provided to the Council Members, and would be provided to anyone requesting them. (Copies of those documents have been placed on file in the Clerk's Office).

Member Barnett provided a brief history of the issue, noting the matter had been given a high priority during the Speak Up process. He stated City Council requested citizen input on the issue by directing the matter to the CDV Committee. He indicated the CDV Committee formed an Ad Hoc Citizens Committee to review and investigate the many solid waste issues facing the City. He noted several members of the Ad Hoc Committee were in attendance at this meeting.

Member Barnett stated the Ad Hoc Committee presented a report to the CDV Committee, and the CDV Committee then utilized the services of a consultant to gather additional information and determine the advantages, disadvantages and cost projections of any proposed plan.

Mr. Cope provided a brief overview of the work conducted by the Ad Hoc Committee, and introduced the members of the Solid Waste Committee. He stated the Solid Waste Committee was charged with determining the cost of a single hauler system. He noted the committee reviewed and evaluated the information provided by the consultant, Resource Recycling Systems, Inc.

Mr. Jim Frey, Resource Recycling Systems, Inc., thanked all those who participated in the various committees. He stated the recommendation standard of service for solid waste was similar to that used by many communities in Southeast Michigan and Oakland County.

Mr. Frey stated the goals for the project were to identify real costs for services; identify the housing counts, and to evaluate funding options. He explained the goals also included reducing the wear and tear on the road system, improving public safety, and minimizing the impact on government size. He stated long-term goals of environmental responsibility; preparing for the imminent decrease in landfills and resultant increases in disposal costs, and assisting Oakland County with solid waste planning issues were also discussed.

Mr. Frey discussed the procurement strategy utilized by the Committee, which included utilizing the City's established purchasing process to take proposals. He stated the proposal included services identical to those currently received by the residents. He indicated, in order to increase competition, separate bids were taken for disposal and recycling. He noted those companies that had landfills provided "bundled" services, i.e., everything in one (1) package. He stated because a multi-year contract was important for good pricing, three (3) year contract periods were considered, with two (2) one-year options. He indicated the option of out-sourcing was also reviewed.

Mr. Frey reviewed the following phases of the review and assessment, which included:

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| Phase I | Disposal and Processing (Late 2002) |
| | - Landfill Disposal RFP |
| | - Recycling Processing RFP |
| | - Yard Waste Composting RFP |
| Phase II | Collection (January, 2003) |
| | - Base Proposal to Selected Facilities |
| | - Alternate for Bundled (to Vendor's own facilities) |
| Phase III | Outsourced Services (Early 2003) |
| | - Billing RFP |
| | - Leaf Collection RFP |
| | - Project Management RFP |

Mr. Frey discussed how the proposals for landfill disposal (regular and bulky waste); recycling processing (paper and bottles/cans or single stream), and yard waste (green waste, fall leaf and Christmas trees) were reviewed by the committee.

Mr. Frey described the collection services that were reviewed during the bid process, including curbside solid waste, curbside recycling, curbside yard waste (bagged), bulky waste/white goods, Christmas trees, handicap/senior "back door" service, municipal dumpsters, and municipal "on call" services.

Mr. Frey indicated outsource services such as billing, bulk leaf collection in the fall, and project management were also reviewed.

Mr. Frey indicated the following companies had responded to the various RFP's:

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|----------------------|--|
| Disposal | Waste Management (WMI)
Allied/Great Lakes |
| Recycling Processing | Waste Management (WMI) |
| Compost Processing | Waste Management (WMI) |

Collection	Waste Management (WMI) Allied/Great Lakes Five Star
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Mr. Frey indicated various companies had responded to the following RFP's:

Billing	LaserTech, Inc. LPD and Associates, P.L.C. 360 Services, Inc. Wolverine Mail, Inc. MP Billing- Plus
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Bulk Leaf Collection	E.R. Exteriors, Inc.
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Project Management	Shaw-EMCON/OWT, Inc.
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Mr. Frey described the evaluation process utilized, which included organizational, technical and financial criteria. He explained the technical proposals were reviewed; references were contacted and the results summarized; each committee member independently reviewed and scored the proposals; the technical scores were averaged, and the financial analysis scores were added.

Mr. Frey stated the top proposals were then determined as follows:

Disposal	WMI
Recycling Processing	WMI
Compost Processing	WMI
Collection	WMI
Billing	Wolverine Services
Bulk Leaf	E.R. Exteriors, Inc.
Project Management	Shaw-EMCON/OWT

Mr. Frey explained these vendors were not being recommended, but rather these vendors would be recommended if chosen.

Mr. Frey stated the collection vendors were allowed to “bundle” services together in a single contract, resulting in proposals from Waste Management and Great Lakes Waste (Allied). He indicated the best “bundled” proposal, from a price point of view, beat the best “unbundled” proposal as follows:

WMI Unbundled	\$11.18 per household per month
WMI Bundled	\$10.94 per household per month

Mr. Frey explained the services identified in both the bundled and unbundled packages, including weekly curbside solid waste, weekly curbside recycling, weekly curbside yard waste (April through November), Fall leaf (bagged), bulky waste/white goods, Christmas trees,

handicap/senior “back door” service, household hazardous waste (through the No-Haz Program), education and complaints (joint between the hauler and the City), and a curb-cart option.

Mr. Frey stated the committee developed funding system goals, including low start-up costs, low administration burden, easy implementation, easy administration, and the least complicated to maintain. He indicated the following funding options were explored:

Public Act 238 (Millage)	Permits cities to levy up to 3 mills tax Tax deductible Can be used for refuse, recycling, household hazardous waste, and similar services Requires action by City Council Vote of residents not required Primary funding method in SE Michigan Spreads cost across all parcels Higher value parcel pays more Business pays (often not served) Multi-family pays Lowers costs to residents Low cost to collect Non-pays become lien on property
Fee for Service – Billing System	Type of User Fee Fees match level of service Parcel must benefit from the service (by State Law) Generally voluntary (household could self-haul) Ordinance used to limit to one (1) hauler Fee variation of PAYT Is not widely used in SE Michigan All pay same fees No incentive to reduce or recycle Higher value parcels pay same as lower value parcel Business/Multi-family do not pay Charges full cost to residential sector Fee collection more costly to administer Need to define collection process for no-pays
Pay-as-you-throw (PAYT)	Residents pay for level of service requested May combine flat fee w/unit based fee - Imprinted bags - Stickers - Carts Flat fee approach often used with Millage - Millage pays a portion/also pay per bag Equitable system Higher generators pay more

Encourage recycling
Higher collection cost than Millage
Need to define collection process for no-pays

Hauler Franchise

Hauler is licensed to operate in the City
May license more than one (1) hauler
Hauler establishes own fees
Hauler bills residents
No clear legislative authority in Michigan
Limits ability to restrict other haulers
No clear source of savings for residents
Not used much in Michigan

Mr. Frey indicated nearly Sixty (60%) Percent of the communities in Oakland County utilize the Millage funding option.

Mr. Frey stated the committee reviewed the option of a separate bulk leaf collection in the Fall. He stated proposals for a separate leaf collection were taken, and the Administration had calculated the cost to use a municipal crew to provide the service. He indicated many of the vendors had included a Fall leaf collection in their proposals, which did not change their original bid proposals.

Mr. Frey reviewed the program management options, noting one (1) vendor had provided a proposal. He indicated the cost of in-house management was also reviewed. He discussed the billing operation options, if a Millage was not used, noting five (5) vendors had submitted proposals. He indicated the cost of an in-house option, building on the current utility billing system, was reviewed.

Mr. Frey stated the recommendation being made was to move ahead with a single hauler system; to have bundled services with a single hauler under one (1) contract including Fall leaf collection; the City would provide contract management; a Millage funding system; service would begin January 1, 2004; hauler prices would be guaranteed through 2008, and the current price proposals would be guaranteed to Fall, 2003.

Mr. Frey discussed the cost of the proposed system, which included residential services, municipal dumpsters, contract management, and the household hazardous waste program, which amounted to yearly cost of Three Million, One Hundred Eighty-nine Thousand, Six Hundred Twenty (\$3,189,620.00) Dollars. He explained the cost was applied to a One Hundred Thousand (\$100,000.00) Dollar taxable value, resulting in an annual cost of One Hundred Five (\$105.00) Dollars, based on a 1.05 mill. He noted a Millage could be deducted on an itemized tax return. He explained if a Millage was not used, billing costs would be higher.

Mr. Frey noted the community currently had other types of service-type Millages that were not used by everyone, such as RARA, Bike Path, OPC, Library, County Parks and Schools.

Mr. Frey concluded the committee recommendation would reduce costs to the residents, increase services, improved quality control, reduce wear and tear on the roads, improve public safety, reduce Ordinance enforcement, and minimize impact on government size. He stated the proposed contract would provide five (5) years of guaranteed pricing.

Mr. Frey stated if the recommendation was to proceed, Council would have to review the policy and implementation; an Ordinance Amendment would be necessary; the contract for the selected hauler would have to be approved, and the Millage and associated budget approved. He explained the vendor would have to complete negotiations with the City, including confirmation of every household, defining the routes, and educating the residents, prior to implementation of the program.

Mr. Cope reviewed a map on the easel, which depicted an annual subscription rate of Two Hundred Fifty-two (\$252.00) Dollars a year, which was determined to be the median rate of the current three (3) haulers operating in the City. The map also depicted the homesteads in the City with a taxable value equal to or greater than Two Hundred Thirty Thousand (\$230,000.00) Dollars, and the homesteads in the City with a taxable value of less than Two Hundred Thirty Thousand (\$230,000.00) Dollars. He indicated approximately Ninety-seven (97%) Percent of the City's residents would realize lower costs for solid waste services under the proposed program.

Mr. Cope referred to the comments contained in a recently distributed flyer, and indicated he and Mr. Frey would like to respond to those comments. (A copy of the flyer and the May 14, 2003 Memorandum prepared by City Staff and Resource Recycling Systems, Inc. have been placed on file in the Clerk's Office and made a part hereof by reference).

Mr. Cope and Mr. Frey then reviewed a May 14, 2003 Memorandum prepared by City Staff and Resource Recycling Systems, Inc., addressing "Frequently Asked Questions" about the proposed City of Rochester Single Hauler System. (A copy of the memorandum has been placed on file in the Clerk's Office and made a part hereof by reference).

Mr. Cope introduced Mike Csapo, the General Manager of Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC).

Mr. Csapo stated RRRASOC represented eight (8) Southwest Oakland County Communities, including Southfield, Farmington, Farmington Hills, Novi, Walled Lake, Wixom, and Brandon Township. He explained he had been requested to provide a brief explanation of how the RRRASOC communities handled their waste hauling services.

Mr. Csapo stated six (6) of the communities provide full-service curbside collection including garbage, yard waste and recyclables, and two (2) of the communities utilized subscription based services. He referred to excerpts from a study conducted by RRRASOC indicating current service providers and the cost of the service in 2000. He stated the rural townships in the outlying areas primarily utilized the subscription-based service, which is the type of service currently used in Rochester Hills.

Mr. Csapo stated Waste Management and Great Lakes/Allied Waste provided the majority of the service for the Communities, although the Cities of Detroit and Pontiac utilized a municipal work force.

Mr. Csapo stated four (4) of the communities were currently two-thirds (2/3) of the way through a fifteen (15) year contract with Waste Management, which included locked-in prices through 2008. He noted the contracts included a “quit without cause” provision that allowed the communities to give notice, cancel the contract, and go out for bids. He indicated service complaints were tracked, and for the last quarter, there were less than one (1) complaint per one thousand (1,000) households, on the average.

Mr. Csapo stated another reason to break a contract would be if it was determined that services could be provided at a lower rate. He noted not all communities included this cancellation provision in their contracts.

Mr. Csapo stated the range of contract rates per household per year ran from a low of One Hundred Seven (\$107.00) Dollars to a high of One Hundred Seventy-one (\$171.00) Dollars. He noted the rate indicated with the proposed program for Rochester Hills was below the median rate for the RRRASOC communities.

Recess - 9:23 PM to 9:37 PM

Lee Zendel, 1575 Dutton Road, stated he had prepared a short PowerPoint presentation regarding the issue of a single waste hauler. He stated the consultant’s report included a current estimated cost of service that did not accurately reflect the total number of households, because it was based on census figures, which included both apartments and condominiums. He stated the consultant later revised his total number of households, which would reduce the projected five (5) year savings by Thirty-two (32%) Percent.

Mr. Zendel stated approximately half of the condominium complexes in the City used dumpsters, which increases the projected figures of households with no service, and reduced the number of households paying a full service price. He noted he had increased the number of subdivision subscribers to Forty (40%) Percent, rather than the Thirty-five (35%) Percent utilized in the consultant’s report.

Mr. Zendel stated the proposed contract included a Two and one-half (2.5%) Percent escalation price per year. He indicated his figures resulted in an annual savings to the residents of Four Hundred Sixty-five Thousand, Sixteen (\$465,016.00) Dollars, or an average daily savings per householder of Six (\$.06) Cents per day.

Mr. Zendel noted the RFP’s had not received as many responses as originally expected. He discussed the proposed Millage to pay for trash service, which did not require voter approval and would not qualify under the Headlee exemption. He indicated the Millage would only be tax deductible if taxable income is over Forty-six Thousand, Seven Hundred (\$46,700.00) Dollars, and only if deductions were itemized. He stated if the average Millage charge was One Hundred

Thirty-two (\$132.00) Dollars, a taxpayer would save Nineteen and 50/100 (\$19.50) Dollars on Federal Taxes.

Mr. Zendel stated although the Millage rate might not increase, the taxable value of the homes would increase Two and one-half (2.5%) Percent each year. He indicated he felt as many as Thirty (30%) to Forty (40%) Percent of the residents would pay more for trash services at the beginning of the program, either because of their home's taxable value, or because they reside in a subdivision currently paying a special rate.

Mr. Zendel stated most residents considered the amount of their garbage bill to be less important than other household bills. He noted most residents only wanted to be assured when they put their garbage out, someone took it away.

Mr. Zendel stated many states and some local governments had enacted "bad boy" or "good conduct" laws to avoid doing business with companies that show a lack of integrity. He stated the RFP required a company to disclose a five (5) year history of all claims, settlements, arbitrations, litigation proceedings, and all criminal legal actions for the company, its parent company, subsidiaries or partners. He indicated the RFP also required disclosure of all enforcements actions taken against it by any regulatory agency for the past five (5) years.

Mr. Zendel stated Waste Management (WMI) only provided information about matters in Michigan in its response to the RFP. He stated WMI had thirty-six (36) subsidiaries registered in Michigan. He reviewed the data he had discovered regarding WMI and some of its subsidiaries in other communities, including California, New York, Virginia, Indiana, and Florida.

Mr. Zendel stated WMI had indicated in its response to the RFP that its Eagle Valley Landfill had a life expectancy of more than five (5) years. He indicated WMI later told the Michigan Department of Environmental Quality (MDEQ) that if its application to expand was not granted, the remaining capacity life was 2.4 years.

Mr. Zendel stated WMI indicated in quarterly reports to the City that recyclables were taken to Recycle America and WMI received no payment from them. He indicated the parent company of Recycle America was WMI.

Mr. Zendel stated he had researched the complaint figures provided with the consultant's report, and the number provided for Sterling Heights was not accurate.

Mr. Zendel stated the City's Purchasing Ordinance spoke to dealing with the lowest, responsive, responsible bidder. He indicated he did not feel WMI fully responded to the RFP and their record did not reflect a responsible company.

Mr. Zendel concluded the proposed program would result in only minor cost savings initially to perhaps Sixty (60%) Percent of the residents; it was likely those residents who itemize would pay more than they currently pay, and tax deductibility was a non-issue for the majority of the residents. He indicated he had weighed the proposed program and found it wanting.

Judy Daggett, 6600 Orion Road, stated she did not want to pay more taxes for waste hauling service. She indicated she was happy with the company she was using, and she preferred to have a choice. She stated she had all the enhanced services mentioned with the proposed program. She stated she had seen how other services operated in the City, and would not want to utilize the services of those companies. She stated she would not want to pay for garbage service for an entire year if she wintered in another state. She stated the size of a home had nothing to do with the amount of garbage generated, rather this was determined by the size of the family.

Rea Siffring, 971 Dutton Road, stated currently the residents can chose to participate, and the proposed program would not allow the residents to handle garbage pickup on their own. She noted there would not be a vacation relief option, and the residents could not opt out of the plan. She did not feel the promised benefits and service could be delivered, and she felt complaints would increase with the proposed program. She indicated the residents should be allowed to handle their own garbage pickup, and Council should focus on roads, planning, zoning, parks, water and sewer. She felt Council was trying to fix something that was not broken, and such a sweeping change should not be made without voter approval.

Mary Jo Dinha, 851 Dressler Lane, stated she was a fifty-nine (59) year resident, and was the Chairperson of the Zero New Taxes committee. She felt the residents preferred to negotiate for their own trash hauling services, and the proposed plan would escalate costs. She indicated the fee would be discriminatory because it would be based on the value of the home rather than the amount of trash generated. She stated the residents had considered this issue in the past, and had rejected it.

Rev. Dr. Pamela Whateley, 1600 N. Livernois, stated Council Members were supposed to represent the residents and carry out their wishes. She indicated the residents had repeatedly voted not to have a single trash hauler, and the issue should be closed. She felt the voters were being bypassed with special subcommittees and studies, which cost the voters money. She stated the residents wanted to pick and choose their own trash haulers to meet their own needs; to be able to change trash haulers when their needs were not being met; to change trash haulers whenever they find a hauler with more reasonable rates; to change trash haulers if they feel recycling is not being done, and to make complaints to a person not an answering machine. She stated if the residents chose their own trash hauler, they would not be affected by a single trash hauler strike, or by having to pay higher collection rates based on the whim of a single trash hauler. She noted the City could levy up to three (3) mills to cover trash hauling expenses, and stated that amount would increase as the value of the homes increased. She felt this issue should be placed on the November Ballot to allow the voters to decide.

Robert Kelley, 185 Nawakwa, stated he was in the solid waste removal business because he hired a company to pick up his trash each week and he paid them quarterly. He stated this allowed him to be the boss, and if he was not happy with the service, he could choose another hauler. He felt it was his right to continue with this practice. He stated the discussion had centered around providing this service in the cheapest manner, and noted “you get what you pay for”. He did not agree with basing the fee on the value of the home. He felt voter approval should be received on this issue.

Tom Stevenson, 708 River Bend Drive, stated he was a member of the citizen's Ad Hoc Committee, noting at the time the committee was formed, he did not believe a single hauler would work. He indicated after a year's worth of study by the committee, he became convinced this was the way to handle the matter. He stated as former president of his homeowner's association, he negotiated three (3) separate contracts for his subdivision. He noted although the cost was great, the service was awful. He felt the key to the whole situation was not the cost or the savings, but rather he wanted to be able to put his trash out on the curb and have it disappear. He stated he had interviewed other cities about their trash hauling programs, and the communities where a single hauler did not work indicated the reason it did not work was because they selected the wrong trash hauler. He stated a consortium had been formed in the Saginaw Valley, comprised of sixteen (16) communities that contracted their solid waste together, and provided a considerable cost savings to those communities. He felt having the City control the service would provide the clout necessary to force complaints to be dealt with. He indicated he did not agree with putting the charge on the tax bill, and suggested the service be billed as an additional item on the water bills.

Herbert Morawe, 850 Dickson Lane, stated he was a thirty (30) year resident. He stated this issue had been rejected by the residents, and questioned why a proposal was being considered again. He indicated he resided out of state for several months during the year, and it was his normal practice to cancel the newspaper, cable television, telephone and the trash pickup. He stated that saved him money, and the proposed Millage increase would not save him money. He suggested Council consider the retirees and seniors in the City.

Karen Bickle, 735 Sandstone, stated she was a member of the citizen's Ad Hoc Committee and the committee had spent a considerable amount of time reviewing this issue. She noted this was not a simple issue, nor was it a single issue. She stated a process for waste disposal needed to be provided for the entire community, which included environmental issues, the number of days trash sits out on the curb, cost, and wear and tear on the roads. She noted wear and tear on the roads was the reason the residents kept bringing this issue up. She stated many roads had been redone and the residents wanted to maintain them. She indicated many of her neighbors put rocks along the edge of the road to prevent the trucks from running over the lawns. She felt accountability was an issue, and she felt the City should investigate the companies prior to choosing a hauler. She indicated her present hauler was charging her ninety-five (\$.95) cents as a service charge to send her a bill. She discussed her frustration in dealing with billing and other service problems with her current waste hauler, and indicated she felt the clout of the City would make a difference.

Gerard Gray, 755 Baylor Road, stated he had heard the Millage was not limited to Waste Management. He noted once service was in effect, the quantity of waste allowed the residents could be reduced, without costs going down. He suggested consideration be given to non-resident status to allow those who reside out of state not to pay for the months they are out of town. He did not feel the proposed program was equitable to empty nesters. He expressed concern about empty trashcans being left in the street after the hauler goes through the neighborhoods. He questioned why more bids had not been received for the proposed program. He stated he did not see a need for change at this time, although he felt that hazardous waste

should be addressed. He believed the issue should be put to a vote of the people, without incurring a special election cost.

Ethel Cenkner, 2609 Stonebury, stated she was a thirty (30) year resident, and noted the presentation had been hard to hear due to the inadequate public address system. She indicated due to the lateness of the hour, many residents who had been in attendance and wanted to speak had left. She complimented the presentation made by Mr. Zendel because it provided an opposing point of view. She stated she did not want to give up her right to choose a waste hauler. She stated she understood Waste Management had been involved in a scandal in Warren, Michigan, several years ago. She indicated she felt the issue should be reconsidered and should be placed on the ballot. She stated she felt the proposed program would not benefit those who owned vacant land, and those who lived in condominiums, mobile homes and apartments.

Member Golden stated she had received some citizen comments via e-mail from **Susan Marino, 500 Allston Drive**, which she read for the record (a copy of which has been placed on file). Ms. Marino indicated she was unable to attend the meeting, and wanted to make her objection to a single hauler known. She stated she owns several pieces of property in the City; she only requires one (1) pickup, and is satisfied with her current hauler. She felt the current proposal would be expensive and would not be beneficial to her.

President Dalton thanked the residents for their comments, and noted this was a Work Session and no City Council decision would be made at this time.

Member Holder stated this issue should be placed on a ballot to allow the residents the opportunity to vote. She referred to the comments about the public address system in the building. She explained this meeting area was a temporary setting during construction and renovation at the City Hall Building. She did not feel it would be cost effective to spend money on this temporary area. She thanked the residents for being patient during the construction process.

Member Golden stated Council Members had received a tremendous volume of telephone calls and e-mail correspondence regarding this issue. She indicated she would request Mr. Zendel to allow her to put his presentation on her website (loisgolden.com), and noted it had been put on the City's website as well. She thanked the Ad Hoc Committee for their hard work, noting this issue was being addressed at the request of the residents. She indicated approximately Seventy-five (75%) to Eighty (80%) Percent of the telephone calls and e-mails she received were opposed to a single hauler. She stated some residents had expressed concern about the additional truck traffic on the roads, and noted their complaints with their current hauler. She indicated additional concerns expressed were about creating a monopoly, inequities, no choice in service, snowbirds, and the fact that government should stay out of trash. She thanked Mrs. Dinha for creating an awareness of this issue within the community. She noted the prior City Council Work Session held in 2002 and the Ad Hoc Committee meetings had not been televised to allow the residents an opportunity to learn about the issue.

Member Hill stated it was the responsibility of the legislative body to help provide the best service possible for the least amount of cost that would benefit the greatest number of people in

the community. She noted if the private sector could do a better job, then government should not do it. She referred to the comments about competition and monopolies, and noted three (3) licensed haulers were currently operating in the City, and two (2) of those haulers had bid on the proposal. She noted the difference in rates among the various haulers, and stated she would prefer to receive more services at a cheaper rate. She explained some residents would also receive a benefit of an itemized or homestead deduction. She noted there were other major issues for the City to consider, such as storm water and roads, which would be costly. She stated Council had previously committed to a fifteen (15) year bond to pay for a five (5) year road program. She explained the residents did not all pay the same amount for the road bond because it depended on taxes, and noted not all residents used the roads that have been repaired. She stated the residents did not currently pay for the amount of trash put out at the curbside, noting they were being charged a flat fee no matter what was put out. She indicated if the taxable assessment increased, the Millage rate required to pay for trash removal service would be reduced. She stated Millage rates had been reduced previously, and explained the water bills had been subsidized for many years.

Member Duistermars stated he had reviewed the matter thoroughly, and indicated he did not agree with the Millage proposal due to the inequities related to condominium owners, businesses, etc., who would be charged for a service they would not receive, and would be charged again by the hauler they utilized. He noted any additional cost to a business would be offset by increased charges to the consumer.

Member Holder stated this issue had been discussed many times over the years. She stated she had not voted to hire a consultant for this matter because she did not feel there was enough of an issue to merit the expense. She noted a “Grade Your Government” meeting was being held at the City Hall Municipal Building on Thursday, May 15, 2003 at 7:00 PM. She indicated this was an opportunity for the residents to meet with the Mayor, City Council and the Administration to discuss their issues.

Member Barnett noted the late hour and thanked the residents who had remained to provide their comments and input on this issue. He stated he appreciated the turnout at this meeting because the best thing a City could have was an informed resident. He indicated one (1) of the goals of this Work Session was to get the information out, and to ensure the residents understood the benefits, as well as the positives and negatives of the issue. He agreed the most important part of this issue was that the trash put out at the curb went away, followed by the cost of that service. He stated a balance would have to be found between any cost savings associated with the proposed program, and the rights of the residents to make a choice. He felt it was prudent for the City to review realistic opportunities to keep more of the residents’ money in their pockets. He noted the funds generated by the proposed Millage would be strictly used for the solid waste program.

Member Golden referred to a comment by a resident about hazardous waste, and noted the No-Haz Program was beginning. Mr. Cope stated a schedule had been printed in the Hills Herald, and posted on Channel 55 and the City’s website. He explained the City was participating in a consortium formed by Oakland County and several other communities to provide the No-Haz Program to the residents.

7. COMMENTS & ANNOUNCEMENTS

7a. City Council Members

7b. Mayor

7c. Attorney

No comments or announcements were made.

8. ANY OTHER BUSINESS

Member Holder stated she had received a telephone call from a postal carrier who indicated that flyers had been put on mailboxes. She was informed that the postal carriers removed the flyers from the mailboxes and turned them over to the Postmaster. She stated the Postmaster would contact the party responsible for the flyer, and could charge the responsible party the amount of regular postage due for each flyer collected. She suggested flyers not be distributed on mailboxes or on the flags on the mailboxes.

9. NEXT MEETING DATE

9a. Wednesday, May 21, 2003 - Regular Meeting - 7:30 PM

10. ADJOURNMENT

There being no further business to discuss before Council, President Dalton adjourned the meeting at 10:53 PM

JOHN L. DALTON, President
Rochester Hills City Council

JUDY A. BIALK,
Administrative Assistant to the City Clerk

BEVERLY A. JASINSKI, Clerk
City of Rochester Hills

5. APPROVAL OF MINUTES

None provided.

6. COMMUNICATIONS

Members received an article on Stormwater Utility provided by Mr. Rouse.

7. UNFINISHED BUSINESS (UNFINISHED OR PENDING MATTERS)

A. Solid Waste Update

Mr. Barnett advised that a presentation was made at the May 14, 2003 City Council Work Session. On behalf of the Committee, Mr. Barnett thanked Mr. Cope for his hard work and time spent on the project.

Mr. Barnett stated that President Dalton indicated the issue would be scheduled for a Regular Council Meeting in June.

Mr. Cope stated he had received phone calls from people in support of the proposal after attending the presentation. Mr. Cope also noted that the Detroit Free Press would publish an article in the May 29, 2003 paper pertaining to the presentation.

In response to Mr. Dalton, Mr. Cope stated he would contact the consultant to see if another presentation could be presented at the Council Meeting in June.

Members expressed their comments and views on the presentation.

B. Road Funding Issues

Road Funding:

Mr. Rouse advised that all road-funding scenarios previously discussed had been revenue financed options. For future discussion, Mr. Rouse stated another option that had not been explored in depth was long-term debt finance.

Road Policy:

Mr. Rouse requested the Committee consider adding requirements for irrigation on boulevards to the road policy. Mr. Rouse stated numerous complaints are received regarding the condition of the boulevard on Livernois. Mr. Rouse said the original irrigation plan was removed from the project to save money.

Mr. Schroeder advised that the City of Troy no longer includes the irrigation system and landscaping in their contracts for boulevards. Once the road project is complete, their Parks Department receives bids, and then they complete the irrigation and landscaping installation.

MINUTES of a **Special Rochester Hills City Council Work Session** held at 1700 W. Hamlin Road, Rochester Hills, Michigan, on Wednesday, August 13, 2003 at 7:30 p.m.

1. CALL TO ORDER

President Dalton called the Special Rochester Hills City Council Work Session to order at 7:39 p.m. Michigan Time.

2. ROLL CALL

Present: President John Dalton; Members Bryan Barnett, Jim Duistermars, Lois Golden, Melinda Hill, Barbara Holder

Absent: Member Gerald Robbins

QUORUM PRESENT

Others Present: Jane Leslie, Deputy Clerk
Ed Anzek, Director of Planning/Zoning
Scott Cope, Director of Building Department/Ordinance Enforcement

President Dalton stated Member Robbins provided previous notice that he would be absent and asked to be excused.

3. PUBLIC COMMENTS

None

5. DISCUSSION - Solid Waste Issue (A0648)

STAFF COMMENT:

Mr. Scott Cope, Director of Building Department/Ordinance Enforcement, introduced the results of a Household Refuse Collection Study conducted through the Center for Local, State and Urban Policy at the Gerald R. Ford School of Public Policy at the University of Michigan, in conjunction with Resource Recycling Systems, Inc. (RRSI) of Ann Arbor, Michigan. The study examined levels of satisfaction with Individual Subscription Service, Public Agency and Contracted Hauler systems of solid waste removal. Mr. Cope noted that, although the survey of Rochester Hills and its neighboring communities was small in scope (171 respondents), its results were reflective of the larger Oakland County survey results (734 respondents). Both surveys showed greater satisfaction with the Contracted Hauler form of solid waste removal as opposed to the Individual Subscription or Public Agency systems.

He also addressed the issue of the effect of garbage trucks on local roadways, noting that, according to the City's Engineering Department and Geotechnical Consultant, a garbage truck is equivalent to 8,000 to 12,000 normal vehicles on the road. Through Internet research, he found

an estimate of a 15,000 vehicle equivalent.

RESIDENT COMMENT:

Mr. Tom Stevenson, 708 River Bend Drive, stated that he was on the ad hoc committee that originally examined the solid waste issue and felt that the consultant report, which followed the report of the ad hoc committee, “muddies the water.”

Mr. Lee Zendel, 1575 Dutton Road, questioned why the government of Rochester Hills should be involved in city residents’ garbage removal. He noted that the city would be encouraging a monopoly to save only pennies per household. He cited single hauler complaint statistics from surrounding communities. He suggested that the real problem with road damage was winter weather rather than garbage trucks. He noted that City Staff approved the bid from Waste Management although it did not meet the established criteria.

Rea Siffring, 971 Dutton Road, indicated that she did not want the City to take away her choice of trash hauler. She asked Council to clarify their individual positions on the single hauler issue.

Judy Daggett, 6600 Orion, stated she is very satisfied with her garbage service and if she were not, she would change haulers. In addition, she has the option of opting out of service for reasons of travel, etc. She also noted that there are many other trucks on the road in addition to garbage trucks causing road damage.

Mary Jo Dinha, 851 Dressler, Chairperson Zero New Taxes, comparing the single hauler issue to the utility companies, indicated that a single hauler system would create a monopoly and eliminate competition, thus increasing prices.

Council Member Golden read into the record an email from residents **Ms. Susan Marino** and **Mr. Michael Marino**, 500 Allston, stating they are multiple property owners as well as business owners who oppose the single hauler system of solid waste removal noting it would increase their taxes, require them to pay for the service for all of their properties as well as pay for removal separately for their business.

COUNCIL DISCUSSION:

Ms. Golden voiced her disagreement with the prohibition on discussing the financial aspects of the single hauler issue at this Work Session, noting that not all residents may be able to attend the next Work Session. She noted that the City’s survey taken in 1997 showed that many residents were interested in a single trash hauler, but were opposed to a new tax to fund it. She requested that Staff provide Council with the pertinent pages from that 1997 survey. Ms. Golden also requested the “last minute” information the Consultant provided at the February 6, 2002 Work Session.

President Dalton emphasized that the format for the evening’s Work Session eschewing discussion of the financial aspect of the single hauler issue was announced at previous Council meetings.

Ms. Hill reviewed the ad hoc committee, consultant and Community Development and Viability Committee (CDV) goals as established in the original study: a) save residents money, b) increase services, c) reduce wear and tear on road system, d) improve public safety, and e) minimize impact on government size. She asked her fellow Council Members to voice any problems they have with these goals and what the bidders offered to provide the city.

Ms. Golden noted that, similar to the Community Center idea, residents like the idea of a single hauler, but do not want to pay for it.

Ms. Hill questioned why, aside from the financial issue, do residents resist this plan.

Ms. Golden listed the creation of a monopoly and a lack of competition as reasons other than money for resident opposition to the plan. She then asked President Dalton if she could break from the established format and ask Mr. Cope a question regarding money. Ms. Golden inquired as to why the plan does not include a base amount or flat rate, rather than a percentage rate. In addition, she questioned some of the requirements in the consultants study, specifically noting the need for a transfer station within a certain radius and certain colored bins for recycling.

Mr. Cope noted that the purpose for the colored recycling bins was to differentiate the different materials to be placed in them (i.e. newspapers, cans, etc.). He then asked for clarification of her question regarding a flat rate fee for services.

Ms. Golden noted that under the percentage plan, some residents will pay more for trash hauling services than other residents. She asked why a flat rate for everyone in the city was not considered.

Mr. Cope explained that, as one of the stated goals of the study was to save residents money, a millage would spread the cost out among all City residents. Billing all residents will require hiring a new employee and adapting this billing to the water and sewer billing system. He noted it would be a more complicated process.

Ms. Golden, noting that the Mayor has stated she will not hire any new employees to administer this new trash hauling system, asked how many people will be required to handle billing and complaints.

President Dalton cautioned that the discussion was “drifting” back to the issue of finances, reiterating that that subject would be covered during a future meeting.

Ms. Hill suggested that Council Members “pretend it’s free” and discuss all other issues of opposition not related to money.

Ms. Golden reiterated that the elimination of competition and freedom of choice were primary fears of residents. She also noted that when using a private hauler, residents can choose to discontinue service temporarily during absences from home due to vacation or travel.

Mr. Cope clarified that he was merely presenting pertinent information and was not attempting to sway any Council Member's opinion on the subject under discussion.

(Recess 8:39 p.m. to 8: 57 p.m.)

Mr. Duistermars stated that he has spoken to several residents on this particular subject and many have expressed the same concerns as voiced earlier in the discussion such as lack of choice, lack of competition. He voiced his doubt that, other than placing the issue on a ballot, an option that may not be possible, it is unlikely an accurate assessment of residents' opinions can be garnered. Mr. Duistermars also voiced his concern regarding how much power the City would have to deal with complaints and compliance, were a single hauler plan put in effect.

Mr. Cope, citing his detailed investigation as to the City's ability to currently deal with waste disposal complaints and compliance, noted that, according to the City Attorney, there is nothing the City can do by Ordinance to enforce the separation of recyclable materials and garbage. There are no State or Federal mandates that dictate this separation.

Mr. Duistermars voiced his concern that the City can issue fines of up to \$500 per resident complaint, but if the contracted hauler disagrees, they can then take the City to court over the matter. He hypothesized a situation wherein the City would be unable to pursue complaints due to excessive legal fees.

Mr. Cope noted that the contract with a single hauler had not yet been negotiated and that the City would negotiate the contract in a manner favorable to the City.

Mr. Barnett cautioned that the previously described situation was a "worst-case scenario" with regards to complaints. He stated that a waste management company is unlikely to fight multiple complaints in court, noting that this would cost the hauler a great deal of money as well. After expressing his opinion that contracting with a single hauler did not constitute a monopoly situation, he suggested that Council members need to determine whether residents value their freedom of choice over the other stated goals of contracting with a single hauler.

Ms. Holder questioned Mr. Anzek as to whether the single hauler issue had been included in the recent citywide survey.

Mr. Anzek, Director of Planning/Zoning, noted that while the survey did not ask a specific question regarding the single hauler issue, many residents wrote in their opinions and they were included in the results. He stated that of forty-five (45) responses, thirty (30) were in favor of a single hauler.

Ms. Holder expressed her assessment that there is one solid waste hauler in particular that receives a high volume of complaints. She questioned how complaints would be handled in a single hauler situation.

Mr. Cope noted that there are currently four (4) haulers working in the city, and his office has received complaints about all of them, particularly regarding the mixing of recyclable materials

with the regular garbage.

Ms. Holder stressed her concern for the amount of trucks traveling on subdivision streets and the inherent damage they cause, noting that this could be reduced by homeowner associations contracting with a single hauler for their subdivision. She expressed her support for including this issue on a ballot and noted that most of her emails from residents express opposition to the single hauler issue.

Ms. Hill questioned Ms. Holder as to whether she had concerns with the present proposal and the services offered and why, as a resident, she opposes a single solid waste hauler.

Ms. Holder stated that, although the single hauler proposal “seems to be a good plan,” she does not want to lose her freedom of choice.

Ms. Hill expressed her belief that the purpose of government is to provide the best service for the least cost to the most people and that, while a single hauler will not satisfy everyone in the city, it will reduce the amount of truck-damage to local roads. Further, it will give the city the responsibility to handle complaints or problems, thus relieving residents of individually battling separate waste haulers.

Ms. Golden expressed concern with the small number of contractors who participated in the bid process. Then, returning to the monopoly argument, Ms. Golden stated, “you don’t inspire good price, good service when you don’t have choice.” She then suggested that the on-going discussion of switching to a single hauler has caused harm to small-business haulers. She referred to a conversation with her hauler who noted that he has reluctant to hire more employees or invest further in his company fearing that a single hauler in Rochester Hills would be detrimental to his business. She questioned whether the city would actually have the influence to solve problems with a single hauler, or would simply be a “billing agent.” She suggested, rather than placing the issue on the ballot, that a city-wide survey specific to this issue be conducted.

Mr. Cope, in response to concerns about the small number of haulers providing proposals, indicated that, because this issue has been raised repeatedly for several years without resolution, solid waste businesses are no longer motivated to participate in the bidding process.

Mr. Barnett suggested that the solution is to create a detailed contract between the City and the chosen single hauler that would encompass and address all of residents’ and Council Members’ concerns.

Ms. Holder questioned who will “make the decision to scrap this whole thing?” She noted that, in her dealings with residents, the majority are opposed to this issue and again suggested that it should be put to a vote.

President Dalton praised the ad hoc committee for accomplishing the goals as mandated at the beginning of the process. He expressed concern for the ever-dwindling local landfills and stressed the environmental concerns associated with this issue. He also noted that with regard to freedom of choice, living in a city always results in some loss of rights (i.e. hunting, speeding,

blaring loud music). In conclusion, he praised and thanked residents and Council Members for their comments.

5. ANY OTHER BUSINESS

None.

6. ADJOURNMENT

There being no further business to discuss before Council, President Dalton adjourned the meeting at 9:53 p.m.

JOHN L. DALTON, President
Rochester Hills City Council

MARGARET STRATE
Administrative Secretary
City of Rochester Hills

BEVERLY A. JASINSKI, Clerk
City of Rochester Hills