



# Rochester Hills Meeting Agenda City Council

1000 Rochester Hills  
Drive  
Rochester Hills, MI  
48309  
(248) 656-4660  
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, July 21, 2004

7:30 PM

1000 Rochester Hills Drive

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## CALL TO ORDER

## ROLL CALL

## PLEDGE OF ALLEGIANCE

## APPROVAL OF AGENDA

## PUBLIC COMMENT

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

## ATTORNEY MATTERS

## RECOGNITIONS

- 2004-0610 Honorary Proclamation Recognizing - MDA Firefighter "Fill The Boot" Program
- 2004-0612 Lutheran High School Northwest, Division 4 Varsity Baseball Team 2004 State Champions

## CONSENT AGENDA

All matters under Consent Agenda are considered to be routine and will be enacted by one motion, without discussion. If any Council Member or Citizen requests discussion of an item, it will be removed from Consent Agenda for separate discussion.

- 2004-0556 Request for Purchase Authorization: BUILDING: Fire Suppression and Alarm Plan Review and Inspection Services, blanket purchase order not-to-exceed \$97,218.40; Fire Safety Consultants, Inc., Schaumburg, IL
- 2004-0595 Request for Purchase Authorization - DPS: Rock Salt, blanket purchase order not to exceed \$153,157.50; Primary Vendor: Morton Salt, Chicago, IL; Secondary Vendor: Cargill Salt, Inc., North Olmstead, OH

- 2004-0599 Adoption of Resolution upholding the requirement for constructing an eight-foot wide pathway along the westerly side of Crooks Road between Auburn Road and the Deerfield Elementary School
- 2004-0600 Request for extension of time or modifications of terms to correct the site deficiency of the storm water quality system for Millstream Village Development; Gary Cooper, Grand Sakwa
- 2004-0605 Resolution of Intent to Create a Joint Local Development Finance Authority (LDFA) with City of Auburn Hills and to Hold a Public Hearing.
- 2004-0621 Designation of Voting Delegates to Michigan Municipal League business meeting to be held on Thursday, September 30, 2004 at the Grand Hotel, Mackinac Island, MI
- 2004-0624 Adoption of Resolution to change July 28, 2004 Regular Work Session to Regular Meeting

## **COUNCIL COMMITTEE REPORTS**

### **NEXT MEETING DATE**

*Wednesday, July 28, 2004*

### **ADJOURNMENT**

Note:

Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the Clerk's Office at 248-841-2460 at least 48 hours prior to the meeting.

## **City Council Agenda Summary Sheet (Non Purchases)**

**Agenda No:** 2004-0041 – Solid Waste  
**Date:** 7-12-04  
**Prepared By:** Scott Cope  
**City File No:** N/A

**Meeting Date:** 7-21-04

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### **PURPOSE:**

To obtain City Council direction to move forward with the Single Hauler Solid Waste Program and the desired billing method to be used.

### **DISCUSSION:**

The Single Hauler Solid Waste Program has been reviewed with City Council at three previous meetings. The complete presentation was provided by City staff and Resource Recycling Systems, Inc. (RRSI) on May 14, 2003. City staff presented the service portion on August 13, 2003 and the funding methods on January 28, 2004. City Council requested that the Solid Waste Committee further identify the cost per household and provide additional information regarding the three billing options.

City staff worked with Waste Management, Inc. (WMI) and performed a physical house-by-house count to determine the actual number of households that would be serviced. We have also researched the three billing options and compared them to the funding system goals. The Solid Waste Committee, RRSI, City Staff, CDV and the Citizen Advocate Committee have worked to provide City Council with the necessary information that will allow you to make an informed decision in the best interest of the residents of Rochester Hills. We look forward to Council's direction.

### **FISCAL INFORMATION:**

None at this time.

### **RECOMMENDATION:**

It is recommended that City Council give the Mayor and City Administration the direction to move forward with the single hauler solid waste program using the City (in-house) billing method.

**ATTACHMENTS:**

PowerPoint presentation  
1-28-04 City Council workshop meeting minutes  
8-13-2003 City Council work session meeting minutes  
5-14-2003 City Council work session meeting minutes  
3-27-03 CDV Committee meeting minutes  
"Reject a Single Garbage Hauler" flyer  
Response to "Reject a Single Garbage Hauler" flyer  
Frequently asked questions

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Department Authorization: Scott Cope

Reviewed by:

Fiscal: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**



# Rochester Hills

## Minutes

### City Council Work Session

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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. Rouse 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

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##### 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:

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

#### SCHEDULE - OPTION 1: RENOVATION AND ADDITION

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- \* 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

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- \* 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:

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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:

- \* 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:*

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- \* 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:*

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- \* 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:*

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

*Billing Option:*

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- \* 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.*



**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.

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

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**MARGARET STRATE**  
Administrative Secretary  
City of Rochester Hills

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

**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-Galeczka, 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:

- 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:

- |                      |  |
|----------------------|--|
| Disposal             | Waste Management (WMI)<br>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
Bulk Leaf Collection	E.R. Exteriors, Inc.
Project Management	Shaw-EMCON/OWT, Inc.

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

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

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**JUDY A. BIALK,**  
Administrative Assistant to the City Clerk

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

Nays: None  
Absent: Duistermars

**MOTION CARRIED**

**5. APPROVAL OF MINUTES**

**A. Regular Meeting – December 12, 2002**

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**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.

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### 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.

# City of ROCHESTER HILLS

1000 Rochester Hills Drive, Rochester Hills, Michigan 48309-3033

Pat Somerville, Mayor

City Council Members: Bryan K. Barnett   John Dallon   Jim Duistermars   Lois Golden   Melinda Hill   Barbara L. Holder   Gerald Robbins

## DEPARTMENT OF BUILDING/ORDINANCE ENFORCEMENT

Scott Cope  
Director

John Hines  
Deputy Director

Richard Young  
Supervisor of  
Inspection Services

Telephone  
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FAX  
248.656.4623

Inspection Requests Only  
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Residential Zoning  
Review  
Residential Grade Review

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Electrical  
(signs, fire alarm)  
Plumbing  
Mechanical  
(heat, air conditioning,  
fire suppression)

Ordinance Enforcement  
Addressing  
Zoning Compliance  
Signs  
Weed Control

Construction / Fire  
Board of Appeals

City Hall  
General Information  
248.656.4600

Pat Somerville  
Mayor  
248.656.4664

Date: May 14, 2003  
Prepared by: City Staff and Resource Recycling Systems Inc.

## Response to Questions/Statements Included in "Reject a Single Garbage Hauler" Flyer Paid for by Zero New Taxes

### With a millage our trash pickup cost will automatically increase due to assessment increases.

The hauler's costs are fixed at pre-determined rates for up to five years. Each year the Council will take these known costs, calculate the required millage rate and incorporate it into the annual budget approval process. With the increase in taxable value and continued growth in the City, the millage rate can actually be expected to decrease as these fixed costs are spread over a larger taxable base.

### This will eliminate competition and create a monopoly.

There are over 10 solid waste management haulers providing single hauler services under contract to municipalities in SE Michigan. As the City of Rochester Hills gets into the final year of its first contract for a single hauler program the City will want to undertake another purchasing process, just as it did to select this vendor. At that time it is expected that at least three and as many as six to ten haulers will be bidding for that contract. This level of competition has been shown to produce quality services at very affordable prices.

### This will create another bureaucracy at great taxpayer expense.

As a matter of fact, we already spend excessive staff time dealing with complaints made to the City against the hauler residents contract with. Most of these complaints involve failure to show up, spilling the trash, and costs. It has been our experience that few residents get their complaints resolved timely by calling the hauler directly. So, they turn to the City to help them with their private problem.

The Oakland County Sheriff's department and the cities Ordinance Inspectors also spend a large amount of time each year getting all the current haulers licensed and inspecting trucks for safety requirements. A single hauler would substantially reduce the amount of time spent on this process allowing the Deputy and Ordinance Inspector to perform other duties.

None of the communities in Oakland County or SE Michigan have big bureaucracy's handling their single hauler contracts. If anything, the communities using this approach have much less staff time and bureaucracy to handle these matters. Experience with similar communities like Troy and Birmingham indicate that one half time position is needed to manage the contractor and community.

The City would upgrade a current budgeted position. Half of this position would have the responsibility of Solid Waste Program management, other responsibilities would include supervision and ordinance compliance.

*Rec'd @ the 5/14/03  
City Council work session  
(copy for file)*

**A single hauler will not ensure lower rates; it can/will raise fees.**

This is not true. The cost quotes are in. The current rates charged by haulers are known. The cost quotes, which will be contractually binding for up to five years, are more than 30% lower than current costs and provide more services and are guaranteed pricing for five years.

**We don't need the city to pay our trash bills for us and charge us for doing so.**

More than 60% of Oakland County communities, and nearly all the ones that are Rochester Hills' size or larger, use the single hauler system because it saves the average resident lots of money and provides much more service at lower cost along with many other benefits.

We are not interested in paying your trash bill; we are interested in offering you a cost savings and enhancing the quality of life in our community by:

1. Increasing services
2. Improving quality control for city/residents
3. Reduce wear and tear on roads
4. Improve public safety for children
5. Reduced ordinance enforcement
6. Being environmentally responsible

**The City has already wasted \$50,000 on a garbage consultant. Why didn't Council consult the residents at no cost? Or ask us in the recent survey?**

Residents were consulted. An Adhoc Solid Waste Committee comprised of eight (8) city residents was formed in 2001. This committee developed a number of options and worked with the consultant to come up with the recommendation for a single hauler system.

The majority of the \$50,000 spent on consulting fees were dedicated to developing detailed specifications and contract language that protect the City and guarantee very competitive pricing to the City's residents for comprehensive waste management services including curbside recycling, yard waste collections, pickup of bulky waste, regular trash service, prompt response to resident complaints, special attention to handicapped residents, and more.

**This issue has been considered many times in past years and We The People soundly rejected it. Why does this idea keep coming back? Who will benefit?**

This issue has been before City Council on three different occasions, 1993, 1999, and 2003. It keeps coming back because of concerns expressed by residents about the quality of services they are receiving and the frustration of not getting their concerns addressed by the contractor. One of the benefits of a single hauler system reported by other communities is the quick response to complaints.

The majority of residents will benefit from better services at lower cost. This approach is used by nearly every major community in SE Michigan – to the point that it is almost standard practice. It is not something new that the City will be experimenting with – it is tried and true solution for providing curbside trash, recycling, and yard waste pickup at rates that are 30% to 50% of what most Rochester Hills residents pay for comparable services.



## **Trash fees will be based on the value of our homes. Isn't this discriminatory?**

As identified in the presentation, the millage funding method is not the most equitable. However, it does provide a number of other benefits that make it the preferred option such as:

- Least expensive to implement
- Least expensive to administer
- Tax deductible
- Provides lower cost to residents
- Provides lower cost to those who qualify for the homestead property tax credit

## **Other communities have either voted this idea down or are having problems with a single hauler. Why did some communities vote on this and we are being denied our right to vote?**

No one has been denied the right to vote. This is the first time this information has been presented to City Council. It has not even been considered or discussed. Voting is still an option.

## **State law allows City Council to levy up to three mills for trash service without our vote.**

Public Act 298 adopted in 1917 (MCL 123.261; MSA 5.2681) does give communities the ability to levy up to three mills for solid waste management services. Our project cost would be 1.1 mill to provide Solid Waste Services.

## **The City should concern itself with cost over-runs on the enormous City Hall Expansion for which they sold bonds without voter approval as required by city charter.**

The City Hall Project is within budget and is being monitored closely by the Project Manager and the Building Authority.

City Charter allows the sale of bonds for public projects without a vote of the people.

# City of ROCHESTER HILLS

1000 Rochester Hills Drive, Rochester Hills, Michigan 48309-3033

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(signs, fire alarm)  
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Mechanical  
(heat, air conditioning,  
fire suppression)

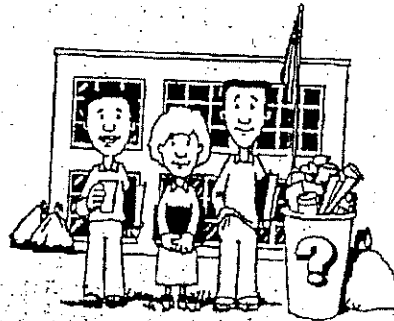
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Construction / Fire  
Board of Appeals

City Hall  
General Information  
248.656.4600

Pat Somerville  
Mayor  
248.656.4664

Date: 5/14/03  
Prepared by: Resource Recycling Systems Inc.  
and City Staff



## Frequently Asked Questions

### About the Proposed City of Rochester Hills Single Hauler System

#### GENERAL QUESTIONS

#### What happens if the single hauler has a strike?

This is unlikely to happen. About 2 out of every 3 communities in Oakland County, and many more in SE Michigan, contract with a hauler system for solid waste, yard waste and curbside recycling collection. None of these communities reported problems with striking when surveyed for this project. Should a strike occur, however, the contractor would have many ways to meet their contracted obligation to provide the full service each day. The contracted hauler for Rochester Hills could bring workers in from other parts of the state and country where they have thousands of other drivers/collectors. They could also subcontract some of the collection to area small haulers. They also have managers of their various contracts who came up the ranks as drivers/collectors and could serve in that role again. The contract is quite clear - this work will be done each day - and the contractor's job is to figure out how to do it regardless of the obstacle.

The city has a virtual guarantee based on the contract, which allows for liquidated damages of \$100 for each failure to complete routine pickups by 6:00 p.m. on the schedule day. With approximately 23,000 customers in Rochester Hills, this would amount to 2.3 million dollars per week.

#### Will there be any additional staff required?

Every effort has been made to place all responsibilities on the hauler and/or other service providers. Complaints, for example, will be handled by the hauler who will have to visit the City's offices twice each day, take the complaint log and close out the complaints by end of day at best and no later than 24 hours at worst. Some contract management will be required to hold the hauler accountable. At a minimum this is expected to amount to 1,000 hours of time each year, which can either 1) be contracted out; 2) be combined with other responsibilities in an existing but unfilled position within the building department; or 3) be assigned to a new position with the costs covered by the program funding. Most area communities use some combination of the second or third approach.

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

Rec'd at the 5/14/03  
City Council work session  
Copy for file

## Can the money from a solid waste millage be used for other projects?

The money from the solid waste millage can be used for solid waste management services within the City, including trash collection, recycling, yard waste collection, household hazardous waste services along with costs incurred to coordinate those services.

## How long is the contract with the vendor?

The contract with the vendor is three years, with two one (1) year renewal options.

## What will happen to the existing contracts that residents have with other haulers?

The single hauler system will require that the City adopt an ordinance that prevents other haulers from providing residential solid waste collection services in the City. Any hauler that attempted to continue to provide services would be in violation of this ordinance. Haulers are very familiar with this system since it is widely used in Oakland County and SE Michigan. Haulers will be informed well in advance of the effective date for the service. The City will need to be ready to enforce the ordinance should this occur but full cooperation by area haulers is expected either immediately or after an initial warning letter to the hauler.

## What if we are not satisfied with the service

One of the major benefits of a single hauler system reported by other communities that use this approach is high levels of satisfaction with both the range of services (trash, bulky items, curb-side recycling, yard waste collection, etc.) and the cost (much lower than subscription). A third area of benefit is the quick response by the contracted hauler to any complaint, with City oversight of that complaint until it is fixed. Any dissatisfaction will be addressed by both the hauler and the City within 24 hours.

Failure to resolve a complaint within 24 hours after notification would constitute a breach of contract and could result in the following liquidated damages:

1. Failure to clean up spilled refuse: \$25.00 for each instance
2. Failure to complete all routine pickups by 6:00 p.m. on the scheduled day: \$100.00 for each failure
3. Failure to maintain vehicle in operable condition and acceptable appearance after inspection and notice by city: \$500.00 for each instance

## What is the Michigan Compiled Law # for Public Act 238?

The enabling act for solid waste millage authorization is actually Public Act 298, adopted in 1917 (MCL 123.261; MSA 5.2681) which authorizes a 3 mill tax for garbage services and provides that the tax "shall be in addition to the amount authorized to be levied for general purposes by the general law or special charter under which the city or village is incorporated."

## **Will this single hauler system form a monopoly and eliminate competition?**

There are over 10 solid waste management haulers providing single hauler services under contract to municipalities in SE Michigan. As the City of Rochester Hills gets into the final year of its first contract for a single hauler program the City will want to undertake another purchasing process, just as it did to select this vendor. At that time it is expected that at least three and as many as six to ten haulers will be bidding for that contract. This level of competition has been shown to produce quality services at very affordable prices.

## **Will we have problems getting haulers to bid on a new contract after a 3-year contract expires?**

Single hauler contracts with municipalities are considered to be the best business that a residential solid waste hauler can find. It provides predictable cash flow, predictable service costs, highly organized routes and schedules, and a limited number of customer contacts that are funneled through the City's contract manager. These types of contracts always get a lot of interest from haulers. No problem is expected getting haulers to bid on a new contract after a 3-year contract expires.

## **Why don't we just split up the city and assign one hauler to each area? That way the City would not have to be involved at all.**

There is no enabling Michigan law that allows a City to split itself up and award exclusive waste management zones to different haulers who would then handle all services, including billing, with no involvement from the City. If the City were to attempt to do this there would be no way for the City to prevent any other haulers from coming in and providing services, undercutting the contractors who have been awarded the zones. In other states this type of law is known as a solid waste franchise law (e.g. Florida and California). Michigan has no such law, so this approach is not an option for Rochester Hills at this time.

## **You are taking away our right to chose the hauler we want.**

The primary objective in evaluating this program is to provide the best-cost savings to the greatest number of people along with enhancing the quality of life in our community by:

- increasing services
- improving quality control for city/residents
- reduce wear and tear in roads
- improve public safety for children
- reduced ordinance enforcement
- being environmentally responsible

# ATTENTION ALL TAXPAYERS

## Reject a Single Garbage Hauler!

Rochester Hills City Council will meet on May 14 on a proposal for a single garbage hauler for the entire city which includes a 1.1 mill TAX INCREASE! As assessments increase each year the cost of trash pick-up will increase automatically! The City plan will NOT SAVE THE PEOPLE MONEY in the long run as assessments always increase each year!

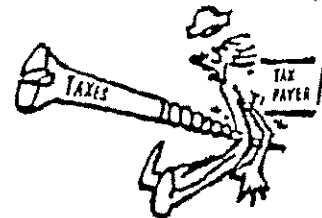
### HERE ARE OTHER REASONS TO REJECT SUCH ACTION:

- This will eliminate competition and create a MONOPOLY.
- This will create another bureaucracy at great taxpayer expense
- A single hauler will NOT ensure lower rates; it can/will raise fees
- We don't need the City to pay our trash bills for us and charge us for doing so
- The city has already wasted \$50,000 on a garbage consultant—why didn't Council consult the residents at no cost? Or ask us in the recent Survey?
- This issue has been considered MANY times in past years and We The People soundly rejected it. WHY does this idea keep coming back—WHO WILL BENEFIT?
- Trash fees will be based on the value of our homes—isn't this discriminatory?
- Other Communities have either voted this idea down or are having problems with a single hauler. Why did some communities vote on this and we are being denied our right to vote?
- State Law allows Council to levy up to 3 mills for trash service without our vote
- The City should concern itself with cost overruns on the enormous City Hall expansion for which they sold bonds WITHOUT VOTER APPROVAL AS REQUIRED BY CITY CHARTER!

**WHAT CAN WE DO?** Attend the May 14, 2003 Council Study Session or call [24-hour voice mail] or E-mail Council Members. Study Session will be held at 7:30 pm at the old Letica Bldg. 1700 W. Hamlin [north side] between Livernois and Crooks.

Tell them:

**"IT ISN'T BROKE, SO DON'T TRY TO FIX IT!"**



Brian Barnett [\*] 248-841-2645  
[barnettb@rochesterhills.org](mailto:barnettb@rochesterhills.org)

Melinda Hill 248-841-2646  
[hillm@rochesterhills.org](mailto:hillm@rochesterhills.org)

John Dalton [President] 248-841-2648  
[daltonj@rochesterhills.org](mailto:daltonj@rochesterhills.org)

Barbara Holder 248-841-2644  
[holderb@rochesterhills.org](mailto:holderb@rochesterhills.org)

Gerry Robbins 248-841-2643  
[robbinsg@rochesterhills.org](mailto:robbinsg@rochesterhills.org)

Jim Duisternars 248-841-2649  
[duisternarsj@rochesterhills.org](mailto:duisternarsj@rochesterhills.org)

Lois Golden 248-841-2647  
[goldenl@rochesterhills.org](mailto:goldenl@rochesterhills.org)

\* Trash Hauler Committee Chairman

**IF THE PEOPLE DON'T SPEAK UP THIS WILL BE A DONE DEAL!**

**DON'T GIVE UP YOUR RIGHT TO NEGOTIATE WITH YOUR OWN HAULER!!**

Paid for by Zero New Taxes  
Chairperson: Mary Jo Dinha  
P.O. Box 81324, Rochester, MI 48308

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