



# Rochester Hills

## Minutes - Draft

### City Council Regular Meeting

*Erik Ambrozaitis, J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen,  
Michael Webber and Ravi Yalamanchi*

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Rochester Hills, MI 48309  
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Home Page:  
[www.rochesterhills.org](http://www.rochesterhills.org)

**Vision Statement: The Community of Choice for Families and Business**

**Mission Statement: "Our mission is to sustain the City of Rochester Hills as the premier community of choice to live, work and raise a family by enhancing our vibrant residential character complemented by an attractive business community."**

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Monday, November 10, 2008

7:30 PM

1000 Rochester Hills Drive

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### CALL TO ORDER

*President Hooper called the Regular Rochester Hills City Council Meeting to order at 7:33 PM Michigan Time.*

### ROLL CALL

**Present** 7 - Erik Ambrozaitis, J. Martin Brennan, Greg Hooper, Vern Pixley, James Rosen, Michael Webber and Ravi Yalamanchi

#### **Others Present:**

*Bryan Barnett, Mayor  
Dan Casey, Manager of Economic Development  
Scott Cope, Director of Building/Ordinance Compliance  
Ron Crowell, Fire Chief/Emergency Management Director  
Paul Davis, City Engineer  
Jean Farris, Supervisor of Procurement  
Sam Kilberg, Rochester Hills Government Youth Council Representative  
Jane Leslie, City Clerk  
John Staran, City Attorney  
Bob White, Supervisor of Ordinance Services*

### PLEDGE OF ALLEGIANCE

### APPROVAL OF AGENDA

A motion was made by Yalamanchi, seconded by Webber, that the Agenda be Approved as Amended moving LEGISLATIVE FILE NUMBER 2008-0568 - ORDINANCE FOR INTRODUCTION so that it can be discussed with LEGISLATIVE FILE NUMBER 2008-0083 under NEW BUSINESS. The motion CARRIED by the following vote:

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

## PUBLIC COMMENT

**Paul Funk**, representing the Rochester Auburn Hills Community Coalition, announced a Town Hall Meeting to be held on Thursday, November 13, 2008 at Adams High School, from 6:15 PM to 9:00 PM regarding parent education on drug and substance use.

## LEGISLATIVE & ADMINISTRATIVE COMMENTS

**President Hooper** thanked Clerk Jane Leslie for the City's successful efforts in the Presidential Election.

**Mr. Brennan** stated that he would be resigning from his position as Rochester Hills Representative to the Community Media Network Board. He announced that the vacancy for his Board position was posted and residents were encouraged to apply.

**Mr. Ambrozaitis** expressed his appreciation to Ms. Leslie and the election staff for reminding residents that the ballot consisted of a front and back side. He also commented that he was having difficulties accessing his voicemail messages and residents should contact him again if they had not received a response. He thanked Mr. Rousse for DPS' efforts in repairing potholes throughout the City.

**Mr. Pixley** echoed comments thanking Ms. Leslie for a successful election. He thanked Mr. Funk for the efforts of the Rochester Auburn Hills Community Coalition in educating parents regarding alcohol and drug abuse.

**Mr. Rosen** expressed his thanks to the Clerk's Office for their work on the election. He read a letter he had drafted to Clerk Leslie questioning whether any background checks would be conducted as a result of the passage of the Charter Amendments.

**Sam Kilberg**, Rochester Hills Government Youth Council Representative (RHGYC), stated that the RHGYC will be helping with the City's Family Fun Night. The group will also be participating in the Rochester Christmas Parade, do some caroling at a local senior facility, and is planning a 5K run in the Spring to benefit a charity.

**Mayor Barnett** made the following announcements:

- He thanked the Clerk's Office and the additional staff called to help the Clerk's Office in election efforts. He stated that the City had a 78 percent turnout of electorate, one of the highest.
- He announced the Coats for the Cold project, a coat drive held in conjunction with the Oakland County's Sheriff's Department. He stated there was a collection bin in the lobby of City Hall for donated coats.
- The Hills Herald was distributed last week.
- The Community Emergency Response Team (CERT) was looking for 24

volunteers to join the Team. To join the team, volunteers need to complete a series of free classes. The team participates in several community events, including the Christmas Parade and the Festival of the Hills.

- Veteran's Day activities for tomorrow would include a memorial service set for 11 AM at Veterans Memorial Pointe. He noted that Senator Bishop would be in attendance at the service. He announced that a new addition to Veteran's Memorial Pointe, a new World War I marking, would be unveiled at the ceremony.
- The City of Rochester Hills received the Oakland University INCubator Economic Development Award from the Chamber of Commerce. He congratulated the City's Planning and Economic Development Department for their efforts in making this award possible.

## ATTORNEY MATTERS

*City Attorney John Staran had nothing to report.*

## CONSENT AGENDA

- 2008-0134** Request for approval of Green Space Advisory Board (GSAB) staggered membership terms

**Attachments:** [Agenda Summary.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0349-2008

**Whereas**, the Rochester Hills City Council expanded the Green Space Advisory Board (GSAB) from seven (7) to nine (9) voting members at the City Council Meeting dated January 7, 2008;

**Whereas**, GSAB recommends that City Council stagger the nine (9) member terms on a three (3) year basis for better uniformity and continuity over the life of the GSAB millage. Currently six (6) terms will expire on December 31, 2010;

**Now Therefore Be It Resolved**, that City Council concurs with the GSAB recommendation to accomplish staggering terms on a three (3) year basis in the following manner:

- . In December 2008, appoint three (3) members to December 31, 2011 as planned; and
- . In December 2009, take any three (3) of the six (6) terms due to expire on December 31, 2010 and extend them to December 31, 2012.
- . Keep the remaining three (3) terms to expire on December 31, 2010 as originally scheduled.

- 2008-0552** Request for Adoption of the Michigan Department of Transportation (MDOT) 2009 Annual Permit Application for Work on State Highways

**Attachments:** [Agenda Summary.pdf](#)  
[Annual Permit Application.pdf](#)  
[Resolution.pdf](#)

**This Matter was Adopted by Resolution on the Consent Agenda.**

Enactment No: RES0350-2008

**Resolved Whereas**, the City of Rochester Hills hereinafter referred to as the "GOVERNMENTAL BODY" periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT" for permits, hereinafter referred to as "PERMIT," to construct, operate, use and /or maintain utility or other facilities, or to conduct other activities, on, over, and under State trunkline right of way at various locations within and adjacent to its corporate limits;

**Now, Therefore**, in consideration of the DEPARTMENT granting such PERMIT the GOVERNMENTAL BODY agrees that:

1. It will fulfill all permit requirements and will indemnify, save harmless, represent and defend the State of Michigan, Michigan Transportation Commission, and the DEPARTMENT and all officers, agents, employees and those contracting governmental bodies performing permit activities for the DEPARTMENT according to a maintenance contract:
  - a. from any and all claims and losses occurring or resulting to any and all persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the GOVERNMENTAL BODY as the result of the GOVERNMENTAL BODY's installation, construction, operation, or maintenance activities which are being performed under the terms of the PERMIT on, over, and/or under the State trunkline right of way; and
  - b. from any and all claims of every kind of injuries to, or death of, any and all persons, and for loss of or damage to property, and environmental damage or degradation, and from attorney's fees and related costs arising out of, under, or by reason of the GOVERNMENTAL BODY's installation, construction, operation or maintenance activities which are being performed under the terms of the PERMIT on, over, and/or under the state trunkline right of way, except claims resulting from the direct negligence or willful acts of omissions of said DEPARTMENT performing permit activities.
  - c. from any and all claims made by any and all persons, firms, or corporations furnishing or supplying materials, supplies, work, or services on, over, and/or under the State trunkline right of way pursuant to an agreement with the State of Michigan, the DEPARTMENT and/or the Michigan Transportation Commission, as a result of the GOVERNMENTAL BODY's failure to move or otherwise relocate its facilities in a timely manner after being requested to do so by the DEPARTMENT.
2. Any work performed for the GOVERNMENTAL BODY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL BODY and not as a contractor or agent of the DEPARTMENT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL BODY. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL BODY, or their subcontractors or any other person not a party to the PERMIT without its specific prior written consent and notwithstanding the issuance of the PERMIT.

3. The GOVERNMENTAL BODY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.
4. It will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State trunkline right of way resulting from the installation, construction, operation and/or maintenance of the GOVERNMENTAL BODY's facilities according to a PERMIT issued by the DEPARTMENT.
5. With respect to any activities authorized by PERMIT, when the GOVERNMENTAL BODY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
6. The incorporation by the DEPARTMENT of this indemnification resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
7. This indemnification resolution shall continue in force from this date until cancelled by the GOVERNMENTAL BODY or the DEPARTMENT with no less than thirty (30) days prior written notice to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL BODY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

***Be It Further Resolved***, that the following position(s) are authorized to apply to the Michigan Department of Transportation for the necessary permit to work within State trunkline right of way on behalf of the GOVERNMENTAL BODY.

Paul Shumejko, P.E., PTOE - City Transportation Engineer  
Paul M. Davis, P.E. - City Engineer  
Tracey A. Balint P.E. - Project Engineer

### **Passed the Consent Agenda**

**A motion was made by Pixley, seconded by Brennan, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:**

**Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi**

**The following Consent Agenda Items were discussed and adopted by separate Motions:**

- 2008-0551** Request for Purchase Authorization - DPS/GAR: Purchase of one (1) new 2008 Tenant M20 Industrial Ride-On Sweeper/Scrubber in the amount of \$39,500.00; Tenant Sales and Service Company, Minneapolis, MN

**Attachments:** [Agenda Summary.pdf](#)  
[Proposal Tabulation.pdf](#)  
[Resolution.pdf](#)

*Mr. Yalamanchi requested this Item be removed from the Consent Agenda for discussion. He questioned how often this piece of equipment would be utilized. He noted that the City of Rochester had this equipment and asked if it would be possible for the City to partner with Rochester to share their sweeper. He also questioned what the life of the sweeper would be.*

*Paul Davis, City Engineer, explained that this sweeper would be used predominantly to clean inside buildings, primarily the DPS Garage. He estimated that the sweeper would be used approximately three times per week in the winter and one time per week in the summer. He commented that trucks entering the DPS facility have dirt or ice that falls onto the floor and is transferred to the trench drains. He noted that a different larger street sweeper is used primarily on the roads, and explained that when the larger sweeper was used inside the garage, dust was stirred up and transferred onto lighting fixtures. He stated that this piece of equipment would be used for smaller applications, and could be used inside buildings in City parks as well. He stated that DPS could look at the utilization of this piece of equipment and explore partnering with the City of Rochester if opportunities existed. He stated that he did not have life cycle information for that equipment.*

*Later in the meeting, Mr. Davis indicated that he received a text message from Mr. Rousse indicating that the life cycle of this sweeper is 15 years.*

**A motion was made by Yalamanchi, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi  
Enactment No: RES0351-2008

**Resolved**, that the Rochester Hills City Council hereby authorizes the purchase of one (1) new 2008 Tenant M20 Industrial Ride-On Sweeper/Scrubber from Tenant Sales and Service Company, Minneapolis, Minnesota in the amount of \$39,500.00.

- 2008-0557** Request for Purchase Authorization - DPS/ENG: Contract award for upgrade and relocation of the Rochester Hills SCADA system in the amount of \$92,021.00 plus a 5% contingency in the amount of \$4,601.05 for a total project of \$96,622.05; Perceptive Controls, Inc., Plainwell, MI

**Attachments:** [Agenda Summary.pdf](#)  
[Pricing Summary.pdf](#)  
[Proposal Tabulation.pdf](#)  
[Resolution.pdf](#)

*Mr. Ambrozaitis requested a voice vote on this item.*

**A motion was made by Pixley, seconded by Yalamanchi, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 6 - Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

**Nay** 1 - Ambrozaitis

Enactment No: RES0352-2008

**Resolved**, that the Rochester Hills City Council hereby authorizes the award of a contract for upgrade and relocation of the Rochester Hills SCADA system to Perceptive Controls, Inc., Plainwell, Michigan in the amount of \$92,021.00 plus a 5% contingency in the amount of \$4,601.05 for a total project of \$96,622.05 and further authorizes the Mayor to execute a contract on behalf of the City.

## NOMINATIONS/APPOINTMENTS

- 2008-0517** Request to Confirm the Mayor's re-appointments of George Karas and Thomas Turnbull and the appointment of Robert Justin to the Brownfield Redevelopment Authority for three (3) year terms to expire on November 13, 2011

**Attachments:** [Agenda Summary.pdf](#)  
[Robert Justin CQ.pdf](#)  
[George Karas CQ.pdf](#)  
[Thomas Turnbull CQ.pdf](#)  
[Resolution.pdf](#)

**A motion was made by Pixley, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0353-2008

**Resolved**, that the Rochester Hills City Council confirms the Mayor's re-appointments of George Karas and Thomas Turnbull and the appointment of Robert Justin to the Brownfield Redevelopment Authority for three (3) year terms to expire on November 13, 2011.

- 2008-0554** Request to Confirm the Mayor's re-appointments of Edward Alward and Stan Paurazas to the Construction/Fire Prevention Board of Appeals for three (3) year terms expiring December 31, 2011

**Attachments:** [Agenda Summary.pdf](#)  
[Ed Alward CQ.pdf](#)  
[Stan Paurazas CQ.pdf](#)  
[Resolution.pdf](#)

**A motion was made by Pixley, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0354-2008

**Resolved**, that the Rochester Hills City Council hereby confirms the Mayor's

re-appointments of Edward Alward and Stan Paurazas to the Construction/Fire Prevention Board of Appeals for three (3) year terms expiring December 31, 2011.

- 2008-0556** Request to confirm the Mayor's re-appointment of Mary Bragg, Thomas Dohr, Martha Peters, Joshua Raymond, Ronald Vogt and Kathryn Zwolak as Citizen Representatives to the Citizens Pathway Review Committee for one-year terms to expire December 31, 2009

**Attachments:** [Agenda Summary.pdf](#)  
[Bragg CQ.pdf](#)  
[Dohr CQ.pdf](#)  
[Peters CQ.pdf](#)  
[Raymond CQ.pdf](#)  
[Vogt CQ.pdf](#)  
[Zwolak CQ.pdf](#)  
[Resolution.pdf](#)

**A motion was made by Ambrozaitis, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:**

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0355-2008

**Resolved**, that the Rochester Hills City Council hereby confirms the Mayor's re-appointment of Mary Bragg, Thomas Dohr, Martha Peters, Joshua Raymond, Ronald Vogt and Kathryn Zwolak as Citizen Representatives to the Citizens Pathway Review Committee for one-year terms to expire December 31, 2009.

## UNFINISHED BUSINESS

- 2008-0499** Request for Tax Exemption Under Public Act 376 of 1996, Tool & Die Recovery Zone, by Urgent Plastic Services

**Attachments:** [Agenda Summary.pdf](#)  
[Incentives Report.pdf](#)  
[Resolution.pdf](#)  
[102708 Agenda Summary.pdf](#)  
[Introduction.pdf](#)  
[Request Letter from Urgent Plastics.pdf](#)  
[Tax Exemption Analysis.pdf](#)  
[Suppl Info.pdf](#)  
[Presentation.pdf](#)  
[102708 Resolution.pdf](#)

**Dan Casey**, Manager of Economic Development, stated that additional information was provided to Council to clarify the questions raised at the last City Council meeting. He explained that Urgent Plastics' request was for a tax exemption under the Tool and Die Renaissance Recovery Zone Act, PA 376. This program, established by the State of Michigan, consists of twenty collaboratives of up to 15 companies. Two Rochester Hills companies were previously approved under this program; Avon Broach was the first in 2005, approved for five years, and Maple Mold Technologies was approved last year for ten years. Under the Act, a company can be approved for an exemption for up to 15 years.

Mr. Casey stated that Urgent Plastics was requesting a ten-year exemption. He clarified that the minimum length of time Council can approve under the law is five years. He stated that under the final three years, the taxes are phased back in, in 25 percent increments each year.

**Alan Peterson**, Vice President of Urgent Plastics Services (UPS), stated that UPS submitted the requested financial information to Council within 24 hours of their request. He also stated that Urgent Plastics has been approved by all other sources. He expressed appreciation for Council's consideration of this request.

**Maureen Krause**, Deputy Director for the Oakland County Department of Economic Development and Community Affairs, introduced Michelle Eaton, Business Development Representative at Oakland County, and stated that the County supported the exemption for this company in Rochester Hills. She stated that the exemption was one of the few tools available in the County's resources to help companies here in the community. She commented that the County is delighted to have a company that is not only continuing in its efforts to work with the automotive community, but is also diversifying its customer base. Only fifty percent of this company's work is in automotive and the company is working in other areas such as aerospace.

**Mr. Ambrozaitis** questioned when the phase-out period of the exemption began.

**Mr. Casey** responded that if Council approved a five-year exemption, the phase-out would begin in the third year of the five-year exemption. He stated that year one and year two would be at 100 percent exemption. In the third year, 25 percent of the tax obligation would be paid; 50 percent would be paid in the fourth year, and 75 percent would be paid in the fifth and final year.

**Mr. Webber** questioned how the City's approval moved to the State level.

**Mr. Peterson** stated that the company has received the State and County's verbal commitments, however, the City approval was required to move forward to the Michigan Strategic Board (MSB).

**Ms. Krause** stated that MSB's final meeting of the year would be held on December 17, 2008, with information due by December 4, 2008, to finalize the exemption.

**Mr. Casey** stated that 100 percent of the collaborative members must also approve the company. He explained that this step would also have to occur, along with City Council's resolution to approve the exemption before the MSB could review and approve the exemption. He stated that City Council must make its decision this evening in order for the company to go before the MSB on December 17, 2008.

**Mr. Yalamanchi** noted sales figure increases of 30 percent from 2006 to 2007

*and questioned how sales figures were trending for 2008.*

**Mr. Peterson** responded that the company was seeing a small increase over 2007 for 2008.

**Keith Chene**, CFO/Treasurer of Urgent Plastics, responded that the company was trending to be two to three percent higher than 2007.

**Mr. Yalamanchi** noted decreases in expenditures for the period 2006 to 2007 and questioned how 2008 expenditures were trending.

**Mr. Chene** responded that 2008 expenditures are consistent with 2007.

**Mr. Yalamanchi** questioned whether the company's long-term debt would come off in 2009.

**Mr. Chene** responded no, that the long-term debt matures over a five to seven year period.

**Mr. Yalamanchi** questioned whether the company had plans for reinvestment as the long-term debt comes off the books.

**Mr. Peterson** stated that the company typically has reinvestment every year and would continue this reinvestment.

**Mr. Yalamanchi** questioned whether there would be a distribution from retained earnings.

**Mr. Peterson** stated that 80 percent of the retained earnings were kept within the company.

**Mr. Chene** commented that tax liability was taken from retained earnings.

**Mr. Yalamanchi** questioned whether the abatement could stipulate that no distributions could be made with the exception of tax liabilities.

**Mr. Peterson** stated that the company could agree to reinvestment of the amounts for the abatement.

**Mr. Yalamanchi** stated that he would be willing to increase the abatement to seven years with four years of 100 percent abatement and three years of phase-out with the condition that the one hundred percent of the abatement amounts would go back into the company.

**Mr. Chene** stated that he thought this particular program did not have any prerequisites accompanying it.

**Ms. Eaton** expressed concern that including this condition could cause the State to reject the request.

**Mr. Casey** agreed that the State law did not allow any conditions to be put into

*the exemption. He noted that debt mills and library mills are still collected.*

**Mr. Chene** stated that there was a review process at the State level to continuously monitor the company to ensure it complies with the State law and the exemption would be revoked if the company did not comply.

**Mr. Yalamanchi** stated that if the State were to not approve of language requiring reinvestment as a condition, it could be removed at that time; however, if the State would allow that condition, he would like to see it remain.

**Mr. Staran** stated that he could verify if language requiring reinvestment "Subject to approval by the State" would be acceptable.

**Mr. Pixley** questioned whether a five-year exemption could be extended at a later date.

**Mr. Casey** responded that the exemption could be extended up to 15 years.

**Mr. Pixley** requested further explanation of the consortium and what was involved, including what fees were involved in belonging to it.

**Mr. Chene** responded that there was an initiation fee of \$8,000 to join the collaborative and an annual fee of \$2,200. There is an assumed participation in the collaborative whereby member companies participate on committees with a goal to share resources, ideas, best practices, continuous improvement of the industry, networking and pursuing new opportunities to bring business into the State. He stated that there are 16 active members in the coalition that UPS wishes to join.

**Mr. Pixley** commented that it was more of a state-wide trade association where best practices and ideas are shared, and it was a non-competitive environment.

**Mr. Peterson** agreed with that description and stated that it was more collaborative than competitive.

**Mr. Ambrozaitis** stated that the economic times are brutal and commented that a company could not abate or exempt its way to prosperity. He commented that at the same time, the company has worked hard all these years in the community and was approaching Council to seek some relief and hold on.

**Mr. Peterson** responded that the company was joining the collaborative whether City Council agreed tonight or not. He stated that UPS needs this collaborative to stay in business.

**Mr. Ambrozaitis** stated that he wanted to see UPS stay in business in the community and commented that he would support an exemption for seven years. He also commented that he did not wish to include conditions for reinvestment so as not to cause the State to potentially reject the exemption.

**Mr. Brennan** stated that he was not comfortable with the fact that only Oakland

*County and Rochester Hills do not receive reimbursement by the State for these kinds of exemptions. He also commented that these exemptions do not require a company to create or retain jobs. He stated that he does not like to go against business, but he could not support this exemption.*

**Mr. Yalamanchi** reiterated that he would have liked to see a condition for reinvestment. He stated that based on his review of the company's strong financials, he favored the exemption. He stated that because of current conditions, he favors a seven year exemption as it is his opinion that it would be four to five years before a recovery is seen in the State.

**Mr. Pixley** stated that a five year exemption with a renewable option was more appropriate. He commented that an exemption, as opposed to an abatement, necessitated the City giving up tax revenue.

**President Hooper** commented that a five year exemption would result in approximately a \$155,000 tax savings and a seven year exemption would result in approximately a \$248,000 tax savings.

**Mr. Chene** stated that those numbers were total tax, not just impact to the City.

**President Hooper** concurred that the City portion was approximately one-fifth of those totals.

**Mr. Webber** stated he did not wish to see any conditions attached to the exemption cause a delay at the State level. He further stated that this exemption is more focused on the retention of jobs, rather than the creation of jobs. He stated that while Council focus has been for job growth, there is clearly a need to retain jobs. He commented that this exemption is a tool that the State has given the cities to assist it.

**Mr. Ambrozaitis** commented that the City should do all it can to help UPS succeed because as the company succeeds, the City will also succeed.

**Mr. Peterson** stated that the company has never come before Council asking for abatements in the past, and thanked City Council for considering this exemption.

**President Hooper** stated he supports a five year tax exemption with the idea that the company could come back for an extension.

**Mayor Barnett** stated that this is a great opportunity for a company, but is a tool that should be reevaluated at the State level. He commented that the City is the group that provides the services, yet the City and the County are the only groups that do not receive reimbursement.

**Ms. Eaton** stated that the County is working with the State on a daily basis to get the tools it needs to both reflect the current economy and attract the companies it wants to see stay and grow in the communities.

**A motion was made by Ambrozaitis, seconded by Webber, that this matter be Adopted by Resolution, for an exemption period of up to seven years. The motion FAILED by the following vote:**

**Aye** 3 - Ambrozaitis, Webber and Yalamanchi

**Nay** 4 - Brennan, Hooper, Pixley and Rosen

Enactment No: RES0356-2008

**Whereas**, the City of Rochester Hills desires to promote economic activity and maintain/increase the number of jobs available to residents of the area, and;

**Whereas**, certain industries in the state are facing difficult times and the tool and die industry, in particular, has sustained losses due to foreign competition and increased productivity, and;

**Whereas**, the designation of a Renaissance Recovery Zone will temporarily reduce the tax burden paid by Urgent Plastic Services enabling it to reposition itself to compete globally, and;

**Whereas**, Urgent Plastic Services has entered into a collaborative agreement with other business entities having the appropriate North American Industry Classification System (NAICS) codes, and;

**Whereas**, the qualified tool and die business property is property leased or owned by a tool and die business and used primarily for tool and die operations, and;

**Whereas**, should the area be designated a Renaissance Recovery Zone, property within that zone will be exempt from taxes levied by the city, county, and other units of government as provided under this Act, and;

**Whereas**, we estimate that the tax revenue lost would be a small fraction of the benefits the designation of a Renaissance Recovery Zone will bring the community.

**Resolved**, that the Rochester Hills City Council requests that the State of Michigan designate Urgent Plastic Services, located at 2777 Product Dr., and further described as parcel 70-15-28-377-017, a Renaissance Recovery zone under Public Act 376 of 1996 for a duration of up to seven years.

**2008-0499** Request for Tax Exemption Under Public Act 376 of 1996, Tool & Die Recovery Zone, by Urgent Plastic Services

**Attachments:** [Agenda Summary.pdf](#)  
[Incentives Report.pdf](#)  
[Resolution.pdf](#)  
[102708 Agenda Summary.pdf](#)  
[Introduction.pdf](#)  
[Request Letter from Urgent Plastics.pdf](#)  
[Tax Exemption Analysis.pdf](#)  
[Suppl Info.pdf](#)  
[Presentation.pdf](#)  
[102708 Resolution.pdf](#)

**A motion was made by Yalamanchi, seconded by Pixley, that this matter be Adopted by Resolution, for an exemption period of up to five years. The motion CARRIED by the following vote:**

**Aye** 5 - Ambrozaitis, Hooper, Pixley, Webber and Yalamanchi

**Nay** 2 - Brennan and Rosen

Enactment No: RES0357-2008

**Whereas**, the City of Rochester Hills desires to promote economic activity and maintain/increase the number of jobs available to residents of the area, and;

**Whereas**, certain industries in the state are facing difficult times and the tool and die industry, in particular, has sustained losses due to foreign competition and increased productivity, and;

**Whereas**, the designation of a Renaissance Recovery Zone will temporarily reduce the tax burden paid by Urgent Plastic Services enabling it to reposition itself to compete globally, and;

**Whereas**, Urgent Plastic Services has entered into a collaborative agreement with other business entities having the appropriate North American Industry Classification System (NAICS) codes, and;

**Whereas**, the qualified tool and die business property is property leased or owned by a tool and die business and used primarily for tool and die operations, and;

**Whereas**, should the area be designated a Renaissance Recovery Zone, property within that zone will be exempt from taxes levied by the city, county, and other units of government as provided under this Act, and;

**Whereas**, we estimate that the tax revenue lost would be a small fraction of the benefits the designation of a Renaissance Recovery Zone will bring the community.

**Resolved**, that the Rochester Hills City Council requests that the State of Michigan designate Urgent Plastic Services, located at 2777 Product Dr., and further described as parcel 70-15-28-377-017, a Renaissance Recovery zone under Public Act 376 of 1996 for a duration of up to five years.

## NEW BUSINESS

2008-0566 Request for Purchase Authorization - DPS/ENG: Contract for Rochester

College and Brewster Road Water Main Replacement Projects in the amount of \$229,489.75 plus a 10% contingency in the amount of \$22,948.98; D & M Contracting, Shelby Township, MI

**Attachments:** [Agenda Summary.pdf](#)  
[Bid Tab.pdf](#)  
[Resolution.pdf](#)

**Paul Davis**, City Engineer, stated that this project is the rehabilitation and replacement of two water mains; one is a 16 inch watermain on Brewster, and one is an eight inch main by Rochester College. He stated that these projects are being combined. He commented that there was a great deal of competition and twenty one bids were received. He noted that the low bidder had made a mistake on their bid and the Administration was recommending that Council go forward and award the contract to the second lowest bidder, D&M Contracting.

**Mr. Pixley** questioned what mistake was made on the low bid.

**Mr. Davis** explained that the lowest bidder, RMJ, included a price from a subcontractor to do a jack and bore on the watermain on Brewster Road. He explained that a jack and bore is to install a water main underneath the roadway without disturbing the pavement. RMJ's quote on this portion of the contract did not include a markup to the subcontractor's bid, which would have resulted in that portion of the work being done at cost. The City noted that RMJ's bid was much lower than the other bids and questioned whether they had made a mistake. RMJ responded that they had made the error and would like their bid removed from the process.

**President Hooper** agreed that it was appropriate to allow RMJ to withdraw their bid.

**Mr. Rosen** questioned whether there was any repair work done on that stretch of Brewster.

**Mr. Davis** stated that this project is being done to prevent a problem. He stated that City staff has made repairs on this main in the past and feels that this main could present a larger problem down the road.

**Mr. Rosen** questioned whether pavement on Powderhorn and Hidden Valley would be torn up.

**Mr. Davis** stated that the main was on the east side of the street and the jack and bore process would not disturb the concrete.

**Mr. Ambrozaitis** questioned whether the City's cameras could be used to inspect work on this project.

**Mr. Davis** stated that the cameras were used for a different application and City staff would be inspecting the process to ensure proper installation.

A motion was made by Yalamanchi, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0359-2008

**Resolved**, that the Rochester Hills City Council award the contract for Rochester College and Brewster Road Water Main Replacement Projects to D & M Contracting, Shelby Township, Michigan in the amount of \$229,489.75 plus a 10% contingency in the amount of \$22,948.98 for a total of \$252,438.73 and further authorizes the Mayor and Clerk to execute a contract on behalf of the City.

**(Recess 8:41 p.m. - 8:51 p.m.)**

**President Hooper requested that Legislative File Number 2008-0568 and Legislative File Number 2008-0083 be discussed together.**

**2008-0083** Request for Contract Authorization - Contract authorization for single-hauler solid waste, recycling and yard waste collection, transportation and disposal services; Allied Waste Services, Pontiac, MI

**Attachments:** [Agenda Summary.pdf](#)  
[Contract.pdf](#)  
[Attachment A.pdf](#)  
[Attachment B.pdf](#)  
[Resolution.pdf](#)  
[102008 Agenda Summary.pdf](#)  
[City Council Survey Results.pdf](#)  
[Final Responses.pdf](#)  
[Request for Proposals.pdf](#)  
[Public Hearing Notice.pdf](#)  
[042808 Agenda Summary.pdf](#)  
[042208 Building Memo.pdf](#)  
[Solid Waste Survey \(Revised\).pdf](#)  
[Solid Waste Survey.pdf](#)  
[022508 Agenda Summary.pdf](#)  
[Mayor Memo 021208.pdf](#)  
[CC Min 032906.pdf](#)  
[CC Agenda 032906.pdf](#)  
[Cope Memo 032406.pdf](#)  
[2004 Recommendations.pdf](#)  
[CC Minutes 051403 & 012804 and Agenda 072104.pdf](#)

**President Hooper** stated that Legislative Files 2008-0568 and 2008-0083 would be discussed together. He recapped the history of this item and stated that a Public Hearing was held on October 20, 2008, to receive public comments regarding a Single Trash Hauler.

**Public Comment:**

**President Hooper** indicated he would allow Mr. Zendel four and-a-half minutes to speak on both the Single Trash Hauler contract and the Ordinance.

**Lee Zendel**, 1575 Dutton, stated the following reasons why Council should not vote to approve the proposed single trash hauler contract:

- He stated that while the intention of approving a single trash hauler was to save the residents money, 22 percent of residents living in condominiums and apartments would not be included in the program.
  - He stated that the proposed contract locks in a minimum cost structure of \$4.00 per gallon for diesel fuel for the next ten years, and also allows the potential of a fuel surcharge. If prices drop below \$4.00 per gallon, Allied wins and the residents lose.
  - He stated that the Recycle Bank program benefits Allied more than the residents, and commented that the efficiency of the cart system for recycling collection and the increase in recycling revenue along with decrease in tipping fees should result in a much lower contract price for residents.
  - In Attachment B, Item C on Page 20 of the proposed contract, the City will receive money back on the goods recycled, rather than the residents. He commented that this could result in revenue to the City of from \$300,000 to \$700,000 per year. He questioned why this money would not go to the residents.
  - He cited a September 20, 2007 article in Fortune Magazine regarding Recycle Bank, stating that advertising is a large part of Recycle Bank's strategy, collecting information of names, addresses and buying habits for millions of people who can then be targeted by advertisers. He stated that Recycle Bank only provides the residents with coupons to spend more money.
- He suggested that Council renegotiate the contract prior to approving it.

Mr. Zendel made the following comments regarding the proposed Ordinance:

- He stated that Section 86-70 allows the hauler to serve the residences who are not a part of the single trash hauler program to have Monday to Friday service. He questioned whether the single trash hauler program would also be a Monday to Friday service, contrary to the proposed contract.
- Referring to Section 86-5.1.b, he questioned whether references to shielding waste from public view referenced the waste itself or the container, and further questioned whether it meant view from anywhere on the property.
- Referring to Section 86-5.2.b, he stated it references that recyclable materials need to be rinsed and cleaned and questioned how this section of the proposed Ordinance would be enforced.
- Referring to Section 86-6.6, he stated it references the 24-hour limit on placing items at the street and noted that this would allow garbage to be set out on Sunday.
- Referring to Section 86-66, he stated it references inspection of trash hauler vehicles and questioned how often these inspections would take place.

**Rick Patterson**, 61 Childress, commented that he was previously on the Ad-Hoc Solid Waste Committee, and he stated that questions raised previously were still unanswered today. He stated that the City has no business controlling the garbage generated within one's home, and that solid waste regulation should start at the curb. He noted that apartments and condominiums are not included. He stated that the City should not be making money on a resident's garbage. He questioned whether the Ordinance would prevent schools from having paper drives and would limit the ability for a resident to make money from scrap metal. He questioned whether this Ordinance would put haulers out of business, and commented that this should be a multi-hauler contract.

**Alice Benbow**, 1582 Northumberland, stated that Council should hear presentations from additional trash haulers. She commented that the City should be divided into sections, and stated that she wants government to stay out of her garbage. She asked City Council to vote no on these items.

**Michael Glover**, 157 Tartan, stated he supported the single trash hauler proposals.

**Frederick Hambleton**, 5741 Shore Drive, Orchard Lake, spoke representing Richfield Equities and stated that 2,000 City residents utilize his company's services. He stated that the proposed Ordinance indicates that the day it goes into effect, his company is finished providing trash pickup services in this City. He questioned how he would respond to his pre-paid customers. He stated that their original proposal was to provide all three services to the City including condominiums and apartments, for \$12.55 per month. He stated that the more he speaks to residents, the more he hears that they are not in favor of this.

**Gary Varisto**, 750 Kentucky, stood up to indicate that he was also there to represent Richfield.

**Margaret Patterson**, 61 Childress, commented that she just paid her garbage bill through the middle of January, and would receive no refund for cancelled services. She questioned whether the City would refund her monies to her if her hauler could not continue to provide services. She questioned how residents would dispose of old appliances.

**President Hooper** stated that the request for proposal evolved through a comprehensive process to develop a single trash hauler program for businesses, apartments and single family homes. The current proposal was developed with City Council direction and both cost and benefits were evaluated. He stated that the benefits include less wear and tear on City roads, increased safety and cost savings. He then addressed questions raised during public comment and began by asking Ms. Farris to respond to the question raised about fuel surcharges and the base price of \$4.00 per gallon for diesel fuel.

**Jean Farris**, Supervisor of Procurement, responded that the contract provides that the fuel adjustment could be increased or decreased as the average cost of diesel fuel, as provided by the Department of Energy, goes up or down.

**President Hooper** commented that with his current hauler, the gas surcharge never goes down, it only goes up. He asked for a review of the Recycle Bank Program and highlighted several of the specific questions asked earlier. He stated that a resident's participation in the program would be voluntary.

**Atul Nanda**, Vice President, Mid-West Region/President, Canadian Division of Recycle Bank, gave the following highlights of the Recycle Bank program:

- Participating businesses are not charged to participate in the program.
- Businesses are asked to provide a specific reward to Recycle Bank customers that is not provided elsewhere.
- Local vendors are contacted to participate and local charities are also contacted to provide donation possibilities.

- Residents will register for the program on the Recycle Bank website and strict conditions will apply for the use of the resident's data.
- Residents can use points for rewards at local stores or order gift cards online that could be used.
- Generally, if a resident recycles twenty pounds per week of materials, they would receive approximately \$250 per year in rewards.
- In the month of October, approximately \$10,000 in rewards was redeemed and approximately 70 percent of this amount was in grocery or pharmacy benefits.
- Trucks will collect materials from various routes from containers that have a tag that is read to identify who participates. Materials will go to a recycling facility where the weight of the truck is used to compute the material in that truck. One pound equals approximately two-and-one-half points for residents. Everyone participating by placing their cart out for collection will receive benefits.
- The database on the website will be consolidated for the reward partners to provide data on where residents are redeeming the awards. He explained that specific household-by-household data would not be shared or provided to any mass-mailer.

**President Hooper** questioned how this single trash hauling program would handle hazardous waste pickup.

**Scott Cope**, Director of Building/Ordinance Compliance, responded that the proposal provides that thirty-five cents of the costs would be reimbursed to the City to cover the No-Haz program. He stated that details of this reimbursement were still being worked out. He commented that costs for the No-Haz program are currently paid out by the City as a part of the tax base.

**President Hooper** asked Mr. Cope to address Ordinance enforcement.

**Mr. Cope** stated that the contract and the Ordinance both give the City the provisions to monitor complaints for follow-up. He stated that there would be a close relationship between the supervisor at Allied and Bob White, Supervisor of Ordinance Services, and efforts would be coordinated to ensure the program is being conducted as it is intended. Liquidated damages in the contract give the City the opportunity to receive reimbursement for items that have not been followed through. He commented that the intent is to seek compliance, not retribution. Complaints would be handled in the same manner as general Ordinance violations by first notifying the hauler and giving them time to comply. Repeat offenses would allow the application of liquidated damages.

**President Hooper** asked Mr. Cope to address inspection of the trucks.

**Mr. Cope** responded that trucks are currently inspected once per year as a part of the licensing portion of the Ordinance.

**President Hooper** addressed collection details, noting that this was curbside service unless a resident had made special arrangement for back-door pickup because of a special need, such as being handicapped. He stated that this program and Ordinance would not entail going onto people's property and into

their homes to collect waste. He also stated that this applies to single family homes only, not apartments or condominiums. He commented that it was not economically feasible to include apartments and condominiums as they could negotiate a better rate on their own. When it was determined that the program would be invoice-based rather than millage-based, businesses were excluded as well as they already contract for their own pickup. He noted that all licensed haulers are allowed to pick up at condominiums, apartments or businesses.

**President Hooper** questioned what Allied will do with the waste collected in Rochester Hills and further questioned whether any waste would be incinerated.

**Thomas Mahoney**, General Manager, Allied Waste Services, responded that waste collected in Rochester Hills would be disposed of at Allied's landfill in Auburn Hills. He stated that Allied would not incinerate any waste.

**President Hooper** addressed comments regarding splitting the City up to utilize more than one hauler, stating that the when the committee reviewed the proposals, all proposals received indicated that it was all-or-nothing, and that they did not wish to see the City split up into quadrants, and their pricing reflected that. He questioned when Allied could begin a program.

**Mr. Mahoney** responded that the soonest Allied could begin would be March 1, 2009.

**President Hooper** questioned how refunds to existing customers could be handled. He noted that half of the Rochester Hills homes currently used Allied, and for those existing customers there would be no change.

**Mr. Cope** responded that this detail of the transition to Allied from customers of other companies will still need to be worked out.

**President Hooper** questioned how bulk item pickup would be handled.

**Mr. Mahoney** responded that Allied Waste would pick up bulk items once a month. Residents would notify them prior to their scheduled collection day for pickup and they would have the option of placing out unlimited bulk items.

**President Hooper** questioned how the Blight Ordinance would apply.

**Mr. Cope** stated that the Blight Ordinance would take effect for items left out.

**Council Discussion:**

**Mr. Ambrozaitis** questioned the size of the recycling containers and commented that they were quite large for some individuals to move.

**Mr. Mahoney** explained that residents need to use the recycle containers with the embedded chips in order to take part in the Recycle Bank program.

**Mr. Ambrozaitis** questioned how notice would be given to residents about this upcoming program and asked if it could be included in a water bill and on Cable

TV. He questioned how residents who do not have access to a computer would participate in the Recycle Bank program. He commented that he was impressed with Allied's recycling program, but noted that all bidders included recycling in their bids.

**Mr. Nanda** indicated that Recycle Bank would have an "800" service available for those residents without computers. He stated that this program will drive money into local businesses with its coupon program.

**Jim Frey**, Resource Recycling Systems, indicated that as consultant, his job was to evaluate education and incentives of a recycling program. He stated that this recommendation includes a full range of options and provides the best package for the City.

**Mr. Ambrozaitis** questioned the monies the City would receive.

**Mr. Frey** responded that the amounts the City could receive would most likely not be more than \$50,000 to \$100,000.

**Mr. Ambrozaitis** stated that he would like to see this money appropriated to the winter maintenance budget for the City's roads.

**President Hooper** responded that that this revenue would be appropriated to the Hazardous Waste programs which residents are already paying for with tax dollars.

**Mr. Ambrozaitis** commented that many new residents to the community are surprised that the City did not currently have a single trash hauler. He disclosed that his bill from Allied would move from \$90 to \$45 per quarter. He stated he does see this as a perfect program. He stated that from a private sector standpoint he was pleased to see the City would not be adding to the payroll to have people administer this program. He expressed concern for those having current contracts with haulers. He stated he wanted to see Council approve this and asked Allied to be mindful that these concerns are addressed properly.

**Mr. Webber** questioned the references to days of the week contained in the Ordinance.

**Mr. Staran** responded that the section in the proposed Ordinance that refers to Monday through Friday applies to all haulers in the City. He stated that the City does not intend to restrict the hauling and waste collection for the areas not included in the Single Waste Hauler program.

**Mr. Webber** questioned the Ordinance reference to trash containers.

**Mr. Staran** explained that the Ordinance does not require a specific container; it requires that the waste must be contained and not be loose in a pile.

**Mr. Webber** questioned how the cart sizes were determined.

**President Hooper** responded that a 95 gallon can was selected for trash and a 65 gallon can selected for recycling. He stated that residents do not have to use these containers, but would be required to use the 65 gallon can to participate in Recycle Bank.

**Mayor Barnett** stated that coordinating multiple options for sizes of carts presented too many difficulties.

**Mr. Webber** stated that he approves of the concept and realizes there will be growing pains to the program. He expressed concern over those residents and associations that have paid ahead for service. He suggested that the start date be adjusted to March 30 or April 1.

**Mr. Mahoney** stated that a March 1 date would be the earliest as Allied must order trucks and containers. He also noted that billings would be staggered and residents would have time to notify their other haulers. He stated that Allied could do a partial billing for start-up.

**Mr. Webber** commented that while he was running for election last year, he received feedback from residents in favor of a single trash hauler program. He questioned who at the City would function as program supervisor.

**Mr. Cope** responded that Bob White would have that position.

**Mr. Webber** stated that the program would pool the residents' collective buying power and lessen the amount of trucks on the road. He stated he was glad to see revenues received by the City going toward the No-Haz program.

**Mr. Brennan** requested further clarification on the recycling rebate.

**Mr. Frey** responded that the recycling portion of the contract specifies that if recycling markets increase to higher levels than they are now, the City would benefit from any increase. Above \$30 per ton rebate, after the recycling facility pays all of its expenses, the City would receive the additional money. He commented that this would be a relatively small amount of money.

**Mr. Brennan** asked if there was a projected amount based on current prices.

**Mr. Frey** stated that these amounts would be very small for the next two to three years and depend on how much growth the China markets have, as these markets influence the recycled materials market.

**Mr. Brennan** questioned whether the program could begin March 30, 2009 to allow residents time to make adjustments and cancel their current service. He questioned who would cover the cost for the notification process to residents.

**Mr. Mahoney** stated that Allied Waste would send out the notification and cover this cost.

**President Hooper** questioned whether there was a benefit to begin March 1 versus starting March 30. He commented that composting does not begin until April 1.

**Mr. Yalamanchi** questioned how the waste containers would be shielded on a resident's property.

**Mr. White** responded that at this time, the City does not regulate the storage of waste containers.

**Mr. Hooper** commented that associations may have by-laws regulating waste containers, but the City does not enforce association regulations.

**Mr. Yalamanchi** questioned whether Allied would pay a licensing fee as other trash haulers do.

**Mr. Cope** replied that they would.

**Mr. Yalamanchi** questioned whether large boxes needed to be broken down.

**Mr. Mahoney** stated that as long as the box could be handled for pickup and would fit in the truck, it would be picked up. He stated that large boxes that would not fit should be broken down.

**Mr. Yalamanchi** stated that by not starting until March 1 it would allow better coordination of the transition. He expressed concerns over prepayment by residents to other haulers and also questioned the \$25 penalty fee specified in the Ordinance.

**Mr. Cope** explained that this would apply to violations of the Ordinance related to a single family resident hiring another waste hauler. In turn, the waste hauler would also be in violation of the Ordinance and they would receive a Civil Infraction. He explained that there are penalties that go along with the Civil Infraction.

**Mr. Yalamanchi** questioned how the City would be notified of delinquent bills.

**Mr. Cope** stated that Allied would provide both monthly and annual statements to the City that include delinquencies and Treasury would be working with Allied regarding the liens and fees.

**Mr. Staran** commented that liens would be very similar to grass cutting and other types of fees.

**Mr. Yalamanchi** questioned whether trash pickup would end for those residents who do not pay.

**Mr. Staran** explained that the trash pickup would continue and a lien would be attached to the property. The property would eventually be subject to being sold for delinquent taxes. He stated that these amounts would have to be delinquent for three years before getting to that stage.

**Mr. Yalamanchi** questioned Section 86-104 of the Ordinance regarding

*Municipal Civil Infractions and questioned whether the offenses would be cumulative.*

**Mr. Staran** stated that these were the same penalties that apply to all Municipal Civil Infractions.

**Mr. Yalamanchi** questioned the limit of fifty pounds for non-mechanical containers.

**Mr. Mahoney** stated that it was best to use Allied's containers. Items over 50 pounds in other containers would be considered bulk waste items.

**Mr. Frey** stated this was a standard requirement for anything that was not mechanically lifted.

**Mr. Yalamanchi** questioned whether language could be included that Recycle Bank would be prohibited to use the database for marketing by outside entities.

**Mr. Pixley** questioned whether an "opt-out" for additional marketing could be included when residents initially register for Recycle Bank.

**Mr. Nanda** indicated that "opt-in" opportunities were given to participants when registering. He commented that if there was no provision for a box to be checked for a resident's address not to be used for marketing, they would adjust this to include one.

**Mr. Yalamanchi** requested an explanation of what optional service specifications would be in the proposed contract.

**Ms. Farris** responded that this was an option that Allied included in the event of storm clean up necessary.

**Mr. Yalamanchi** thanked everyone for their work on developing this program. He expressed concern that Allied may not properly address customer concerns. He commented that he favored the Recycle Bank program.

**Mr. Rosen** questioned what items would not be acceptable for the recycle container. He also questioned where the recyclable materials were taken and how they were handled and sorted.

**Mr. Mahoney** referred to a list of recyclable items that had been provided.

**Mr. Rosen** noted that the only items that did not appear to be recyclable would be putrescibles, otherwise known as kitchen waste. He noted that he could possibly reduce his waste stream by 50 to 70 percent.

**Mr. Mahoney** stated that the recyclables would be processed at Great Lakes Recycling in Roseville and would be sorted and sent off to other places. Anything not recyclable would end up in the landfill.

**Mr. Rosen** questioned how much of the City's waste would go to recycling. He

*noted that the more waste that goes to recycling, the less the tipping fee will be.*

**Mr. Mahoney** stated that he estimated that between 10 and 15 percent of total volume would go to recycling. He noted that the recycling market is hurting as well, and that currently Allied is paying for recycling. There is currently no revenue coming back to the haulers.

**Mr. Rosen** stated that overall he favored the program. He commented that most of his criticisms of the proposed program revolve around the recycling program. He stated that most of the residents he spoke with regarding the program indicated they wished to see a rebate on their fees for recycling. He felt that a rebate would be more incentive for residents to recycle than participating in a Recycle Bank program. He stated that Recycle Bank appeared to be a gimmick. He stated that the payment to the City for the \$0.35 per month for the No-Haz program was acceptable. He stated that any revenue received from recycling should be earmarked for something specific. He stated that he would like to include a privacy provision for the Recycle Bank program. He commented that the transition from other haulers would present difficulties for some residents. He stated that beginning the program later would allow for more of the issues to be worked out.

**Mr. Pixley** questioned whether Allied could pick up a non-Allied container. He questioned what a non-conforming container would be.

**Mr. Mahoney** stated that the automated arm could pick up non-Allied containers. He stated that non-conforming containers would include old burn barrels, a 55-gallon drum, or containers over 50 pounds that the automated arm could not pick up.

**Mr. Pixley** discussed the start date, and questioned how much time it would take to order the containers.

**Mr. Mahoney** responded that Allied needed 30 days to order and receive the containers and 60 days to deliver them to residences. He stated that that amount of time would also allow Recycle Bank to meet with vendors to establish the coupon base. He stated that the containers would be the exact style brought to the prior City Council meeting on October 20, 2008. He stated that the color and logos would need to be determined.

**Mr. Pixley** wondered how the ownership of the waste stream would be referenced in the Ordinance.

**Mr. Staran** responded that the Ordinance would be adjusted to reflect that the title to the waste would pass at the time of collection.

**Mr. Pixley** expressed his appreciation to the residents who spoke today and at the Public Hearing. He thanked President Hooper, Ms. Farris, Mr. Cope, Mr. White and Mayor Barnett for their time and efforts on developing this program. He stated that although it does not address every one of his concerns, it is a good program. He stated that he favored a start date of March 30, 2009.

**President Hooper** directed that any blanks in the contract be filled in based on the start date.

**Ms. Farris** responded that with the start date information finalized, all contract blanks would be filled in.

**Mayor Barnett** stated that this will be a huge milestone for the City. He noted that there will be some issues to be addressed, but stated that calls from residents over the past six months have mostly been in favor. Most residents spoke about the cost savings on their monthly trash bill. He stated a goal of removing 60 percent of refuse from landfills. The "kickback" was negotiated so that the City could offset its outside hazardous waste costs and pick-up for all its municipal buildings. He commented that just as the Weed Ordinance does not entirely pay for itself, there will be some Administration time involved, and that any Allied revenues returned to the City would be used to offset these costs. Mayor Barnett thanked Council for their efforts.

**Mr. Ambrozaitis** questioned whether a darker, less noticeable color of container could be selected.

**Mr. Mahoney** thanked everyone involved for their efforts in developing this program. He expressed appreciation for residents' comments and stated that Allied would work to develop a successful program.

A motion was made by Pixley, seconded by Webber, that this matter be Adopted by Resolution. The motion CARRIED by the following vote:

Aye 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0358-2008

**Resolved**, that the Rochester Hills City Council hereby authorizes the contract to Allied Waste Services, Pontiac, Michigan, for single hauler solid waste, recycling and yard waste collection, transportation and disposal services.

## ORDINANCE FOR INTRODUCTION

- 2008-0568** Acceptance for First Reading - an Ordinance to repeal existing Articles II and III of Chapter 86, Solid Waste, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, and adopt new Articles II and III to regulate the generation, storage, collection, removal, disposal and composting of solid waste in the City; define terms; regulate and license waste haulers; establish a single-hauler waste collection and disposal program; repeal conflicting Ordinances and prescribe a penalty for violations

**Attachments:** [111008 Agenda Summary.pdf](#)  
[Ordinance.pdf](#)  
[111008 Resolution.pdf](#)

**See also Legislative File 2008-0083.**

**Mr. Staran** indicated that the proposed Ordinance would be changed to reflect a March 30, 2009 starting date.

A motion was made by Pixley, seconded by Webber, that this matter be Accepted for First Reading by Resolution. The motion CARRIED by the following vote:

**Aye** 7 - Ambrozaitis, Brennan, Hooper, Pixley, Rosen, Webber and Yalamanchi

Enactment No: RES0361-2008

**Resolved**, that an Ordinance to repeal existing Articles II and III of Chapter 86, Solid Waste, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, and adopt new Articles II and III to regulate the generation, storage, collection, removal, disposal and composting of solid waste in the City; define terms; regulate and license waste haulers; establish a single-hauler waste collection and disposal program; repeal conflicting Ordinances and prescribe a penalty for violations is hereby accepted for First Reading.

## COUNCIL COMMITTEE REPORTS

### Environmental Cleanup and Oversight Technical Review Committee:

**Mr. Rosen** stated that Council was provided with the results of testing performed on River Bend Park and reported that the results indicate that no contamination was found migrating onto the River Bend Park property. He stated that there were indications that the developer could begin work in early December.

## ANY OTHER BUSINESS

**Mr. Ambrozaitis** questioned whether residents would have access to AT&T cable.

**President Hooper** indicated that AT&T does not want to pay the fees to extend its lines to hook into the City's system.

**Mayor Barnett** stated that the City was still negotiating with AT&T.

**Mr. Yalamanchi** recommended that when tax abatements and tax exemptions come before Council for consideration, they be submitted with a minimum of three years of detailed financials. He stated that banks require this detailed information and the City should be able to receive this as well.

**Mr. Staran** stated that he would work with Mr. Casey on what information could be required. He noted that a lending institution does not operate under the Freedom of Information Act and the City would want to make sure that if requesting proprietary information for Council's deliberations, the confidentiality of this information would be maintained and a company would not be put into a competitive disadvantage.

**Mayor Barnett** stated that Council had requested an update on REI, and he

*was including a packet of information to Council for review. He also provided an update on Walmart, indicating that after six months their impact on the community was negligible compared to other retail establishments.*

## **NEXT MEETING DATE**

*Regular Meeting - Monday, November 17, 2008 - 7:30 PM*

## **ADJOURNMENT**

*There being no further business before Council, President Hooper adjourned the meeting at 10:44 PM*

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*GREG HOOPER, President  
Rochester Hills City Council*

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*JANE LESLIE, Clerk  
City of Rochester Hills*

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*MARY JO WHITBEY  
Administrative Secretary  
City Clerk's Office*

*Approved as presented at the (insert date, or dates) Regular City Council Meeting.*