



Rochester Hills Minutes City Council Work Session

1000 Rochester Hills Drive
Rochester Hills, MI 48309
(248) 656-4660
Home Page:
www.rochesterhills.org

*Erik Ambrozaitis, Bryan K. Barnett, Jim Duistermars, Barbara Holder,
Linda Raschke, James Rosen, Ravi Yalamanchi*

Wednesday, March 29, 2006

7:30 PM

1000 Rochester Hills Drive

MEETING RESCHEDULED FROM MARCH 22, 2006

CALL TO ORDER

President Rosen called the Rochester Hills City Council Work Session Meeting to order at 7:32 p.m. Michigan Time.

ROLL CALL

Present: Bryan Barnett, Jim Duistermars, Barbara Holder, Linda Raschke, James Rosen, Erik Ambrozaitis and Ravi Yalamanchi

Others Present:

*Ed Anzek, Director of Planning/Development
Scott Cope, Director of Building/Ordinance Enforcement
Bob Grace, Director of MIS
Jane Leslie, City Clerk*

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Rev. Dr. Pamela Whateley, 1600 North Livernois, asked that a public restroom be added to the Paint Creek Trail and that bathrooms be available year-round. She also noted that there had been very short notice of the subject of this Council meeting and asked that the notification process be improved.

Mr. Martin Venda, 720 Essex Drive, provided pictures of his backyard explaining that the new subdivision development behind his home was causing flooding and asked Council for assistance.

President Rosen assured Mr. Venda he would consult with City staff to find a solution.

Mr. Steve McGarry, 2164 Clinton View Circle, stated that Rochester Hills has a "history of consent judgments." He expressed his concern that the development planned for the Hamlin/Adams intersection would result in inadequate clean up of the environment. He urged Council and the City to "defend its residents, the environment and the Master Plan."

Ms. Deanna Hilbert, 3234 Quail Ridge Circle, encouraged residents to attend an upcoming town hall meeting to discuss the proposed development at Hamlin and Adams, and requested that the City provide adequate notice of this meeting.

COMMENTS & ANNOUNCEMENTS

NOTE: This Agenda category was moved at the request of Ms. Raschke.

Ms. Raschke urged residents to place carbon monoxide monitors in their homes, noting that a family member had recently experienced a leak that could have resulted in his death.

Mr. Duistermars noted that consent judgments are not uncommon in municipalities. He further noted that, in these types of circumstances, the Council has to weigh all of the information to determine if there is a "reasonable chance of winning in court."

Mr. Ambrozaitis thanked a new business for locating in Rochester Hills and providing jobs. He also requested that Planning Commission meetings be televised.

CITY COUNCIL

2006-0258

Adoption of Resolution to Waive City Council Rules of Procedure regarding Citizens' Rights to Address Council

President Rosen, noting that the evening's discussion would proceed in a different manner than usual, explained that Council needed to waive its standard policy of allowing residents only three minutes each for Public Comment.

Mr. Duistermars indicated that there was no need for Council to adopt a resolution to suspend this practice noting, "It's just a policy guideline."

President Rosen concurred.

Discussed

2006-0034

Single Hauler Solid Waste Program Reevaluation

Attachments: Agenda Summary.pdf; Supp Info - Citizen Cmnts - 032906 Work Sess.pdf; David Grossman Bio.pdf; 20030327 CDV Powerpoint presentation.pdf; 20040721 CC Powerpoint Presentation.pdf; 20040128 CC Powerpoint presentation.pdf; Citizens Flyer to Reject Single Haule

President Rosen described the process for the single waste hauler discussion. He introduced **David Grossman**, a facilitator who would gather input from the Council and resident discussion. President Rosen noted that he, Mr. Grossman, **Mr. Barnett** and **Mr. Scott Cope**, Director of Building/Ordinance Enforcement, had met prior to the Work Session meeting to pre-load the information regarding the single waste hauler into a mapping program to be utilized by Mr. Grossman during the course of the meeting. He then explained that, as opposed to the typical discussion process during Council meetings, Council members would take turns speaking in order and audience members would join in the discussion speaking as frequently as they liked with no set time limit. The primary goal was to identify all of the issues, both positive and negative, associated with the subject of a single waste hauler in the City and then rank and organize the issues and ideas.

Mr. Grossman explained the benefits of the mind mapping process, noting that people find it easier to understand complex processes and come to better decisions when the issues are presented in a visual or graphic manner.

Discussion ensued among Council members and **Mr. Cope** regarding the benefits of a single waster hauler, in particular the overall cost savings to most residents and the City-managed complaint process. The negative aspects were also discussed, including senior citizens paying for service they would not use year-round and condominium owners paying twice for this service. It was the contention of some Council members that residents prefer to choose their own waste haulers.

PUBLIC COMMENT:

The following residents participated in the evening's discussion:

- **Mr. Lee Zendel**, 1575 Dutton Road
- **Mr. Merle Wolff**, 1160 Clopton Bridge Drive
- **Ms. Rea Siffring**, 971 Dutton Road
- **Ms. Brenda Savage**, 1715 Northumberland
- **Ms. Melinda Hill**, 1481 Mill Race
- **Rev. Dr. Pamela Whateley**, 1600 North Livernois
- **Mr. Steve McGarry**, 2164 Clinton View Circle
- **Ms. Mary Jo Dinha**, 851 Dressler
- **Mr. Don Ruff**, 3587 Heron Ridge
- **Ms. Lorraine McGoldrick**, 709 Essex
- **Ms. Alice Benbow**, 1582 Northumberland Drive
- **Ms. Lois Golden**, 645 Apple Hill Lane
- **Mr. Paul Miller**, 1021 Harding Avenue
- **Ms. Lisa Manke**, 3324 Melvin Avenue

Residents provided the following comments:

- *People are not concerned with the cost of their trash hauler.*
- *People do not want a single waste hauler.*
- *It is untrue that garbage trucks cause excessive damage to the local roads.*
- *It is cheaper for one hauler to pick up all the trash on a street at one time.*
- *There should be a provision for people who want to opt out of a single waste hauler program.*
- *People want options and choices.*
- *The government should not do for the people what they can do for themselves.*
- *The issue of trash removal should not come before the issue of local roads.*
- *This issue should be decided by a vote of the people.*
- *The discussion should begin where the last discussion ended, that being that the service would be billed to all residents and not funded through taxes.*
- *Government should try to provide the best service at the least cost to residents.*
- *Everyone produces trash, thus its removal is an essential service.*
- *Residents should be able to opt out of certain portions of the service such as leaf pick-up.*
- *The price could go up after the initial contract.*
- *Large corporations are trying to take over essential services such as ambulance services, funeral services and waste hauling in effect resulting in a monopoly.*
- *Some politicians think average citizens are "too stupid or too lazy to do things for themselves."*

(Recess 9:33 - 9:52 p.m.)

Mr. Grossman's mind mapping efforts resulted in the following:

DECISIONS TO MAKE:

Should the City be involved in Trash Collection?

- *Reasons to do it:*
 - * *Save residents money*
 - *25% - 50% savings per year*
 - *Increase competition with scale*
 - * *Reduce wear and tear on road system*
 - *Question on level of effect*
 - * *Improved quality of service for City/residents*
 - *Handle complaints*
 - *Lack of City control of contractors*
 - * *Increased services including household hazardous waste collection*
 - *Have it in No-HAZ*
 - * *Improve public safety*
 - * *Long-term goals for City*
 - *Environmental responsibility*
 - *Prepare/Plan for imminent decrease in landfills and increase in disposal costs*
 - *Assist Oakland County / MDEQ with solid waste planning*
 - * *Eliminate unsightly trash out every day of week in community*
 - * *Utilize existing staff*
 - *Is this possible?*
 - * *Reduced ordinance enforcement*
 - *City checks licensed hauler trucks*
 - * *State considers essential service*
 - * *Recycling*
 - * *Difficulty changing haulers for residents*
- *Reasons to say "No":*
 - * *No new taxes concerns*
 - * *Philosophy*
 - *Socialistic*
 - *Un-American*
 - *"Nanny state"*
 - *Freedom*
 - *Desire for resident control*
 - * *Choice of hauler*
 - *Eliminating competition*

- * *Impact on government size*
 - *Streamline government*
 - *Impact of big government*
 - *Creating bureaucracy in City*
 - * *Billing*

- * *Provision to opt out*
 - *Snowbirds*
 - *Completely opt out*
 - *Choosing options rather than high-end plan*

- * *What about current contracts?*

- * *Some people don't want it*
 - *Question on number*
 - *Not allowing voters to decide*
 - *Not quality of life issue*

- * *How do we protect people on fixed incomes?*

- * *Capability of contractors to handle City*

- * *Teaser contract rates*

- * *Other communities have trouble*
 - *Northville Township*
 - * *Fixed with new contractor*

- * *Government authority*
 - *Could it be legally challenged?*

If, "Yes" (the City should be involved in trash hauling):

- *Goals for funding mechanism*
 - * *Lowest start-up costs*
 - * *Least on-going administrative burden*
 - * *Easy to implement*
 - * *Easy to administer*
 - * *Least complicated to maintain*

- *How Should Single Hauler Be Funded?*
 - * *Public Act 298 - Millage*
 - *Description*
 - * *Permits cities to levy up to 3.0 mills tax*
 - * *Primary funding method in area*
 - *e.g. Troy, Birmingham, Pontiac*
 - *Approximately 60% of local communities*
 - *Pro*
 - * *Lowers cost to most residents*
 - * *Tax deductible*
 - * *Very low cost to collect*
 - * *Spreads cost across all parcels*
 - * *Action by City Council only*
 - * *Non-pays become lien on property*
 - *Con*
 - * *Not most equitable*
 - *Business subsidizes residential*
 - *Condos/multi-family*
 - *High value homes pay more*

- * *Vote of residents not required*
- * *Snowbirds pay all year*
 - *Total cost about same*
- *Issues*
 - * *Business pays - often not served*
 - * *Multi-family pays - service options?*
- * *Fee for Service - Traditional*
 - *Description*
 - * *Essentially a "user fee"*
 - * *Ordinance used to limit to one hauler*
 - * *Some examples of this approach in area*
 - *Bloomfield Township*
 - *6% of communities use*
 - *Pro*
 - * *Fees match level of service*
 - * *All pay same fees*
 - * *Parcel must benefit from the service*
 - *Vacant lot does not pay*
 - * *Higher value parcels pay same*
 - *Con*
 - * *No incentive to reduce/recycle*
 - * *Need collection process for no-pays*
 - * *Fee collection more costly than millage*
 - * *Charges full cost to residential sector*
 - *Issue*
 - * *Possible voluntary - self haul*
 - * *Snowbirds*
 - * *Businesses/multi-family don't pay*
 - * *Fee variation - see PAYT*
 - * *How should billing be addressed*
 - *Hauler*
 - *City vendor (water)*
 - *New vendor*
- * *Fee for Service - Pay-As-You-Throw (PAYT)*
 - *Description*
 - * *Residents pay for level of service used*
 - * *Variation of Fee for Service*
 - * *May combine flat fee with unit-based fee*
 - *Imprinted bags*
 - *Stickers*
 - *Cans*
 - *Pro*
 - * *Equitable system*
 - * *Encourages recycling*
 - * *Low generators pay less*
 - * *High generators pay more*
 - *Con*
 - * *Major change in trash collection process for residents*
 - * *Complicated to administer*
 - * *Only tagged items are collected*
 - * *Revenue more difficult to forecast*
 - * *Need collection process for no-pays*
 - * *Higher collection costs than millage*

- Issues
 - * How should billing be addressed?
 - Hauler
 - City vendor (water)
 - New vendor
- * Fee for Service - Hauler Franchise
 - Description
 - * Variation of fee-for-service
 - * Hauler is licensed to operate in City
 - * May license more than one hauler to operate in "franchise districts" in City
 - * Not used much in Michigan cities
 - Pro
 - * Hauler bills residents
 - * Single hauler in each "zone"
 - Con
 - * Hauler establishes own fees
 - * No clear source of savings for residents
 - * Limited ability to restrict other haulers
 - Issues
 - * Legal basis not established
 - * "Market participant" issue for City
 - * No clear Michigan legislative authority

OBSERVATIONS:

- **Lowest cost for community**
- **Do nothing is most expensive**
 - * Constant rate increases
 - * Subs have bargaining power
 - Being reduced by fuel surcharges, etc.
 - * Large variation in cost to resident
- **If there were just a single hauler**
 - * City objectives would be met
 - * For single hauler to work City must be involved to keep cost down

BACKGROUND:

- **Previous Council Presentations**
 - * March 27, 2003
 - * January 28, 2004
 - * July 21, 2004
- **Anti-single hauler flyers / Rochester Hills response**
 - * Flyer 1
 - * Flyer 2
 - * Rochester Hills Response
 - * Single hauler FAQ
- **Prior proposal implementation**
 - * RFP Scope
 - Collection
 - * Residential

- Weekly curbside solid waste
- Weekly curbside recycling
- Weekly curbside yard waste (April - November)
- Fall leaf (bagged)
- Bulky waste / white goods
- Christmas trees
- Handicap / Senior "back door" service
- Household hazardous waste (via No-HAZ)
- Education and complaints (joint between hauler and City)
- Curb cart optional (same as current)

- * Municipal
 - Municipal on-call services
 - Municipal dumpsters

- Facilities
 - * Landfill disposal
 - Regular solid waste
 - Bulky waste - non-recyclable

 - * Recycling processing
 - Two stream (commingled paper / commingled bottles & cans)
 - Single stream alternate

 - * Yard waste
 - Green waste (April 1 - November 30)
 - Fall leaf
 - Christmas trees

- Administrative
 - * Billing
 - Quarterly billing to residents
 - Handle receivables

 - * Project management
 - Handle phone system / complaints
 - Develop education outreach materials
 - Work with waste hauler / residents / City on an on-going basis

- * Procurement Strategy
 - Specify collection services similar to what waste haulers currently provide

 - Increase competition in collection by taking separate bids for disposal and processing

 - Allow bundled proposals as alternate
 - * Single contract with disposal and collection

 - Three-year contract with two one-year options
 - * Consistent with City procurement policy

 - Examine out-sourcing of tasks normally handled by City staff

- * Proposal evaluation process
 - Evaluation criteria
 - * Organizational - 25%
 - * Technical - 25%
 - * Financial - 50%

- Review process
 - * Reviewers read technical proposals
 - * References were contacted
 - * Each reviewer scored independently
 - * Technical scores were averaged
 - * Financial analysis scores added
- * Companies responding to RFPs
 - Disposal
 - * Waste Management (WMI)
 - * Allied / Great Lakes
 - Recycling processing
 - * Waste Management (WMI)
 - Compost processing
 - * Waste Management (WMI) with Indian Summer
 - Collection
 - * Waste Management (WMI)
 - * Allied / Great Lakes
 - * Five Star
 - 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.
- * Program management option
 - One vendor proposal received
 - * One-time set-up fees of \$28,610
 - * Annual personnel fees of \$70,200
 - * Provides 1,124 hours of service per year
 - In-house option priced out
 - * One-time set-up fees of \$20,000
 - * Annual personnel cost of \$60,000
 - * Provides full-time employee
 - * Same model as Troy uses
 - Additional costs for printing / supplies
- * Billing option
 - Five vendor proposals received
 - * One-time set-up fees of \$5,000
 - * Annual fees of \$124,000
 - * Covers all printing / mailing / processing fees
 - 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

- *WMI billing proposal*
 - * *One-time set-up fees of \$5,000*
 - * *Annual fees of \$63,000*
- * *Bulk leaf collection option*
 - *Loose / bulk pick-up adds cost*
 - *Out-sourced - over \$1 million per year*
 - *In-house*
 - * *\$1,400,000 (first year)*
 - * *\$1,300,000 (second year)*
 - *Curbside vendor provides alternative*
 - *Already included in cost proposal*
 - *Will require bagging*
 - *Residents already bag or contract out*
 - *Same model as Troy uses*
- * *System costs to City*
- **Current Rates**
- **July 21, 2004 Update**
 - * *Senate Bill No. 561*
 - *New legislation affecting solid waste collection costs*
 - *Beginning Jan. 1, 2004 through Oct. 1, 2007 landfill owners are required to pay a surcharge each quarter to the State Treasurer*
 - *The landfill owner may pass through and collect this surcharge from any person who generated the solid waste*
 - *This surcharge has resulted in a \$0.24 increase per year for each household*
 - * *Comparison of billing costs*
 - *WMI*
 - * *No control of purse strings*
 - * *Less control of service*
 - * *City must rely on WMI records for tax liens and collection of no pays*
 - * *Lump sum payment for no pays*
 - * *City must collect administrative fees from WMI*
 - * *Additional bill*
 - * *Residents' questions on billing complicated by three layers in billing process: WMI, billing contractor and City*
 - * *City would get billing calls but have no control over problems*
 - * *Updates on housing required from City*
 - * *Less control would result in increased administrative burden*
 - * *Level of City involvement?*
 - * *Lowest start-up costs?*

- City
 - * City controls purse strings
 - * More control of service
 - * Easiest for residents: four fewer bills per year, one bill/one check for water, sewer and solid waste
 - * No pay costs spread out over the year
 - * One source for billing questions
 - * Direct City involvement
 - * Easiest plan to implement and administer; system already set up
 - * Least complicated to maintain
 - * Least on-going administrative burden
 - * Higher level of customer service; experience working with residents on billing issues; residents familiar with process

- Separate vendor
 - * Highest cost
 - * Additional bill
 - * City would get billing questions
 - * Updates on housing required from City

- **January 28, 2004 Recommendations**
 - * Move ahead with single hauler system
 - * Bundled services with fall leaf included
 - * City does contractor management
 - * Millage funding system
 - * Service starts January 1, 2005
 - * Prices guaranteed through 2009
 - * Price proposals valid to January 1, 2005

- **March 27, 2003 Recommendations**
 - * Move ahead with single hauler system
 - * Bundled services with fall leaf included
 - * City does contractor management
 - * Millage funding system
 - * Service starts January 1, 2004
 - * Prices guaranteed through 2008
 - * Price proposals good to fall of 2003

- **Oakland County communities**

KNOWLEDGE GAPS:

- **Liability of City**
 - * How would it impact cost?

- **Contract length**

- **Possibility of advisory on ballot**

- **What about current contracts?**
 - * Five-year contract in Cumberland
 - * Hampton contract

- **How do we protect people on fixed incomes from increased tax bill**
 - * May not want or afford all services

NEXT STEPS:

- **Group / collapse data**

- **Distribute results to Council**

President Rosen indicated that the results of this discussion would be taken under consideration by Council and the matter would be addressed again following the results of the mind mapping.

Discussed

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Regular Meeting - Wednesday, April 5, 2006 at 7:30 p.m.

ADJOURNMENT

There being no further business before Council, President Rosen adjourned the meeting at 10:52 p.m.

*JAMES ROSEN, President
Rochester Hills City Council*

*JANE LESLIE, Clerk
City of Rochester Hills*

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

Approved as presented at the August 16, 2006 Regular City Council Meeting.