

CITY OF STERLING HEIGHTS
MINUTES OF SPECIAL MEETING OF CITY COUNCIL
TUESDAY, JANUARY 26, 2021
IN COMMUNITY CENTER

1. Mayor Michael C. Taylor called the meeting to order at 8:38 a.m.
2. Mayor Taylor led the Pledge of Allegiance to the Flag and Melanie D. Ryska, City Clerk, gave the Invocation.
3. Council Members present at roll call: Deanna Koski, Michael V. Radtke Jr., Maria G. Schmidt, Michael C. Taylor, Henry Yanez, Barbara A. Ziarko.

Absent: Liz Sierawski.

Also Present: Mark Vanderpool, City Manager; Marc D. Kaszubski, City Attorney;

Melanie D. Ryska, City Clerk; Carol Sobosky, Recording Secretary.

4. **APPROVAL OF AGENDA**
Moved by Koski, seconded by Ziarko, to approve the Agenda as presented.
Yes: All. The motion carried.

Mayor Taylor stated that Mayor Pro-Tem Sierawski regrets she will not be present today due to unforeseen circumstances at work, but she indicated she will be following along from her office as much as possible.

Mayor Taylor stated that, to his knowledge, this is the first time the City has done something like this for a City Council meeting, and he expressed appreciation to all of the staff who have prepared the extensive background material and will be coming in to make presentations on these important issues.

5. **REPORT FROM CITY MANAGER**
Mr. Vanderpool stated that he does not have a report but is ready to introduce the Strategic Planning presentations.

6. STRATEGIC PLANNING PRESENTATION

A. Continual Improvement...a strategy for sustaining success

Mr. Vanderpool provided some background for the structure of this meeting, noting that this has been a highly unusual year, and some of the items that will be discussed today may have been considered under more normal circumstances, but that was not possible this past year. They felt it would be appropriate to discuss them under strategic planning. He added that all of the presentations are centered on the need for continuous improvement that is the guiding principle of all the City stands for moving forward under the Visioning 2030 plan.

B. More hands, better outcomes...the case for increasing employee count

1. General Employees

Mr. Vanderpool stated they will be talking about the need for additional human resources, and he invited Assistant City Manager Jeff Bahorski to give the presentation.

Assistant City Manager Jeff Bahorski stressed the need for personnel, and he believed that the City's vision cannot be realized without sufficient numbers of talented employees. He pointed out that they have great employees, but the question is whether they have enough great people to make their shared vision for Sterling Heights a reality. Mr. Bahorski provided some history on staffing in the City, noting they have always had a lean staffing model across the organization. Through recruiting, hiring, and retaining the best available talent by compensating that talent at above-market rates and demanding productivity at high-performance levels, the City has been very successful, and he cited the

Police and Fire Departments as examples that have been recognized with national, state, and local awards for outstanding public service. He added that general employees have also been integral to the lean staffing model, having generated and maintained a culture of excellence in municipal governance. He provided examples, including *Re*Creating Recreation, Van Dyke and Mound Road reconstruction, and recent renovation of City facilities.

Mr. Bahorski emphasized that the City remains a perilously lean organization in 2021, with 3.7 employees per 1,000 residents, well below benchmark comparable municipalities. He showed a slide illustrating the historical trend of staffing since 2002, with the decline largely attributable to the Great Recession. He explained that since 2002, population growth, enhanced public services and social media have dramatically altered how the City interacts with its businesses and residents. He showed a slide reflecting how staffing in each department has been impacted by the overall decline of manpower from 2002 to 2021, ranging from a 22 percent decrease in full-time DPW employees to a 50 percent decrease in full-time employees working in Community Relations. The City has dramatically reduced full-time personnel over the past twenty years without a corresponding reduction in the level of public service being delivered, and the City has undertaken many significant initiatives that have greatly benefitted the community, with a strong desire to do more. He emphasized the fact that certain departments are in desperate need of human resources in the form of more full-

time employees, and if this need is not met, the City's ability to discharge its most basic of functions will be compromised, and service will not meet expectations. Mr. Bahorski stated that City management undertook a comprehensive manpower analysis of the Police Department through the engagement of GovHR USA, and the Fire Department through the engagement of Matrix Consulting. For the General Employees, each director was charged with analyzing manpower in light of the 5-year strategic plan. In recognition of the significant financial limitations that preclude meeting all manpower needs presented, City management undertook a thorough review of the studies in order to develop a recommendation for City Council that addresses the most pressing manpower needs and is financially responsible. As a result, sixteen new General Employee full-time positions are being recommended, and he outlined the basic functions for each:

- One (1) HR Coordinator (Human Resources)
- One (1) Clerical position (Office of City Clerk)
- One (1) IT Specialist (Office of Information Technology)
- One (1) Certified Assessor (Office of Assessing)
- One (1) Accounting Manager (Office of Financial Services)
- One (1) Senior Accounting Clerk (Office of Financial Services)
- Two (2) Account Clerks (Office of Treasury)
- One (1) Environmental Safety Supervisor (DPW)
- One (1) Entry Level Supervisor (DPW)
- One (1) Entry Level Laborer (DPW)
- One (1) Administrative Assistant (DPW)
- One (1) Entry Level Civil Engineer (City Development Division)
- One (1) Entry Level Planner (City Development Division)
- One (1) Marketing and Communications Manager (Community Relations)
- One (1) Court Administrator (41-A District Court) (this is a separation of the current combined Court Administrator/Magistrate position)

Mr. Bahorski invited Police Chief Dale Dwojakowski to give a presentation on his recommendations for new officers for the Police Department.

2. Police

Police Chief Dale Dwojakowski reviewed the staffing study conducted by GovHR in 2020, as well as the Police Department's operating model, their history and where they are going, as well as some proposals. He stated they had 173 sworn police officers in 2002, and that number dropped down to 149 sworn police officers in 2017. He attributed the economic recession for having to reduce staff, and they lost ten officers by privatizing their jail and using G4S Security. They moved their dispatch facility from Sterling Heights to Macomb County's regional dispatch, so they lost a sergeant to that position. They eliminated their community policing programs, including DARE, where they had four police officers teaching school programs and doing community outreach and engagement. In 2018, they gained two police officers for school resource officers, bringing their total to 151 sworn officers, and they gained another police position in 2019, adding an officer to the FANTOM Macomb County Drug unit and creating a "Community Services Bureau" position, filled by Sergeant Susalla, and he does it all.

Chief Dwojakowski talked about the question as to the right number of police officers for a community, noting it varies between communities. Some models base it on a certain number of officers per 1,000 residents, others base it on a minimum number of officers they feel is necessary to police a city, another model bases it on a specific dollar amount budgeted, and another model bases

it on workload. Sterling Heights has 1.1 officers per 1,000 residents, but to increase their level to the City of Warren, which has 1.45 officers per 1,000 residents, Sterling Heights would have to hire 40 police officers to get to that level, which is not practical. He provided examples of what the City would need to do to match the levels of other municipalities. He stated experts recommend focusing on workload level, following a "60-percent rule", where 60 percent of officers should be on the road, and Chief Dwojakowski stated approximately 66 percent of the City's police officers are assigned to road functions in patrol cars. The other workload question is whether the officers are busy, or on police runs, 60 percent of the time. He explained if this is the case, they are probably too busy because they do not have time to do proactive work in places like commercial centers and subdivisions.

Chief Dwojakowski reviewed the responses from the 2017 Community Survey, noting the areas of importance for residents and businesses. He explained the process that GovHR went through, and he reviewed their six findings, as follows:

1. Establish new Deputy Chief of Police position (non-union or "exempt")
2. Additional traffic officers or overtime paid for enforcement detail.
3. Combining Crime Suppression Unit with Crime Unit and adding a couple of officers
4. Increasing overtime for community services and summer park patrol
5. Increase the part-time Animal Control Officer to full-time
6. Increase in Civilian Record staff or more online options.

Chief Dwojakowski provided his input on the findings, noting that while he would like to see a Deputy Chief position, it is something that would need to be addressed in the Command Officers union contract, which expires in June 2022.

He also added he would prefer to see officers on the road first. He agreed that traffic officers are important, and they have a great traffic safety bureau, but with hundreds of miles of city roadway, there is no way they can be on everyone's street every day. They could increase patrol on trouble streets if they have more officers or add to their overtime. He did not see any advantage to combining the Crime Suppression Unit with the Crime Unit, adding that they work very well together, but their jobs are totally different. He believed in the increase of either more officers or more overtime for community services and named some of the programs which are provided by current officers being paid overtime. He added that the parks are beautiful but he cannot take an officer off the road to put him/her on a bicycle, so he would either need more officers or more overtime. He and Ms. Varney discussed the part-time Animal Control officer and determined at this time they would keep it as part-time, noting the only drawback is that there is a frequent turnover in part-time positions as the individuals filling those positions move on to full-time employment. He stated their Record staff is phenomenal in adding more online services since the start of COVID, which streamlines their process, so he did not feel extra staff in that area is needed at this time.

Chief Dwojakowski presented his manpower proposal as follows:

- Directed Patrol Unit: Four (4) officers and one (1) sergeant driving in marked cars, preferably at night, in areas (commercial and residential) where there have been documented crimes. These officers could also provide speed enforcement.
- Addition of two (2) full-time Community police officers. They currently have one sergeant but he would love two additional officers to teach the

SMART Moves program in all 19 elementary schools, be involved with QRT Drug Overdose Program, reach out to middle school and high school through programs, help with organization of large community events, work with CORE officers, and patrol the parks on bicycle patrol during summer months.

Chief Dwojakowski explained the funding issue they have to add these positions, and he calculated if they close the City's detention facility and utilize the Macomb County Jail, they would be saving \$600,000 per year in security contract fees for G4S, who runs their jail, and that could pay for a portion of the increased personnel. He talked about the logistics of closing the jail, especially since they are a large organization and make a lot of arrests, and he admitted that 41A District Court judges have a lot of questions. He clarified that they are not necessarily in opposition or that it is impossible, but they would like to get answers before they move forward. He stated they have met with the Sheriff and the Captain who runs the Macomb County Jail, and they have assured they can handle the City's jail load, and it would be no issue for them. He talked about liability, which would be another savings for the City. He noted that the revenue from tickets issued by the additional officers would further offset the costs of the added positions. He invited Budget & Finance Director Jennifer Varney to speak about the funding issue.

Budget & Finance Director Jennifer Varney stated that employees are expensive and comprise approximately 73 percent of the City's overall budget. The City has successfully built up their fund balance to a comfortable level, but there is not enough room in the budget to absorb the cost of hiring the proposed

employees. During COVID, they have had to use a small portion of fund balance and anticipate they will have to do the same next year in order to keep their current services. She stated the only option to fund these positions is through a tax increase, a water and sewer rate increase and a decrease in operating costs. She indicated for the General Fund positions, a small tax increase of 0.25 mill is proposed, costing the average homeowner approximately \$20 per year, and would use only a portion of their available Headlee cushion. For the four (4) Water and Sewer positions, a small rate increase would be required, costing the average household only about \$5.50 per year. The seven (7) Police positions would be funded through the savings from the closing of the jail and the increased fines from the Directed Patrol Unit.

Mr. Bahorski felt the City is at a critical juncture in implementation of the 2030 Visioning Plan, and they cannot realize its vision of being an inclusive community for residents and businesses that is safe, active, progressive, and distinctive unless there are sufficient resources to support the personnel to implement the key programs and initiatives to make the vision a reality. He stated City Management endorses the plan for additional manpower as presented.

Mr. Vanderpool stated they did not focus on the Fire Department. The Matrix Group conducted a study, and the City Council recently approved the hiring of six additional firefighter/paramedics to staff the fifth ambulance. The Matrix Group recommended a total increase of 24, so they are looking at 18 more. He

stated the City Management feels they are adequately staffed for the next year, but they will need a strong focus and collaborative effort with the approximate twenty-seven senior facilities, adding they have an inordinate amount of runs to those centers. They may need to look at a funding mechanism from those centers to support the hiring of the additional firefighters. Mr. Vanderpool stated this concludes the first presentation, so it is appropriate to address questions, comments, and feedback from City Council.

Mayor Taylor noted there is no one in the audience to speak, so he opened the floor to Council members.

Councilwoman Ziarko stated this is her favorite meeting of the year because they can talk about possibilities. She felt a lot of thought went into the plan.

Councilman Radtke felt this was a great presentation, and it is something he has expressed for a long time. He presented numerous questions and comments that were addressed by Chief Dwojakowski.

Chief Dwojakowski noted that the Community Service officers, while not actually out on the road, have much more of an impact when they are a sworn officer in uniform, adding that the uniform has power, demands respect, and children and young people listen more intently to someone in uniform, often seeing them as a hero. He indicated the addition of the Directed Patrol Unit would result in the need to purchase three additional cars. It is difficult to determine the amount of overtime paid now for community services, when considering all of the meetings, the QRT team, every SMART Moves visit, etc., but he stated he would

have to add it all up. He added it is cheaper to continue to pay overtime rather than adding new bodies, but there are problems with doing that. He replied that he will provide information to Mr. Vanderpool as far as how much they are spending in overtime for these programs.

Councilman Radtke felt the Deputy Chief position is important, and he urged Chief Dwojakowski to push the Command staff to embrace that model. He stated the number one complaint he receives from residents relates to “quality of life” crimes, such as car break-ins, speeding, fireworks, etc. that could be helped by more neighborhood patrol, so he felt the Directed Patrol Unit is necessary. He suggested the Community Services Bureau needs at least one and possibly two more officers.

Chief Dwojakowski replied to inquiry that their department has already instituted the “8 Can’t Wait,” which are policies that can decrease police violence. He reviewed the eight steps, and noted they have to be in place before they can receive Department of Justice grants. He added that they are in the process of being accredited, which is a very lengthy process, and they hope to receive that certification in June 2021 at the Michigan Chief’s Conference.

Councilman Radtke asked Public Works Director Michael Moore if the City has a certified arborist on staff.

Mr. Moore replied they have a tree inspector and, although the individual is not a certified arborist, they are looking into ways for that individual to take the test to become certified.

Councilman Radtke was glad to hear that and felt it would be good to be able to tell residents the City has a certified arborist overseeing the tree program rather than contracting it out.

Mr. Moore assured that is the plan.

Councilwoman Schmidt stated they knew the day was coming when they would need more employees, noting they have one of the lowest ratios of employees to residents, so she is glad they are looking at adding some positions to some of the departments that were "gutted" in the recession. She liked the idea of closing the jail but was also glad the Chief is working closely with the Court to see if it can be done. She inquired as to how much time it would take to transport a prisoner and whether it would involve one or two officers.

Chief Dwojakowski replied transport time could vary, depending upon the location, ranging from 10 to 30 minutes. He admitted it could take more time, which is a drawback, and when they pull into the jail, there are two roll-up doors, so if someone is already there, there may be some waiting time involved as well.

Councilwoman Schmidt compared it to the Fire Department, where their firefighters/paramedics have to transport to a hospital outside city limits because there is no hospital within the City of Sterling Heights, so it is something to think about. She suggested that, with regard to the proposed addition of two Community police officers, possibly one could be a sworn officer, but the social media could be handled by a civilian. She stressed the officers in the high

schools are very important, and she questioned how these school officers will be utilized during the summer months.

Chief Dwojakowski replied those officers do not take vacation during the school year, so they have large blocks of vacation to take during the summer months. If they are not on vacation, they can be assigned to the road as supplemental staff on daytime patrol, and one of the three is generally offered the option of taking juvenile detective cases for the summer. He replied to further inquiry that were not reviewing their policies on an annual basis, but 2020 was an eyeopener, and also their accreditation requires they go through all of the Use of Force and De-escalation policies every year. He added that Implicit Bias has now been added as well.

Councilwoman Schmidt was in favor of the Deputy Chief position and would push to not have the Chief be in the COA.

Councilwoman Koski inquired as to the average home value being used when indicating a \$20 per year increase.

Ms. Varney replied those calculations were based on last year's taxable value average of a home, which is about \$76,000, so it would be a home estimated to be worth approximately \$150,000.

Councilwoman Koski calculated that a homeowner in a \$300,000 home would have a tax increase of about \$40 per year.

Ms. Varney confirmed that the higher the value of the home, the more that homeowner would pay. She replied to further inquiry that the average water

and sewer user pays about \$64 a month, so that bill would go up about \$5 or \$6 annually to pay for that. For someone using more water, the increase would be more. She replied to further inquiry that each director submitted requests for what they would like to see in their department, and those requests totaled around 40 to 50 employees. City Management went through each of those requests and narrowed it down to what they believe are the most critical positions. She replied to still further inquiry that a couple of the part-time Court Clerks were made full-time positions as part of the Indigent Defense Grant, but she could not recall any recent changes. She noted that the one full-time position in the court has been requested by Judge Wiegand along with Magistrate Piatek, adding that it was not approved last year. She agreed that the combination of the Court Administrator and Magistrate duties is very challenging.

Councilwoman Koski agreed that definitely needs to be two positions. She thought they needed a full-time clerk as well. She inquired as to who reviewed all of the requests from the department heads.

Ms. Varney replied it was done by herself, Mr. Vanderpool, and Mr. Bahorski.

Councilwoman Koski stated she has a problem with closing the jail. She was under the impression that the contracted private company agreed to take full liability for anything that took place there.

Discussion took place regarding who has the liability, and Chief Dwojakowski indicated there would most likely be liability for both G4S and the City. He felt a

big driver in privatizing the jail security was to cut personnel costs, and he is not aware of any agreement regarding liability.

Councilwoman Koski felt the positions being proposed are much needed, but she would like to see other ways to finance them and keep the jail.

Councilman Yanez questioned where the police officers will be assigned. He further questioned the cost to use the County's jail facilities, and how long it takes an officer to complete a report.

Chief Dwojakowski replied the five officers would be on road patrol, possibly in semi-marked cars but in full uniform, and the other two would be in the Community Services Bureau, which is under their Administration Division. He replied to further inquiry that there is no charge to use the County's facilities, although there can be charges to the individual arrested for overnight charges and Zoom charges with regard to arraignment. He explained that, depending upon the event, an officer can spend a couple of hours on gathering information, but the actual report generally takes less than an hour and can be done in their car.

Councilman Yanez questioned the possibility of sharing the animal control responsibilities with other communities.

Chief Dwojakowski claimed they receive a lot of citizen complaints regarding animals, and reduced service would result if they relied on the County for animal control. He replied to further inquiry that NOAR Technologies in Troy handles the repair of their drones.

Ms. Varney replied to inquiry that the proposed tax increase, as well as water & sewer bill increase, would be for commercial as well as residential.

Discussion took place regarding "perilously lean" workforce, and Mr. Bahorski indicated jobs are harder, and there are consequences when they do not have sufficient number of employees to handle the workload.

Mr. Vanderpool explained they had a social worker budgeted but due to COVID, it was cut; however, they anticipate that position to be back in the budget. They are looking to partner with FAN to share a social worker position, and he is confident that with Council's support, they will have the City's first-ever social worker who works hand-in-hand with the police officers but will also be able to help fill the needs of other departments as well. He stated the City's lean cost-effective policy has worked well over the years but it causes consequences if they do not have enough employees. They could have come forward with a proposal for the addition of forty to fifty employees, but they feel the sixteen General employees and seven police officers proposed is very cost-effective with value-added services. He emphasized they have only presented to Council what they feel is absolutely necessary.

Councilwoman Ziarko questioned whether the Deputy Chief position will be open to anyone, and whether they will go through the Assessment Center.

Chief Dwojakowski replied they have not yet worked out the details, and it is not yet addressed in the union contracts. He assumed it would be addressed similar to the Police Chief position and they would be required to go through the

Assessment Center. He outlined some of the issues for someone of a lower rank to leave their union for this position, and discussion took place regarding how that could be handled. Chief Dwojakowski replied to further inquiry that the Deputy Chief would not be in place of one of the Captain positions, because he still needs three Captains. He replied to still further inquiry that there are eight or nine communities that do not have their own jail, including Romeo, Memphis, Chesterfield, and others. He explained the City currently has twenty-four cells, but there are generally only one or two being used, sometimes none. They are arraigned quickly, and generally are out on bond by the following day.

Discussion took place regarding Mayor Taylor's question as to what other communities do as far as jail or detention, and Chief Dwojakowski replied to additional inquiry that there is no charge to a community for utilizing the County Jail facilities, adding that every Macomb County resident pays taxes for that building. There was discussion on the concerns of the court regarding the closing of the City jail, with the largest concerns and apprehension mainly being logistics and inconvenience in scheduling arraignments. Chief Dwojakowski replied to still further inquiry about the busiest time for road patrol, noting it is somewhat busy during morning rush hour but then becomes quiet until afternoon and evening rush hour, with evening hours being the busiest. He explained that about seventy percent of the Directed Patrol Unit's time would be spent on crime, and about thirty percent would be going to specific areas and writing traffic tickets. He anticipated that part of the revenue for these officers

would come from the \$600,000 savings realized from closing the jail and an additional \$100,000 from the additional ticket revenue these officers would generate.

Ms. Varney replied to Mayor Taylor's questions that the property tax would go into effect right away, and all new hires would be in next year's budget, so that would be a permanent increase. She explained the Water and Sewer Division is understaffed with clerks, and after the bills go out, they are deluged with calls, many of them very time-consuming. With the changing out of water meters and a proposed change to monthly billing, the workload is anticipated to increase, so the two Account Clerks and the Accounting Manager positions will also have a role in the Water and Sewer Division going forward should Council decide to implement the meter replacement program and the monthly billing. She felt at least one position will be needed even if they do not go forward with the meter replacements and monthly billing. She hoped the rate changes would lessen customer calls and issues. She replied to further inquiry that they did not factor in the two additional employees when calculating the proposed rate increase they will discuss this afternoon, but she cautioned the consultant's calculation is an estimate, so it is difficult to determine the exact amount because there are so many factors that go into a rate increase.

Community Relations Director Melanie Davis replied to Mayor Taylor's question that a lot of the questions on water bills are coming in as complaints on social media through the City's Facebook page and people are expecting answers, and

she stated the position they are asking for may not address those specific things but it would free up the person who is doing those things to adequately address the concerns expressed on social media. She stressed the City is comprised of a team of individuals who have highly specialized skill sets, and although they will not be on social media answering questions, the objective is that they will have people who are good at social messaging, understanding the big picture of what is going on in the City, and have relationships with the employees so they can get the questions answered they need so that they can answer the residents' questions. She added that would free up the person responsible for social media to be able to do more and be more immediate in their responses, including answering questions on Facebook pages that are not actually on the City's page. She suggested that person could establish a relationship where they can request to be tagged on questions, and the posts can be more immediate.

Councilman Radtke agreed with Councilman Yanez that a social worker is needed, and the cost could be split between the Police Department and the Building Department for the Safe Homes Task Force.

The meeting recessed at 10:45 a.m. for a break and reconvened at 11:01 a.m.

C. Making Sterling Heights a sustainable community...the case for implementing a universal curbside recycling program

Mr. Vanderpool stated the City of Sterling Heights prides itself on implementing best practices across the board, and when they find an area where they are not meeting those best practices, they do what they can to get that area aligned with

best practices. He invited Public Works Director Michael Moore to give a presentation on increasing recycling participation.

Public Works Director Michael Moore explained the statewide recycling rate as of 2018 was 18 percent, and their goal is to triple that rate to 45 percent over the next ten years, which will require the City to rethink how they provide recycling in their community in order to contribute to that effort. The City does not have a universal curbside recycle program but have been working over the last year to receive the best possible cost from their refuse hauler, GFL Environmental, to introduce a citywide program to their residents. He provided an update, noting the two current options are to recycle through the one remaining recycling drop-off center, or to participate with a recycling cart at the curb that is a subscription-based program through GFL. In keeping count of the cars visiting their drop-off center, they have calculated it amounts to about 1 percent of the City's population, whereas 25 percent of the City residents voluntarily pay the \$57 per year to have their recycling picked up at the curb. He provided information on the newly renovated recycling center, adding that it is staffed each day with three employees, although there are more improvements that need to be done to make it more efficient, including bringing in electrical service for compactors and having a structure for their staff. He provided estimated costs of keeping the recycling center open based on current usage. Mr. Moore showed a slide depicting all of the other local communities and whether they offer curbside recycling or drop-off sites, and he pointed out none of them have

the drop-off sites and they all offer curbside recycling. He stated the City has been successful in receiving two grants from the State of Michigan in an approximate total of \$1.5 million to purchase 48,000 recycling carts, although they are getting close to the deadline to accept those grants. He reviewed the costs proposed by GFL, which includes their requirement for a five-year extension on their current contract, with every year for five years after the expiration of their current contract in 2024, they are requesting a 2.75 percent increase. In addition, they are proposing an estimated rate of \$5 per month per home. He compared costs, noting the current cost for GFL to pick up refuse and yard waste for the average home is \$74 per year. If the City opts to go with GFL for recycling, it will amount to \$122 per year for refuse, yard waste, and recycling, and he explained the recycling portion breaks down to \$0.86 per week for the average homeowner with the grants, or \$1 per week without the grants. He stressed there would have to be a robust educational campaign before curbside recycling could kick off, and there needs to be consistent messaging given to all residents.

Mr. Moore outlined their options:

- 1) Proceed with universal curbside recycling in a timely manner, increasing refuse millage by 0.58 mill, or \$0.86 per week, with the program ready to be up and running in Summer 2021.
- 2) Solicit information from Community Survey in Summer 2021.
- 3) Request universal curbside recycling cost at the next contract, which ends in 2024, or hold off and ask for this cost as part of the entire package.
- 4) Remain status quo.

Mr. Moore offered to answer questions.

Councilman Radtke questioned whether the City could mandate commercial recycling and leave the residential recycling as is. He cited other cities where commercial businesses are either encouraged or are made in some form to recycle. He did not feel there is much savings between the subscription service and the proposed universal curbside recycling. He was opposed to extending the contract at an increased fee each year.

Mr. Moore replied that the question of a mandate would have to be a question taken under consideration with the help of the City's legal team. He replied to further inquiry that there are three part-time employees working at the recycling center, and he assured if the recycling center is closed and those positions are eliminated, he is confident that the City will have positions available for those three employees.

Councilman Radtke claimed the cost for universal curbside recycling has gone up four-and-a-half times the rate they looked at five years ago.

Councilwoman Schmidt noted they have twenty-six percent of their households recycling in one way or another. She pointed out with the 0.58 mill increase, in addition to the 0.25 discussed in the initial presentation, brings it to 0.83 mills.

Mr. Moore replied to Councilwoman Schmidt's concerns about residents who are skeptical about paying this extra fee when they see documentaries about how recycling has changed and claims that more of it goes to landfills. He stated through conversations with GFL, he is assured that over eighty percent is being recycled, although about twenty percent is contaminated, mainly because those

are unrecyclable items placed in the carts. He stressed education is important, and it costs money, but he felt it is a benefit that everyone will have the opportunity to recycle right from their homes. He replied to further inquiry he does not believe anyone would be forced to accept a cart if they do not want one.

Councilwoman Schmidt was not in favor of going with the option of the five-year extension with GFL at an increased rate each year, and she would like to see the recycle centers remain open, although she agreed that may not be the logical answer. She questioned whether everyone will be on board with recycling if they only have twenty-six percent participation now.

Councilwoman Ziarko stated she is not in favor of the option of the five-year extension. She claimed the 15 Mile Road recycling center is being used by non-residents because there is no monitoring at that site. She inquired as to whether there will be more opportunities for shred days, etc., if they go with universal curbside recycling, although she suggested those events could be held at locations other than city-owned property, possibly in the Lakeside Mall parking lot, although she felt there should be identification so they assure this is for residents only. She commented that universal curbside recycling would result in some people paying for a service they are not using. She inquired as to whether businesses use the recycling centers.

Mr. Moore replied that identification is checked at the recycling center, and it is for residents only, adding that they could not handle the volume for commercial

businesses. He replied to further inquiry that they have scheduled Hazardous Waste Day, Electrical Waste Day, and Shred Day.

Councilwoman Koski suggested that the question be posed on the Community Survey going out this summer to see what the residents want, and she agreed education is key if they have a recycling program. She stated she would like to see the 15 Mile Road recycling center cleaned up, reopened, and monitored similar to the other site.

Mr. Moore replied to Councilman Yanez's question that the GFL proposal does not include pickup from bins, only from one (1) 64-gallon container for all residences. He replied to further inquiry that he does not know if every waste hauler that recycles owns their own MRF (Materials Recovery Facility). Discussion took place on the breakdown of cost for yard waste, which is collected 36 weeks of the year, and Mr. Moore stated he will get back to Council on that amount.

Councilman Yanez likes that the City hosts the special drop-off dates for hazardous materials, Shred Day, etc., although he would like to see a specific location rather than scattered throughout the City. He felt talking about not only how to recycle but why to recycle is important.

Mr. Moore responded to Mayor Taylor's questions that, upon hearing presentations from himself and City Planner Chris McLeod, both the Sustainability Commission and the Solid Waste Management Commission both had great questions and good feedback, and they believe the cost presented

today is a fair charge for universal curbside recycling, so they are in support. He confirmed the 15 Mile Road recycling center is closed, and if it is reopened, it will require more part-time employees, although he does not know how many would use that site. He estimated the Clinton River Road recycling center has experienced a 25-percent increase in drop-offs since the other sites closed.

Discussion took place regarding how much it is costing to keep the drop-off centers open in relation to the percentage of the City's population that is actually benefiting from it. Mr. Moore replied to inquiry that GFL indicated they would be willing to put a container in apartment and condominium complexes with a bank of carts that residents can use. Discussion took place regarding the option of seeking bids in 2024 when the current waste-hauling contract is up. Mr. Moore replied to inquiry that 90 percent of residents use the curbside recycling in Warren, and he felt Sterling Heights could get to that number with a robust education and advertising campaign. He replied to inquiry that he does not know whether they can get out of their current recycling portion of the contract with GFL.

Mayor Taylor explained that currently, waste haulers are losing money on recycling, and they were quoted a rate in 2016 that they could not afford.

Mr. Moore admitted that the recycling commodity is down, but there is a strong belief that the recycling market will pick back up because, instead of sending all materials out of state, billions of dollars of grant monies have been awarded to build in Michigan. He felt that the GLF rate quoted is a fair amount, adding that

their 2016 contract with GFL is phenomenal and they will not get that amount again. He replied he can work with Mr. McLeod and give the Sustainability Commission that direction.

Mayor Taylor agreed with getting feedback in the Community Survey and felt that putting all of these increases on the residents at once may not be a good idea.

Mr. Moore addressed Councilman Yanez's earlier question about the cost for yard waste collection, noting it is an annual cost of \$907,000, which breaks down to about \$0.50 to \$0.60 per week for a home averaging \$150,000, considering it is only 36 weeks of the year.

Councilwoman Koski felt people need to be educated on how much these services will cost them based on the value of their own homes, and they should be provided with a formula so they know how much it will be costing them.

Mr. Vanderpool surmised from the discussion that there is great interest in seeking input from a Community Survey with regard to universal curbside recycling, which means it would not be an item in the proposed budget but would possibly be under consideration, pending results of the survey, for the 2022/2023 budget year.

D. Transformational redevelopment...the rebirth of the Van Dyke Corridor and more

Mr. Vanderpool explained that there are a lot of exciting economic development projects still moving through the planning stages, even though this has been a

rough year with COVID. He invited Senior Economic Development Director Luke Bonner to give a presentation, concentrating on the North Van Dyke corridor.

Senior Economic Development Director Luke Bonner stated the pandemic has accelerated a lot of different trends, noting one of the needs arising is for more warehousing and distribution space as people are shopping for everything online, and consistently low interest rates have powered some of the local developments in the community. He noted building permits totaled \$300 million. Through a Power Point presentation, he provided statistics on how many people come into the City each day to work, how many leave the city, and he added that about 6,000 residents also work in the City. He talked about the number of businesses in Sterling Heights and the region, noting there are 11,000 companies in Sterling Heights that collectively employ 65,000 people, with the average earnings of those jobs being \$67,000. He estimated that 11,000 were unemployed last year. He noted the GNP (gross national product) for Sterling Heights is \$7.9 billion, which is bigger than a number of states, with about \$60 billion in total imports and exports. He reviewed industrial and retail vacancy rates from August to the end of last year, with industrial vacancy rates very low at 1.4 percent, and retail vacancy at 6.5 percent. He cited some large new projects, including Stellantis (fka FCA), Aperann, AGS Automotive, and another Amazon facility, and included details on each. He noted two large developments taking place on Van Dyke, with one being the Pioneer Surgery Center, and the other is Whispering Suites and McAlister's Deli. He stressed the \$40 million

overhaul of Van Dyke has made the difference of how that corridor is perceived, and they are attracting different types of development. He talked about the opening of The Element Co-Working Space at Velocity, Mr. Bonner discussed North Van Dyke and the Corridor Improvement Authority, and they went through a Master Planning process and identified new opportunities in that corridor. They are close to finalizing that Master Plan after gathering a lot of input from the community, and he emphasized the priorities, including walkability, having an authentic identity, park space, civic space, and a high-density mixture of uses. He added a brand identity concept has also been developed, and he showed the branding that will be used. He concluded with a slide showing the long-term development concept and offered to answer questions.

Mayor Taylor questioned the element of walkability and bikeability, and how it will work with the existing Van Dyke and Utica infrastructure. He noted there are a lot of multi-lane roads that get people through and out of Sterling Heights quickly, and he felt Van Dyke is the biggest candidate for a road solely focused on the amenities around it, but they have to get traffic counts and motorist speed down to entice bikers and pedestrians. He liked the idea of a satellite library in that area. He also felt there is also a need for cultural amenities and questioned how an Industrial History Museum could be funded and what it would look like.

Mr. Bonner replied there may be different phases to make this happen. He talked about a possible Industrial History Museum but noted they do not have details on it. The idea is to pay homage to the industrial roots of the community with a hands-on museum used for education and also for history.

Mayor Taylor felt the mobile home park west of Van Dyke will fit well in the area because of denser housing and possibly residents who rely more on public transport. He questioned how the Velocity Center's new operator is going.

Mr. Bonner felt the first success their virtual program, "Grow Big Business Accelerator", with a training partner doing sales and business development training. He outlined some of the other things they are working on.

Councilwoman Ziarko anticipated this project will take a long time but is something to look forward to, and she questioned whether they anticipate an overabundance of office space as a result of COVID because many people are now working from home. She felt everyone will come out of this pandemic differently, and some businesses will thrive.

Mr. Bonner replied that is unknown, although locally, no one has walked away from their office and not renewed their lease, other than a few exceptions.

Discussion took place regarding the cultural dining and plaza area, which may be closer to Van Dyke in some of the areas that were previously parking areas but are no longer needed. Mr. Bonner stated as part of the Chaldean Community Project, there are about seven acres of the ten they cannot use because of flood plain, although the City does not own it but may be able to partner with them.

He replied there are no plans for structures on that side of Van Dyke because of the difficulty of building in a flood plain.

Councilwoman Koski inquired as to whether there is grant money available for cleaning up the river and shoring up the bank to provide access for canoes or kayaks. She suggested he talk with Macomb County Public Works Commissioner Candace Miller.

Mr. Bonner replied they will explore recreation grants in relation to whatever they work on for this location.

Councilman Radtke is excited for the future of Van Dyke and agreed with Mayor Taylor that they need to look at design standards and setbacks so it conforms. He also hoped the City of Utica is on board.

Councilwoman Schmidt inquired as to whether the bike lanes go in first, or the specific uses, with the bike lanes added after.

Mr. Bonner replied in this case they need to create the demand first. He added they want to protect the vision they have for the long term.

Councilwoman Schmidt liked the idea of a museum and breweries and looks forward to seeing what evolves.

The meeting recessed at 12:46 p.m. for lunch and reconvened at 1:32 p.m.

E. The case for early voting...leading the charge for statewide election reform

Mr. Vanderpool stated there is a need for early voting reform, and they feel the City can play a leadership role statewide in this area. He invited City Clerk Melanie Ryska to give the presentation.

City Clerk Melanie Ryska stated this last presidential election had the highest voter turnout in history, and Michigan experienced record highs of registered voters, as well as those who voted in person and voted absentee. She explained the history of voting, noting that the 1850 Michigan Constitution allowed military members to vote by absentee ballots. A 1914 amendment afforded any voter who was absent from their residence for certain reasons to vote absentee. In 1954, reasons by which voters could vote absentee was expanded, and there were no significant changes until 2018, when voters approved the "Promote the Vote" proposal, or "Prop 3 of 2018", and she outlined those changes. She indicated one of those changes allows voters to change their registration on Election Day if they just moved, and any voter can obtain an absentee ballot. In Sterling Heights, absentee ballots grew by 172 percent. The permanent absent voter list has grown by 323 percent, which means that 34,000 people will automatically receive an absent voter ballot application every election cycle, and that number is still growing. She explained the City's first-ever Election Center was open due to these election law changes, coupled with the COVID pandemic. This was located at the Senior Center so they could serve voters with all of their election needs, and it was very successful, resulting in extremely long lines. An average of 600 voters were processed daily, often with voters waiting two to three hours. She noted that these absentee ballots were not tabulated on the day they were received but were held in an envelope and not tabulated until Election Day.

Ms. Ryska stated ideally they could have a dedicated election space that could house the variety of functions needed to pull an election together, but it would be extremely costly to have a dedicated space. The Clerk's office has worked with the Parks and Recreation Director and the Community Center to develop the plan for the 2021 local election. She outlined the details and how long each area will be needed. She indicated this election has shown that fewer voters want to vote in person on Election Day but would prefer to vote early. She explained the difference between "early voting" and "absentee voting," noting the terms have been used interchangeably but have caused confusion. Absentee voting is generally done by mail or drop box, and ballots are held to be counted on Election Day. Early voting is when a voter appears in person and is processed much like they are in person on Election Day, where they receive a ballot, vote, and insert it into a tabulator. Early voting votes are then recorded on election night. Each state has its own election laws, so some have all mail-in, some have both early voting and absentee ballots, and some have absentee voting. She informed that led to a lot of confusion and mistrust, and there were people who obtained their absentee ballot but when they found out they could not put it in the tabulator, they opted to spoil their ballot in order to go to their precinct and vote in person on Election Day so they could put their ballot in the tabulator. Ms. Ryska stated more than twenty states already allow early voting. She felt the next logical step is for election reform in Michigan to implement a hybrid method which would expand voter options for early voting and absentee

voting. She explained the benefits, but noted that, even with absentee voting, she is required by law to open all of the precincts, having the equipment, supplies and manpower to run those precincts. She also has to staff the AV office and the Absentee Voter Counting Board and order all additional supplies associated with the absentee voting, but if thirty percent of those voting absentee opted to come in to vote early and insert their ballot directly into a tabulator, it would save an average of \$30,000. She explained it took 26 hours to process and tabulate 41,000 absent voter ballots, with more than 500 of those ballots having to be duplicated due to military ballots which are emailed, and other ballots which are damaged and improperly-marked.

Ms. Ryska explained early voting reform that must be passed at the state level, but being a large community gives them some leverage with their stakeholders and legislators. They would want a set number of days where early voting would be allowed, adding that fourteen days is advisable. They would have protocols and security on early voting tabulators, and they have the ability to be programmed where they cannot run election results until a set date and time, and that could be set for 8 p.m. on election night. She stressed voters would need to be educated on early voting. She explained she is the President of the Macomb County Clerks Association, and she has spoken with those Clerks who agree with the hybrid method of allowing early voting and absentee voting. She added she also sits on the Michigan Association of Municipal Clerks Board of Directors, as well as the Legislative Committee, and they are also on board. She

admitted implementing new legislation is challenging and added that early voting in Michigan has been discussed but no action has ever been taken. She felt they need to revisit that idea, and they plan on bringing a Resolution to Council soon that will endorse the idea of early voting, and that will be sent to all of the legislators. She offered to answer questions.

Councilman Yanez questioned why those on the permanent absentee voter list are sent applications rather than the actual ballots.

Ms. Ryska replied state election laws require that they have to have an application on file before they can issue a ballot. She replied to further inquiry that in the last election they had seven challengers in their AV Board, and it was open to the challengers. She showed them where the duplication was happening, although it was all day long, so they were able to watch any of the processes. She replied to still further inquiry she does not believe anyone has written the legislation yet, but they could look at the legislation that permitted early voting in some states, and possibly create some legislation of their own from it.

Councilwoman Schmidt stated she was pleased to see the number of voters. She questioned whether this can be changed legislatively or whether it will take a vote of the people.

Ms. Ryska replied it would be done legislatively.

Councilwoman Schmidt agreed there was a lot of confusion between "early" voting and "absentee" voting, and she felt election reform would be a good

thing, although she was not sure about allowing registration on Election Day because the Clerk's office is already so busy that day. She questioned how the tabulator would know how to count the different ballots when they would be for different precincts in early voting.

Ms. Ryska replied the tabulators can be programmed to accept different precincts, noting the tiny identification marks around the ballot indicate the correct community and precinct. She replied to further inquiry that they calculate how many ballots to purchase based on experience, although they can always order more.

Councilwoman Schmidt commended Ms. Ryska and her team on the organized way in which the last election was run.

Councilwoman Ziarko agreed with Councilwoman Schmidt. She stated that she was on a Zoom meeting with the Michigan Municipal League and changing voting to make it easier for people to vote and how that is tabulated is the focus of the entire state. She questioned how a ballot would be disqualified.

Ms. Ryska assured once ballots come in and signatures are verified, everything is counted.

Discussion took place regarding an Election Center. Ms. Ryska indicated they will be redrawing precinct lines by April 2022, and she added that Michigan Election Law governs the elections. She stated she would like to see early voting, which is expanded early processing of the absentee voting. She commented that the State allowed the early opening of the absentee ballots, putting them in a

secrecy sleeve and separating it did not go far enough so she did not opt to do it.

Councilman Radtke noted that if a voter changes his/her mind after turning in an absentee ballot, they can come in at the last minute and change their vote. He did not believe that could be done with early voting.

Ms. Ryska confirmed that is correct and once an early voting ballot is cast, it goes through the tabulator, and it cannot be changed.

Councilman Radtke supported the early voting reform, and he hoped the enthusiasm for voting continues.

Ms. Ryska explained that rural communities have very different needs than urban and suburban communities. Discussion took place regarding the fact that talks have started regarding election reform, and she felt if they do not start lobbying for reform, it will get pushed behind.

Mayor Taylor stated the Michigan Municipal League has lobbyists, and he also recalled the City has hired lobbyists for certain issues. He questioned whether there is a structure they could propose to other similar cities where they could share the expense of a lobbyist.

Ms. Ryska stated she has talked with Mr. Vanderpool about the possibility of hiring a consultant or lobbyist. She felt it is premature at this time, but she agreed it needs to be a joint effort with other municipalities.

Discussion took place regarding the logistics of how early voting and absentee voting would work. Further discussion took place regarding how the

Community Center can be shared if the City Council meetings are still taking place at this location rather than City Council Chambers at the time of the election.

Ms. Ryska stated the Election Center can be "packed up" if necessary and the chairs could be set up for a meeting.

Mayor Taylor agreed that would be temporary for this year, but going forward, they need to start thinking about facility management and how they will handle elections because changes in state law have created a new function for municipalities that require significant facilities for elections. He questioned, if early voting is permitted, whether all early voting would occur at the Election Center, or whether voters would have the option to go to other locations.

Ms. Ryska replied to inquiry she felt it will go quicker in this location because they are prepared for it. They could also have more stations available to voters to get them through quicker. She suggested the possibility of having an early voting center at a different location two weeks prior to the election, possibly partnering with the Chaldean Community Foundation or the Macedonian Cultural Center to have the vote center in those locations. She stressed she will not know until she sees how the next couple of elections proceed.

Mayor Taylor stressed he will support whatever they have to do, adding he felt it is unreasonable to ask people to work under the conditions they worked this last election.

Ms. Ryska replied to inquiry that hopefully they would be looking at offering both early and absentee voting, and she would not advocate taking away options for voters.

Discussion took place regarding possible locations, including Lakeside Mall. Ms. Ryska replied to inquiry that it is hard to predict whether some of absentee voters in this last election will go back to in-person voting. She replied to further inquiry that she is confident their voting equipment can be secured with seals and secure rooms where they can see who has had access to those rooms at all times.

F. Charting a new course...the results and impact of City's water rate study

Mr. Vanderpool felt the problem with water and sewer bills is threefold. They promote their monthly average as \$64, broken down to \$32 for water and \$32 for sewer. He stressed all water usage gets treated through a very sophisticated, highly complicated sewage structure, and all of this is for the average of just over \$1 per day for water and the same for sewer. He felt it is not a high-cost problem, and he compared it to other monthly utility bills, all which far exceed the average monthly bill in Sterling Heights for water and sewer. He indicated the reason for the complaints is because they bill quarterly, which is difficult to plan for and estimate, and he pointed out that electric, gas, and cable bills are not billed quarterly. He noted the third problem is the summer irrigation months, and although the \$64 monthly average includes irrigation, it is not billed that way, so summer bills can be \$500 or \$600. He invited Finance & Budget Director Jennifer

Varney to give a presentation on a solution to this problem, which includes moving to monthly billing or even a monthly budget plan.

Finance & Budget Director Jennifer Varney reviewed the background, goals, and results of the water and sewer rate study. She explained the portion of the study on current capital fees that are charged on new developments and redevelopments is still in progress and results will be presented to City Council at a later date. She reviewed the recommended changes for the residential rate structure:

- 1) Implement a fixed meter charge for all customers based on meter size. She noted this is already done for commercial customers but would be done for residential customers as well and would replace their current minimum bill, along with the other two small, fixed charges on the current bills. She reminded there is a cost to providing service regardless of how much water is used.
- 2) Implement "Average Winter Consumption" (AWC) model for irrigation. Determination is made on how much water and sewer are used in the winter quarter (January through March), and the other three quarters, residents will be billed for actual water usage, but sewer will be a fixed charge at whatever that winter quarter bill reflected for sewer. It assumes the winter usage is baseline usage, and anything above that is irrigation. It will be determined on an individualized basis per customer.

Ms. Varney explained the drawback for the second meter, which is very expensive and involves a very long payback period for residents, ranging from eight to ten years. There is no upfront investment for residents in implementing AWC and it would benefit all residents. She talked about the average water and sewer costs and showed a projection of how the average bill would change over the next five years with the rate changes recommended in this study, with a slight decrease the first year, then the recommended rate increases would

increase the average bill a few dollars a year over the next few years. She commented that even with the increase, water and sewer rates are still a good value for a necessary service compared to other utilities. She reviewed and provided details, including the benefits, on the two initiatives proposed to begin next year to improve customer experience:

- 1) Water meter replacement project
- 2) Transition to monthly bills

Ms. Varney explained daily reads will be available for customers, and she provided details on a portal where residents can monitor their usage in real time. Implementation of the new meter system is a critical step in facilitating the transition to monthly billing. She informed that residents can take control of their own water and sewer consumption by monitoring them daily so they can avoid surprises when bills arrive. They can also set up alerts by email, text, or smartphone app when they are on vacation to immediately be notified of a potential leak. She explained the many advantages of monthly bills, which will be done on a phased-in approach and showed an average monthly bill. She summarized their goals are to simplify the rate structure to make the bills easier to understand, to create a more equitable rate structure, to smooth out billing spikes through the implementation of average winter consumption, and to give customers more control over their water and sewer consumption, and to make budgeting and paying the bills easier through the implementation of monthly billing, as well as currently available features such as automatic billing, electronic payment and budget billing. She offered to answer questions.

Councilwoman Schmidt questioned whether the Average Water Consumption will be reset each year.

Ms. Varney replied affirmatively, noting their new billing software has a function called "seasonal billing," and they could reset the rate based on the winter quarter.

Councilwoman Schmidt questioned how that would affect "snowbirds" who leave Michigan during the winter months.

Ms. Varney noted that is an interesting question they may not have addressed. She replied to further inquiry there are no fees added for any type of payment. Bills can now be received electronically, and there is no cost for that, nor are there fees to pay online by eCheck or credit card for water and sewer bills. She replied to still further inquiry that monthly billing cannot be started immediately because of the age and limitation of their equipment. They would like to start on July 1 but believe it will take two to three years, adding that they have to get into 40,000 homes to switch out meters. If they cannot get equipment to start monthly billing before the meters are changed, the plan is to replace the meters by section and as that section is replaced, they would implement monthly billing for that section of the City. She a robust education campaign will also have to be done to explain the new billing.

Mr. Moore replied to inquiry that this is a very technical project with a lot of logistics because they have to enter every home, but he is confident they will get

through it. He replied these are similar to the commercial meters that were installed a couple of years ago.

Ms. Varney replied to inquiry that rates are the same for commercial and residential, although commercial customers pay a fixed meter charge. This proposal slightly changes the rate for commercial by eliminating the two-tier structure for commercial and going with a flat rate, and the reason is that a big portion of what the City pays GLWA (Great Lakes Water Authority) is based on peak usage, driven by irrigation, primarily by residents, and commercial customers do not fluctuate as much on a monthly basis.

Councilman Radtke wanted to make sure costs are not shifted from commercial users onto residential users.

Discussion took place regarding the whole picture, and Ms. Varney stated although the two-tier structure is proposed to be eliminated for commercial users, their fixed meter charge would increase significantly. She cited one example where the customer is currently being charged \$54 a month for a 6-inch meter, and this study recommends increasing that to \$405 per month. Someone who uses a larger meter involves a larger cost. She added the residents will have the advantage of the Average Winter Consumption model, which is not being proposed for commercial users.

Discussion took place regarding whether how this will affect the majority of the residents.

Councilman Radtke expressed concern that they will be reducing the cost of those who use the most water and charging slightly more to those who use less water. He anticipated receiving more complaints from fixed-use customers. He urged the City to look into stormwater utility, adding he feels that is the most equitable way to pay because it takes into account impermeable surfaces. He questioned the eight percent cost increase from year to year and questioned what is driving that cost.

Ms. Varney replied that about four percent per year is what they average in just passing on their cost increases, but the other issue is fund balance, losing \$15 million from that balance over the Great Recession. It is very challenging to set rates because they are trying to collect predominantly fixed cause on a variable volume, which has plummeted. Their current fund balance in Water and Sewer is about \$5 million and part of the plan is to get that up over a seven-year period to ninety days, noting that, while they can plan ahead for some projects, they cannot plan ahead for every water main break or emergency repairs. She clarified that the eight percent is an estimate of passing on their normal rate increases, plus the bond payment for the meter replacement project, along with other capital improvements over the next five years and includes boosting their fund balance.

Councilman Radtke claimed Shelby Township was sued in court for overcharging, and they lost.

Ms. Varney explained a community has the right to build up their fund balance to a reasonable level in their rates, but she understood that Shelby Township already had a large fund balance that they were not using to pay for infrastructure improvements, they were including depreciation in their rate structure, and the combination of that was their problem. She explained that Sterling Heights has never funded depreciation through their rates, and they verified with the group who conducted the study that they are not doing anything in their rates that they should not be doing. She replied to further inquiry that the biggest thing they can do to drive rates down is to reduce peak usage. Discussion took place regarding ways to do that, but she explained the results would not be immediate.

Councilwoman Koski felt an eight percent increase is the highest she has heard. She inquired as to how they lost money from the fund balance and inquired as to the cost of the meters.

Ms. Varney replied that last few years the rate increases have been four to five percent, and they have no control over a big part of their rates, due to GLWA and Macomb County Public Works passing on increases. She recalled some significant rate increases, but the decrease in usage is the reason why the increases have been more. She clarified that one hundred percent of sewer and sixty percent of water is fixed, so as usage goes down, that requires more of a rate increase. She surmised that the fund balance decline was a result of trying to keep increases as low as possible during the recession, and the

unprecedented decline in usage over the last ten years. Rates are set on an average, so having a good fund balance helps to weather the ups and downs of usage which they cannot control. She replied to further inquiry they can do a campaign to educate people on peak usage and remind them to water at night, but they do not see immediate results. Some communities have mandatory restrictions, but that requires enforcement. Ms. Varney replied to inquiry that budget billing is available now through the Water Department, although there are less than 100 people currently participating. She explained how that process works. Discussion took place regarding the fact they do not have sufficient equipment to read the meters so they could switch to monthly billing earlier, and the current equipment is obsolete.

Mr. Moore explained they are contacting the company who made the equipment in 1985 and asking them if they can rebuild it, but that is only a piece of the puzzle. He assured they are checking every avenue, but he does not feel it is an option. If they can pursue the water meter replacement program, he understands they would have an intense marketing campaign in July through September, with the goal to start installation in October. He cautioned that the program will take a couple of years to complete, and they will look internally to determine which routes would be done first. He anticipated they will be redoing the routes that have the oldest meters first. He outlined the benefits of the new meters and the monthly billing. He replied that they have not begun pricing the meters but are doing an RFP process.

Ms. Varney replied they have to find out if the new meters would allow different pricing if the water was used overnight.

Mayor Taylor felt dynamic pricing would be worth pursuing. He questioned whether there is any way to determine how many bills are similar to the example Ms. Varney used, where there is a drastic increase in the summer months. He felt the lot sizes in Sterling Heights do not vary too much, and he felt the majority of residents keep their lawns watered.

Ms. Varney replied she does not have that information at this time but she can request that information from the group who conducted the study.

Discussion took place on the impact of residents for each of the City's options, including just raising the rates, raising rates with implementation of the cost-of-service changes, and raising rates with implementation of the cost-of-service changes and the Average Winter Consumption.

Mayor Taylor felt it is "a tough pill to swallow", but he could not see any other alternative, noting they are also rebuilding their fund balance. He inquired as to whether a low fund balance affects their bond rating.

Ms. Varney replied to inquiry that the General Fund balance is more important than the Water and Sewer fund balance when it comes to bond rating. She replied to further inquiry that they wanted some idea from Council on how they feel about these proposed changes, and they will then factor them into the upcoming budget.

Councilwoman Schmidt felt it is an undaunting task to get the meters changed over considering that they have to go into every home to do it. She inquired as to what percentage of completion they are looking at to change over to the monthly billing.

Ms. Varney is proposing a rolling changeover, and as they predominantly complete a section or a route, they will switch those over to monthly billing, although she acknowledged they will not hold it up for a few people within that area where the City was unable to get into their house to change out the meter. She felt that will be good for the water billing department to gradually transition.

Mr. Kaszubski replied to inquiry that the City may have recourse and can get into a home if a homeowner refuses to let them in, but it may require additional steps.

Ms. Varney replied to inquiry that if there are a few homes where they cannot switch out the meters but the rest of the route starts on monthly billing, she indicated that hopefully they would not have too many meters to be read so as long as the City can read their meters monthly with the resources and equipment they have, they could get them on monthly billing as well. She noted they currently have resources and equipment to read between 12,000 and 15,000 meters per month, so they could handle that many, providing the equipment does not stop working.

Councilwoman Ziarko recalled the City did a study on a water tower about fourteen years ago, and she inquired as to whether they could find the backup on it. She recalled it was not profitable for the City at that time.

Mayor Taylor felt if customers are not willing to let the City into the house to update their meter, they could possibly be charged more because people will have to be sent out to manually read them. He questioned as to whether they could start the monthly billing when they get about three-quarters of the meters replaced, and they could have the remainder read manually.

Ms. Varney replied that may be an option as long as the equipment still works. She understands it is the goal of the City Manager and City administration to get people on monthly billing as soon as possible. She believes it will help with some of the issues for which residents have been complaining.

Mr. Vanderpool emphasized they will make every effort to get monthly billing implemented as soon as possible. He felt they should not focus too much on the 8 percent number, noting that during the Great Recession, when property values were declining, similar to water consumption going down, they had to increase their millage rate by a large percent, but residents were still paying less in property taxes, and this is analogous to that situation. He explained the Mayor and Council will see the actual rate increase when it comes back to them for final approval within the next couple of months.

The meeting recessed at 3:57 p.m. for a break and reconvened at 4:21 p.m.

G. And the survey says...the value of community feedback

Mr. Vanderpool explained that every three to four years, they conduct a statistically-valid community survey in order to see how they are doing on service delivery. They cover a number of topics and always ask some policy-related questions as well. The last survey was done in 2017, so it is time to do

the survey again, and he invited Community Relations Director Melanie Davis to walk them through the process, provide a timeline, and touch on some policy questions they may want to include in this survey.

Community Relations Director Melanie Davis stated she is excited to be able to optimistically look forward instead of backward. She explained the 2021 residential survey is coming up, and it was budgeted for in the recently approved amended budget. She talked about previous surveys, noting they always get very high marks, which is important to see they are on the right track and residents are happy. She provided some of the statistics from that survey, as well as some of the things that people felt should be focused on in the City. They use the data they pull from the surveys to create positive change, and she cited examples, including public safety and the visibility of police in neighborhoods, which led to the development of the CORE program. Crime prevention was another concern, as well as visibility of police in retail areas, and that led to the addition of police personnel. Park amenities were important, which led to the *Re*Creating Recreation program, with the replacement of playground equipment, the addition of a dog park and bike repair stations, expansion of the trail system with trail connectors. Code enforcement was also indicated as being important, and that led to the addition of code enforcement officers in the City. She noted some of the past policy questions on surveys and indicated upcoming policy questions may be related to curbside recycling. They have been working with the African American Coalition, who has expressed interest in getting data

from residents on diversity, equity, and inclusion, so they have help in their planning as they move forward. The survey will also contain general satisfaction questions as well as future planning questions. Ms. Davis reviewed the RFP requirements, and explained the need for guaranteed five percent plus/minus margin of error, as well as a minimum ninety-five percent confidence level in the data they are providing. The sampling needs to include at least 500 surveys, and they will not be random because they have to make sure they are capturing all different types of subgroups of residents, so they will do a sampling that closely represents the demographic make-up of their residents as possible. She talked about the desirable length of the survey, as well as the results containing charts, graphs, comparisons to the 2017 survey where the questions are the same, and comparisons to other communities regionally and nationally. She would like GIS maps breaking down answers to the geographic area of the responders. She outlined the time frame, hoping to utilize January and February to finalize the RFP process and conduct interviews, March and April to bring forth a bid award and begin designing the survey, and May and June to administer the survey and finalize the results. She indicated her goal is to have this process done and a report to present to Council by July 2021. She offered to answer questions.

Councilwoman Ziarko questioned whether Council members will be able to submit possible questions for the survey.

Ms. Davis replied she will be working with department heads, members of Council and City management to get input on the survey, but she cautioned the

survey will be limited in length so they may not be able to include every question.

Councilman Radtke stated he would like to see some planning-related questions, such as how residents feel about tiny houses, smaller lots, or other possible changes. He stated when subdivisions were created years ago, they were developed with a park in the middle that was gifted to the City, but now they are seeing larger developments with nothing in return, so possibly they could look at a change in the ordinance. He felt the City will eventually have to make hard choices about Lakeside Mall, and he suggested a question could be included for the residents to respond to what they would like to see.

Councilwoman Schmidt questioned whether it would be possible to have a link on the City's website where residents could fill out the survey online.

Ms. Davis replied the vendor they have used in the past had a number of different ways it could be filled out, including direct mail, or digitally online. They also could follow up with a phone call.

Councilwoman Schmidt understood that it will not be a totally random selection, but she would like to see some random residents added to the mix. She questioned whether residents would be allowed to complete it even if they were not given the opportunity through the selection.

Ms. Davis felt the more responses would be better, although she clarified there is some randomness to the distribution of the survey, adding they try to make sure the set of people they have selected meets the demographics of the City as

closely as possible. She replied to further inquiry that they plan on having some open-ended questions at the end of the survey, and Councilman Radtke's suggestions may fit well into that section. She assured all questions will be worded in a way that is not biased.

Councilwoman Koski would like to see some of the questions include what was discussed today regarding future plans, such as the future of the Nature Preserve, thoughts on the Sustainability Committee and their direction, and possibly go to the different groups in the City and ask them what questions they would like to see included.

Mayor Taylor questioned what they would be looking for in terms of a policy-related question on the African American Coalition.

Ms. Davis replied it is more of a sentiment-related question, and she felt they are looking at how residents feel about diversity, equity, and inclusion in the City, and whether the City is doing a good job or whether there are areas where they feel they could do better. She indicated they will get more specifics from the Coalition, but at one time they discussed asking for input on access to lending institutions and whether they feel there is adequate access. She stated the questions have not yet been finalized.

H. Refining the Vision...the Visioning 2040 strategic planning initiative

Mr. Vanderpool talked about the Visioning 2030 Plan, adding that everything they do is centered on this plan. He explained they started working on this plan in 2013, and City Council approved it in 2014. He read the vision statement, along with the seven guiding principles that go along with it. He talked about

the transformative projects that have taken place throughout the community, and the fact they are all the outgrowth of this plan. He provided examples, including *Re*Creating Recreation, efforts in Diversity, Equity, and Inclusion, including Community Alliance, African American Coalition, initiatives underway by the Ethnic Advisory Committee, aesthetic development along with roadwork, extension of bike/hike trails, etc. He explained he is bringing this up to challenge the Mayor, City Council, directors, residents, and businesses to start thinking about their Visioning 2040 Plan, although it may not be a completely new plan but possibly some refining and updating. It requires a lot of hard work by a lot of people involved, and it takes well over a year to get through it. He stressed they need to think outside the box and consider bold initiatives that will take the City on the continued path of prosperity. He stated he is only bringing it up to “plant the seeds” so they can begin putting some thought into it.

7. **MAYOR AND CITY COUNCIL GENERAL VISIONING COMMENTS**

Councilwoman Ziarko thanked everyone who was involved in putting these presentations together, and they had the opportunity for good discussions. She expressed appreciation to the residents for the Community Center, noting in the last year they have used it for so many things. She talked about how communities share ideas.

Councilman Yanez stated it is a difficult situation to talk about raising taxes, especially with a lot of people who live on fixed incomes. As an employee, they were always told they have to do “more with less”; however, he cautioned eventually they are doing “less with less”. He stressed they cannot afford to do

that in the City while maintaining the current quality of life. He referred to a comment in the Water study, quoting "Since the City is effectively built out with limited capacity for new development, the study uses a conservative zero (0) percent growth to the rest of the forecast period". He questioned what that means for their future and how they pay for things, so future City Councils will have to struggle with and work closely with the citizens to determine how they move forward. He thanked all department heads for their correspondence related to the manpower study. He felt Information Technology is incredibly important, noting it involves all departments, and he appreciated their need for more personnel. He is looking forward to discussion on the future for the Fire Department and is looking forward to Visioning 2040. He added he is anxious to look at future impact on the environment and the bigger picture, not just from a cost standpoint. He talked about net neutrality with electrical use and addressing their aging housing.

Councilwoman Koski enjoyed the presentations. She loves the Cadet and Explorer programs and was hoping they could make sure the Explorers are active, and to start a Cadet program with the Fire Department. She addressed the newly-upgraded parks and felt they need to have some patrol. She hoped the six police officers may be able to patrol the park trails in the summer, and she inquired as to whether there is a type of camera that could be placed along the trails.

Chief Dwojakowski admitted they have had some graffiti and vandalism in the parks, and bathrooms spray-painted with black paint across both stalls. They are currently purchasing cameras, which are highly covert, tiny cellular-based cameras that can store a lot of video footage and can be dialed in from his own phone to see what is going on. He is not sure whether they want to purchase cheaper cameras for the trails, and he referred that question to Parks and Recreation Director Kyle Langlois. He cautioned it is a difficult process to know how many to buy and where to put them.

Councilwoman Koski felt the City is what it is today because they plan ahead, update them, come up with new plans, and follow through with them. She stated she is looking forward to the Visioning 2040 Plan and welcomed input. She hoped they could put information together for the volunteer groups, including training, and she added what they pay them is sad when they expect those volunteers to come up with their own equipment to do the job, specifically for planning and zoning. She felt they should work on communication as it applies to seniors, noting many seniors do not have access to internet, so they rely on newspapers and television. She thanked everyone for the presentations and is looking forward to following through.

Councilman Radtke thanked all department heads and City administration, and he commended Mr. Vanderpool. He hoped this will become a permanent event, and he felt it will benefit the Council as well as the residents as a whole. He referred to Councilman Yanez's comments about the City being built up, they

have an aging population, and are trying to attract new residents. He would like to see mixed uses and the ability to use land in different ways, getting away from impermeable surfaces, providing the ability to create a mother-in-law apartment or an office above a garage, similar to what he claimed is permitted in cities like Birmingham and Ann Arbor. He talked about setback distances that he felt are excessive at times, possibly creating more bike lanes. He suggested a sidewalk reconstruction millage, which is something they also do in Ann Arbor. He suggested acquiring the former Fillmore Elementary School building and developing a recreation center, so residents in that area would not have to drive all the way to the Community Center. He felt trash cans should be mandated. He questioned whether the reform of the applications for City commissions will be in the budget for the upcoming year.

Mr. Vanderpool replied that the budget for the update of the applications for City commissions will be explained in a special budget presentation this year. They are working on a complete restructuring of how they administer their boards and commissions. He noted that City Council authorized funding to hire an individual to administer that process, so that person's specific job is to make sure applications are up to date, that it is highly automated, that Council members get more information than they currently receive, and that they have a portal on their website that is more user-friendly, not only for applicants but for existing board members, City Council members, and the individual who is administering this. He advised that City Council also approved the purchase of

software that will help them better organize and promote it. They also need to provide improved training, and they are doing a complete review of the pay structure for the paid boards and commissions. They are looking at the technology used by their "big three" boards and commissions, which are the Ordinance Board of Appeals, the Planning Commission, and the Board of Zoning Appeals. He assured they will hear much more during the budget hearing process.

Councilman Radtke felt they need an additional planner, especially with the redevelopment of Lakeside. He stressed they need to give the Planning Department the resources they need to carry out the City's directives. He expressed hope that the City will have a website redesign and new email addresses.

Mr. Vanderpool understands that is an area of interest for Councilman Radtke and other council members. In the Community Relations budget objectives, they have the email address updating planned, but it is somewhat mutually exclusive to a website update. He indicated the website needs updating and some refreshing, and he will have to provide an update as to the timeline, but he believed the update of the email addresses will come before the update of the website.

Councilman Radtke urged the City to use the same consultant for the Master Plan update as they used for the Van Dyke Master Plan. He stated he would like to see an ordinance come before the Council to allow backyard chickens. He

understands the arguments people have expressed for why they do not want it, but he could not see a good reason to not allow it. He talked about the problem with feral cats, and assured they are working on it. He thanked everyone who participated today, and indicated he is very excited about many of the projects. He felt the south end of the City needs holiday lights, and he expressed concern that the south and west sides of the City are sometimes neglected. He urged the residents in those neighborhoods to communicate with the City Council and let them know how they can help make those neighborhoods better.

Councilwoman Schmidt thanked everyone for the work they put into the presentations, and she enjoyed this day, adding that they have had some good discussion. She agreed with Councilwoman Koski that they need more training for their "big three" boards and commissions. She suggested that the question about backyard chickens should be included in the community survey because they need more input. She had made a comment earlier about how the millage rates were adding up, and she was glad they backslid a little; however, she stressed they need to invest in their future, and sometimes that takes a little money. She stressed the residents have indicated how they love their City and they want the investments.

Mayor Taylor thanked everyone who has been here today, adding it was very productive and a great opportunity for City Council to hear what is going on and provide their input. He noted one of the biggest projects on the horizon is Lakeside Mall and they did not even get to talk about that today. He felt the

increased number of employees will have a direct and an immediate positive impact on the community. He stated they are here to improve the human experience in a responsible way. He agreed it is time to start looking at the Visioning 2040 plan. He noted some of his visions for the City twenty years from now, including unique housing opportunities that are affordable for all people of all ages, improved motorized and non-motorized transportation, continued abundant employment opportunities offering good careers, more entertainment venues, including dining, food, breweries, and districts dedicated to get people to come together, art and culture opportunities, and he felt it is important to have a community that is alive. He stated he would personally like to be immersed more in the City once the offices are fully open again.

Councilwoman Ziarko felt it was good to talk today because it has been nearly ten months since they were all able to be in the same room for any length of time, and she felt today was very productive. She admitted that some of the plans discussed today will cost money, but she has to look at what is in the best interest of the residents.

Councilman Radtke felt their Parks & Recreation programs and amenities are amazing but they need to focus on art, culture, and high-end dining.

8. COMMUNICATIONS FROM CITIZENS

Mayor Taylor understood that there is a resident who would like to speak about allowing chickens in residential neighborhoods.

Mr. Vanderpool stated the Council has a comprehensive report in their backup material about backyard chickens, and he strongly urged Council to read the

report and note the implications outlined. With regard to the Community Survey, he agreed that may be a good question to be included. He stated he did not feel the direction from City Council tonight was clear, noting there was one Council member who requested that an ordinance be developed, but he did not know that that direction was solidified.

- Mr. Al Shallal – resident in Sterling Heights since 2000; requested that backyard chickens be permitted in Sterling Heights; presented many arguments for the benefits of chickens; requested that the ordinance be changed as soon as possible.

Mayor Taylor appreciated Mr. Shallal's opinions about chickens and the fact that they are a very important part of his life and his family but cautioned that there are a lot of considerations they have to balance, and they cannot change an ordinance overnight, noting it could be a year-long process before they know the resolution of this.

9. REPORTS FROM CITY ADMINISTRATION AND CITY COUNCIL

Mr. Vanderpool thanked everyone for their invaluable feedback, and he thanked the directors who worked hard on these presentations, noting he appreciated all of their work.

Mayor Taylor thanked everyone who put time and energy into this meeting today, noting this was a significant task from City Council that resulted in expecting a lot more out of their City administration and employees. He was very pleased and thankful to have this opportunity for these presentations and discussion today. He addressed the resident's request to allow chickens in residential areas, explaining that it does not appear as though they have

consensus now to bring forward an ordinance, and there are a lot of considerations that go into changing an ordinance quickly. He understands and respects that while there are some residents who are very passionate about it, the City Council has the obligation to consider people in the City who may not want chickens kept by their neighbors.

10. **CLOSED SESSION PERMITTED UNDER ACT 267 OF 1976**

There was no closed session this evening.

11. **ADJOURN**

Moved by Ziarko, seconded by Schmidt, to adjourn the meeting.

Yes: All. The motion carried.

The meeting adjourned at 5:50 p.m.

MELANIE D. RYSKA, City Clerk