

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, MAY 24, 2016**

Mayor Hinkley called the meeting to order at 7:00 p.m. at which time the Pledge of Allegiance was recited.

Present:

Mayor: K. Hinkley
Deputy Mayor: R. Ziegler
Councilmembers: P. Beagle
K. Gottschall
N. Kennedy
T. Rzeznik
R. Smiley

AGENDA CHANGES:

Deputy Mayor Ziegler requested that Correspondence #3, Transmittal of Information Regarding Litigation Concerning an Orion Township Ordinance Prohibiting the Delivery of Newspaper Advertising Brochures & Classifying Same as Litter, be moved to New Business #3.

PUBLIC HEARING:

1.) Public Hearing for the Fiscal Year 2016-2017 Proposed Budget

Ms. Stamper said there were several Resolutions under Unfinished Business for the City Council to consider the adoption of the Fiscal Year 2016/2017 Budget. She noted the highlights of the budget will be explained, as well as those few minor changes that were made during the Budget Sessions. She explained that the General Fund Operating Expenditures were reduced by \$28,111 because of the legal costs that were reduced over time and a modification to the PPO Health Insurance Plan. In other funds, they modified the authorization to purchase additional radar equipment out of Forfeiture Funds and they modified the Retiree PPO Health Insurance Plan for a savings of \$21,682. They planned to continue on with a proposed City Millage Rate of 14.2389 which was an overall decrease of .044 mills due to a reduction of the Water Utility System debt millage. The combined sewer and water rates are proposed to go from \$54.25/mcf to \$59.00/mcf. The solid waste collection and recycling will go from \$160/year to \$162/year, and they reallocated the Major & Local Act 51 State revenue and DPW related expenditures out to the Major and Local Road Funds instead of the General Fund. The Budget currently included \$878,416 for annual funding for Capital Improvements over the next 10 years. The Local Road improvements were \$375,000 for some minor repairs and pavement preservation. The Safety Path improvements of \$185,000 were for the Beck and Wixom Road railroad crossings. The Wastewater improvements of \$4,647,017 consist of a solids handling system and they anticipate receiving around \$1,854,000 in grant funding for the total cost of the project to be \$2,793,017. This year reflects the loss of manufacturing personal property purchased after 2012 and prior to 2006 that became exempt. She noted that each future year we would notice a one-year drop off until 2023. The Local Community Stabilization Authority will only partially reimburse the City for those

losses but they will still notice a loss in revenue of \$110,941 in 2016 due to only receiving a partial reimbursement. They continue to show the MERS obligation for the legacy costs in the General Operating Budget. The Budget Stabilization Fund will close with a balance \$4,810,696 with a General Fund Balance of \$1,644,868 for a total of \$6,455,564. They will provide OPEB funding for \$625,000 and this was year 4 of that. The full time employee positions would continue at 48 from the all-time high of 65 employees in Fiscal Year 2003/2004. This is a reduction of 29.54%. They saw a decrease of \$427,326 in revenue mainly due to the reallocation of the ACT 51 State Revenue going out to the Major & Local Road Fund. Operating Expenditures increased at \$271,586 which was due to wage and fringe costs, the reallocation of the DPW expenses to Major & Local Roads and the placement of the OPEB contribution in General Operating instead of transfers. The expenditures and contribution of other funds show a decrease of \$756,454 and that was due to the reallocation of the OPEB funds. The total expenditures reduction is \$484,868 with the large player being the Major & Local Road reallocation. The Operating Millage reduction of .044 is due to the water system debt. The capital improvements had an overall reduction of \$216,153 from the actual expenditures for Fiscal Year 2015/2016. The DDA/VCA contribution was reduced by \$65,548 due to the increase building in the VCA and the additional captured revenue. The combined water and sewer rates saw a net change of \$4.75 per unit. The General Fund Revenue had an overall decrease of \$427,326. If they removed the ACT 51 reallocation we would notice a revenue change of \$146,710 over last year. The State Shared Revenue reflects an increase of \$40,260 compared to what the estimated actual revenue will be in Fiscal Year 2015/2016. The General Fund expenditures decreased by \$484,868 for a 4.4 reduction. If they removed the DPW amounts that they reallocated out to Major & Local Roads, we would see a \$275,000 increase due to contractual costs, wages, event programming, and fringes. The Capital Improvements totaled \$1,025,200 in improvements to happen next year. The Taxable Value decrease was a -1.22% and that was because of the loss of personal property taxes. There is a slight increase in real property values but that was offset by the loss in personal property this year. The utility rate remained the fifth lowest in Oakland County.

Mayor Hinkley read the rules for speaking at a Public Hearing and opened the Public Hearing regarding the Fiscal Year 2016/2017 Budget at 7:12 p.m.

Jane Kleban, 507 Nature's Cove Court, said that she understood being the stewards of the taxpayers' money was a very heavy responsibility that the City Council of Wixom must shoulder, and she applauded them for their effort. She was aware that difficult choices must be made on behalf of all constituents and she believed that half of the residents lived in modest apartments, single family homes, and condos that were considered middle income. She thought there were over 600 businesses within the City of Wixom. She believed they all were entitled to feel safe and enjoy the benefits of a community that they could be proud of and afford. She explained how she approved the millage in 2012. She thought that millage resulted in an additional \$9.2 million dollars to cover a four-year period. She explained how they were led to believe the millage was a "make whole" increase to keep the City running, continue police and fire protection, prevent the Community Center from closing, and assure that DPW services such as snow removal would be maintained. She said that nowhere was an expansionist philosophy proposed and

she repeated a quote from Councilmember Kennedy, "we would bring spending in line." She added that a number of cost-cutting measures were implemented, repaving grants received, and routine services maintained. It turned out that the City's definition of "bringing spending in line" included such things as moving up the purchase of a \$600,000 ladder truck from the planned 2015/2016 budget forecast, allowing the DPW to purchase a dump truck, a bucket truck, a ToolCAT, a wing plow, and a truck chassis for approximately \$533,000. In addition, it enabled the Police Department to buy two Ford Explorers and three replacement vehicles for a cost of \$132,000. She suggested that everyone take a walk behind the Police Station as they would notice two or three SUV's, a Hummer, and sometimes a rescue boat parked. She thought that the other big-ticket item included \$98,000 to spend on unexpected fountain repairs, \$66,000 for parking lot repairs, and \$29,000 to purchase 300 ballroom chairs. She hoped they sold the old ballroom chairs. She noted that it was not for her to say that all these vehicles or items were not needed or that less-expensive choices could have been made. She said that she did not know how many runs the fire engine made a year or how many lives had been saved because of it, or how many rescues were made using the boat, or even what the Hummer was used for. She did question whether these items qualified as "keeping the budget in line" and why the estimate procedure was waived so frequently. She asked if spending \$179,000 for a bucket truck to be used primarily for Christmas decorations was essential. She suggested they rent a truck when it was needed or negotiate with other communities. Was spending \$153,000 to refurbish the Cultural Center a priority or were they primarily cosmetic changes or mandatory maintenance? She believed the ballroom was built to accommodate community functions and then be rented out when it wasn't being used. She thought that it was great that the City already made \$60,000/year on rentals, but wondered how many years it would take to recoup the \$153,000-\$182,000 as there were only so many weekends available for weddings. She wondered if taxpayers wanted a public banquet facility or a Community Center. She noted that if there was so much surplus money in the budget, perhaps they could reduce the fee charged for some of the community activities such as the Bunny Hop, the Daddy-Daughter Dance, or not charge the seniors to exercise. She asked if spending \$225,000 for a hiking path to connect Walled Lake and Milford was the right priority, or if sewers and roads should take precedence. She questioned if spending \$80,000 on leaf pickup for a third of the City's residents was essential or even fair. She thought the City employees did great work, and should receive appropriate compensation, but questioned if their fringe benefit packages were higher than those in the private sector. She explained that recently she learned that Wixom sent a Police Lieutenant to Washington for three months of FBI Training. She assumed there were costs connected but she questioned if FBI Training was really necessary for the type of crimes committed in Wixom. She thought that FBI agents would be available when the crime warranted it as in the case of the Wixom shooter a few years ago. She said that relatively small expenses indicated that extra spending existed within the City budget. For example, the City opened the Senior Center on Fridays to cater to a handful of seniors who want to play cards or do crossword puzzles. She said that she loved the Senior Center and used it several

times a week to exercise and play Mahjong. She thought that maybe it only costs \$5,000 or \$10,000 to keep the Center open an extra day but she thought these activities could easily be accommodated in the Library which was already open on Friday. She said that she liked the Tree Lighting Ceremony but questioned why the lights needed to be lit through mid-March. She said that the Mayor had stated on a number of occasions that significant monies will be needed in the next few years to cover the Wastewater Treatment Facility and the parking lot repairs. She noted that perhaps if different choices had been made with the \$9.2 million some of that money could have been deferred to the longer term projects. She thought that it was unfortunate that the City no longer had Ford Motor Company as its cash cow but much has been made of the 150 new businesses to Wixom in the last three years. As the 2016 budget was being finalized, she asked the elected officials to spend the taxpayers' money wisely and stick to promises that were made. She believed there was a difference between "keep whole" and extra or unnecessary spending. The taxpayers needed to know if they were paying for "big and better" or "keep it like it is." She thanked everyone for their time.

Mike McDonald, 2005 Lamella, said that Ms. Kleban pointed out a lot of things that were really bad things. He added that in 2000 somebody designed the thought about a Stabilization Budget. When he left office on December 31, 2005, the City had over \$4.5 million surplus. He said that he just heard the Treasurer say the City had \$6.4 million in surplus. He believed that Ronald Regan once said that you can't have a Stabilization Budget; you have to have an Austerity Budget. The idea that we could save enough money today to drive the pension benefits and all frills that Council seemed to want will not last. If the Council watched their P's and Q's, it might have lasted. The last year of a surplus was 2007 and by 2011 the City was almost bankrupt. He said that the budget was a fantasy as they were spending on things that are not necessities. He thought it was time to mothball the Cultural Center and Community Center. He knew all the people that voted this in and they would be rolling over in their grave if they knew that the City was taxing the tax payer. He came to Council one other time and said when you steal money from him this year for services next year and he moved out how would he get his money back. That was his money as it was not the City's money. He did not think the Council was doing the citizens the favor that they thought they were.

With no other comments, the Public Hearing closed at 7:22 p.m.

MINUTES:

CM-05-87-16: Moved and seconded by Councilmembers Rzeznik and Beagle to approve the Regular City Council meeting minutes of May 10, 2016.

Vote:

Motion Carried

CORRESPONDENCE:

- 1.) Notice of Hearing for the Customers of DTE Electric Company - Case No. U-17680-R**
- 2.) Notice of Hearing for the Customers of Consumers Energy Company - Case No. U-18077**

- 3.) **Transmittal of Information Regarding Litigation Concerning a Orion Township Ordinance Prohibiting the Delivery of Newspaper Advertising Brochures & Classifying Same as Litter (Moved to New Business #3)**
- 4.) **Dissemination of Proceedings from Closed Sessions of Public Bodies**
- 5.) **Transmittal of Information Regarding Prohibitions Concerning City Employment by Elected Officials**

CALL TO THE PUBLIC:

Mike McDonald, 2005 Lamella, addressed the Council regarding New Business #2- Consideration of the Award of Bid for Solids Dewatering Improvements at the Wixom Wastewater Treatment Plant to the low bidder, Midwest Power Systems of Milford, Michigan in the amount of \$2,399,000 and Contract Engineering Services to Hubbell, Roth, and Clark (HRC) for \$220,000 for Contract Administrative Services. Mr. McDonald explained that in the mid 1990's the City bought back the Wastewater Treatment Plant from Oakland County and privatized it. The reason for that was the Oakland County Drain Commission would ask the City for money for a repair or improvements. The Council thought they implemented a Capital Fund to pay for these things so they didn't have to raise the rates every time. He questioned if anybody knew if there was any money left in that fund after they authorized the spending of \$2,399,000.

CITY MANAGER REPORTS:**1.) Departmental Monthly Reports – April 2016**

Councilmember Kennedy hoped that the report could reflect what kind of rental and what room was rented. Ms. Magee said that those changes would be made in future reports.

Councilmember Rzeznik questioned why the Wixom Electronic Recycling Program was closed until further notice. Mr. Sikma said that it was a group decision between his office and RRRASOC. For the past several years, this program generated revenue; however, recently the price of metal had gone down and could potentially cost the City. This program will be postponed until commodity costs rise or they find another vendor that would continue to recycle at a reasonable rate. The alternative is that they could take the item to the Household Hazardous Waste Day or place it at their curb.

2.) Budget Report – January 2016

There were no comments regarding this report.

3.) Budget Report – February 2016

There were no comments regarding this report.

CONSENT AGENDA:

CM-05-88-16: Moved and seconded made by Councilmember Smiley and Councilmember Rzeznik to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a. Senior Citizen Commission Meeting Minutes of March 22, 2016

Vote:

Motion Carried

UNFINISHED BUSINESS:

1.) Approval of the Fiscal Year 2016-2017 Budget and Adoption of the Requisite Budget Resolutions

CM-05-89-16: Moved and seconded by Deputy Mayor Ziegler and Councilmember Rzesnik to approve the Fiscal Year 2016-2017 Budget and Adopt the following Requisite Budget Resolutions:

**CITY OF WIXOM
RESOLUTION 2016-19
FISCAL YEAR 2016-2017 GENERAL FUND MILLAGE RATE**

WHEREAS the City Manager heretofore has submitted to this Council an annual budget for the year beginning July 1, 2016, and ending June 30, 2017, as required by the City Charter of this City; and

WHEREAS a Public Hearing was held on the said budget after the publication of notice thereof according to law; and

WHEREAS the Council has carefully considered each and every item of the budget separately.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the several amounts of appropriations herein determined and aggregate thereof (less the estimate of the amount of revenue from other sources) are to be raised by General Tax spread on Real and Personal Property. Taxable valuation as equalized for year 2016 of the property in the City of Wixom is \$652,804,610. Taxable valuation on Industrial Facilities Tax as equalized for year 2016 of the property in the City of Wixom is \$14,814,000. The Tax rate is tentatively determined to be 7.5429 per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-20
FISCAL YEAR 2016-2017 DEDICATED MILLAGE RATE**

WHEREAS the electors of the City of Wixom voted to permit the levy by the City, beginning July 2013, of a new dedicated millage in an amount of 3.50 mills (which is equal to \$3.50 on each \$1,000 of taxable value) for four (4) years to provide funds for municipal operating purposes including police and fire, public works, and parks & recreation; and

WHEREAS the City Manager heretofore has submitted to this Council an annual budget for the year beginning July 1, 2016, and ending June 30, 2017, as required by the City Charter of this City; and

WHEREAS a Public Hearing was held on the said budget after the publication of notice thereof according to law; and

WHEREAS the Council has carefully considered each and every item of the budget separately.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the several amounts of appropriations herein determined and aggregate thereof (less the estimate of the amount of revenue from other sources) are to be raised by General Tax spread on Real and Personal Property. Taxable valuation as equalized for year 2016 of the property in the City of Wixom is \$652,804,610. Taxable valuation on Industrial

Facilities Tax as equalized for year 2016 of the property in the City of Wixom is \$14,814,000. The Tax rate is tentatively determined to be 3.5000 per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-21
FISCAL YEAR 2016-2017 GENERAL FUND BUDGET**

<u>Revenues</u>	<u>Ref. Pg.</u>	<u>Appropriation</u>
Taxes and Special Assessments	14	\$ 7,484,706
Intergovernmental	14	\$ 1,317,759
Licenses & Permits	14	\$ 502,114
Other Revenues	14	\$ 1,491,869
Interfund Revenues	14	\$ 0
Appropriation of Fund Balance	14	\$ 837,080
Total Operating Revenues	14	<u>\$11,633,528</u>
<u>Expenditures</u>		
City Council	15	\$ 15,026
City Managers Office	15	\$ 273,546
Economic Development /Assessing	15	\$ 222,711
Building (Construction & Dev.)	15	\$ 461,377
Legal Counsel and Assistance	15	\$ 66,000
City Clerk	15	\$ 196,635
Information Systems	15	\$ 109,252
Financial Administration	15	\$ 329,523
General Operating	15	\$ 1,728,724
Building Maintenance	15	\$ 68,000
Cultural Center	15	\$ 295,471
Fire	15	\$ 1,016,841
Police	15	\$ 3,274,423
DPW	15	\$ 833,184
Zoning Board of Appeals	15	\$ 3,500
Board of Review	15	\$ 1,196
Planning Committee	15	\$ 97,300
Senior Citizen Committee	15	\$ 67,154
Parks & Recreation	15	\$ 343,912
Interfund Transfers	15	<u>\$ 2,229,752</u>
Total Expenditures	15	<u>\$11,633,528</u>

**CITY OF WIXOM
RESOLUTION 2016-22
FISCAL YEAR 2016-2017 LIBRARY MILLAGE RATE**

- WHEREAS** the Library Director heretofore has submitted to the Library Board an annual budget for the year beginning July 1, 2016, and ending June 30, 2017, as required by the Michigan Public Act 164 of 1877; and
- WHEREAS** a Public Hearing was held May 23, 2016, on the said budget after the publication of notice thereof according to law; and
- WHEREAS** the Library Board has carefully considered each and every item of the budget separately and approved this budget for the FY 2016-17; and

WHEREAS Section 10a (3) of Michigan Public Act of 164 of 1877 directs the Board of Directors of a library established under the act to report an estimate of library millage "...to the legislative body of the city"; and

WHEREAS Section 10a (3) of Public Act 164 of 1877 sets forth that upon receipt of the millage estimate report from the Library Board "the legislative body shall cause to be raised by tax upon the taxable property in the city the amount of the estimate in the same manner that other general taxes are raised in the city."

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the several amounts of appropriations herein determined and aggregate thereof (less the estimate of the amount of revenue from other sources) are to be raised by General Tax spread on Real and Personal Property and that taxable valuation as equalized for year 2016 of the property in the City of Wixom is \$652,804,610 and on Industrial Facilities Tax as equalized is \$14,814,000.

BE IT FURTHER RESOLVED that the tax rate is determined as reported by the Wixom Library Board to be 1.08 per \$1,000 of taxable valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-23
FISCAL YEAR 2016-2017 BROWNFIELD MILLAGE RATE**

WHEREAS Act 197 of the Public Acts of 1975 and Act 450 of the Public Acts of 1980 allow the tax levy of all taxing bodies paid each year on real and personal property in the development area to be transmitted to the Development Authority.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the taxable valuation as equalized for year 2016 of the Brownfield Redevelopment District of the City of Wixom is \$773,280, captured value \$444,040. The tax rate is tentatively determined to be 13.5729 (includes Library) per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-24
FISCAL YEAR 2016-2017 DDA MILLAGE RATE**

WHEREAS Act 197 of the Public Acts of 1975 and Act 450 of the Public Acts of 1980 allow the tax levy of all taxing bodies paid each year on real and personal property in the development area to be transmitted to the Development Authority.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the taxable valuation as equalized for year 2016 of the Downtown Development Authority of the City of Wixom is \$17,981,220, captured value \$11,905,630. The tax rate is tentatively determined to be 13.5729 (includes Library) per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-25
FISCAL YEAR 2016-2017 DDA SPECIAL MILLAGE RATE**

WHEREAS Public Act 197 of 1975 authorizes communities to form Downtown Development Authorities to promote economic growth and stability in downtown areas defined by a community; and

WHEREAS Public Act 197 gives such Downtown Development Authorities, with permission of the municipal governing body, the power to levy not more than 2 mills on properties located within said district to partially fund Downtown Development Authority activities; and

WHEREAS the City of Wixom has formed a Downtown Development Authority and the Wixom City Council has considered and approved a millage request.

NOW, THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the taxable valuation as equalized for year 2016 of the Downtown Development Authority of the City of Wixom is \$17,981,220, captured value \$11,905,630. Taxable valuation on the Brownfield Redevelopment District as equalized for year 2016 of the property in the City of Wixom is \$773,280, captured value \$444,040. The Tax rate is tentatively determined to be 1.6667 per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-26
FISCAL YEAR 2016-2017 DDA FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Property Tax	\$ 254,389
Delinquent Interest & Penalty	\$ 250
Interest Income	\$ 65
Special Millage	\$ 10,734
State Revenue Personal Property Small Tax Loss	\$ 6,372
Donations	\$ 5,000
Appropriation from Fund Balance	<u>\$ 0</u>
 Total Revenues	 <u>\$ 276,810</u>
 <u>Expenditures</u>	
DDA Expenditures	\$ 9,575
Transfer to DDA Construction Debt	<u>\$ 267,235</u>
 Total Expenditures	 <u>\$ 276,810</u>

**CITY OF WIXOM
RESOLUTION 2016-27
FISCAL YEAR 2016-2017 GENERAL FUND CDBG FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
CDBG Revenues	\$ 39,968
Appropriation from Fund Balance	<u>\$ 0</u>
 Total Revenues	 <u>\$ 39,968</u>
 <u>Expenditures</u>	
CDBG Expenditures	<u>\$ 39,968</u>
 Total Expenditures	 <u>\$ 39,968</u>

**CITY OF WIXOM
RESOLUTION 2016-28
FISCAL YEAR 2016-2017 LAND ACQUISITION FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Interest Income	\$ 400
Appropriation from Fund Balance	<u>\$ 1,400,360</u>
 Total Revenues	 <u>\$ 1,400,760</u>
 <u>Expenditures</u>	
Audit	\$ 760
Land Acquisition Expenditures	<u>\$ 1,400,000</u>
 Total Expenditures	 <u>\$ 1,400,760</u>

**CITY OF WIXOM
RESOLUTION 2016-29
FISCAL YEAR 2016-2017 LDFA PROJECT FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Local Share	\$ 0
Interest Income	<u>\$ 5,000</u>
 Total Revenues	 <u>\$ 5,000</u>
 <u>Expenditures</u>	
Consultant and Personnel	\$ 0
Audit Fee	<u>\$ 742</u>
 Total Expenditures	 <u>\$ 742</u>
 Excess Revenues over Expenditures	 <u>\$ 4,258</u>

**CITY OF WIXOM
RESOLUTION 2016-30
FISCAL YEAR 2016-2017 MAJOR ROAD PROJECT FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Interest Income	\$ 300
Act 51 Revenue	\$ 695,491
Appropriation from Fund Balance	<u>\$ 4,700</u>
 Total Revenues	 <u>\$ 700,491</u>
 <u>Expenditures</u>	
Maintenance Expenditures	\$ 695,491
Major Roads Capital Expenditures	<u>\$ 5,000</u>
 Total Expenditures	 <u>\$ 700,491</u>

**CITY OF WIXOM
RESOLUTION 2016-31
FISCAL YEAR 2016-2017 LOCAL ROAD PROJECT FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Real Property Taxes	\$ 605,897
Personal Property Taxes	\$ 130,626
Delinquent Interest & Penalty	\$ 800
Industrial Facilities Tax	\$ 8,518
IFT Job Shortfall	\$ 557
Local Community Stabilization	\$ 27,627
Interest Income	\$ 1,010
Grants Federal / State	\$ 14,375
Act 51 Revenue	\$ 483,226
Appropriation of Fund Balance	<u>\$ 0</u>
 Total Revenues	 <u>\$ 1,272,636</u>
 <u>Expenditures</u>	
Maintenance Expenditures	\$ 483,226
Local Road Expenditures	<u>\$ 375,000</u>
 Total Expenditures	 <u>\$ 858,226</u>
 Excess Revenues over Expenditures	 <u>\$ 414,410</u>

**CITY OF WIXOM
RESOLUTION 2016-32
FISCAL YEAR 2016-2017 LOCAL ROAD PROJECT MILLAGE RATE**

WHEREAS the electors of the City of Wixom voted to levy not more than 1.15 mills per year for a period not to exceed fifteen years to provide funding for the maintenance and repair of local and major streets.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the several amounts of appropriations herein determined and aggregate thereof (less the estimate of the amount of revenue from other sources) are to be raised by General Tax spread on Real and Personal Property. Taxable valuation as equalized for year 2016 of the property in the City of Wixom is \$652,804,610. Taxable valuation on Industrial Facilities Tax as equalized for year 2016 of the property in the City of Wixom is \$14,814,000. The Tax rate is tentatively determined to be 1.1500 per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-33
FISCAL YEAR 2016-2017 SAFETY PATH PROGRAM FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Real Property Taxes	\$ 158,060
Personal Property Taxes	\$ 34,076
Industrial Facilities Tax	\$ 2,222
Delinquent Personal Property	\$ 250
IFT Job Shortfall	\$ 145
Local Community Stabilization	\$ 7,207
Interest Income	\$ 180
Appropriation from Fund Balance	<u>\$ 0</u>

Total Revenues	\$ <u>202,140</u>
<u>Expenditures</u>	
Local Road Expenditures	\$ <u>185,000</u>
Total Expenditures	\$ <u>185,000</u>
Excess Revenue over Expenditures	\$ <u>17,140</u>

**CITY OF WIXOM
RESOLUTION 2016-34
FISCAL YEAR 2016-2017 SAFETY PATH MILLAGE RATE**

WHEREAS the electors of the City of Wixom voted to levy not more than .30 mills per year for a period not to exceed fifteen years to provide additional revenues for bike path construction including property acquisition and planning.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the several amounts of appropriations herein determined and aggregate thereof (less the estimate of the amount of revenue from other sources) are to be raised by General Tax spread on Real and Personal Property. Taxable valuation as equalized for year 2016 of the property in the City of Wixom is \$652,804,610. Taxable valuation on Industrial Facilities Tax as equalized for year 2016 of the property in the City of Wixom is \$14,814,000. The Tax rate is tentatively determined to be .30 per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-35
FISCAL YEAR 2016-2017 BUDGET STABILIZATION FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Interest Income	\$ 6,000
Interfund Transfers	\$ <u>1,100,000</u>
Total Revenues	\$ <u>1,106,000</u>
<u>Expenditures</u>	
Transfer to General Fund	\$ <u>-0-</u>
Total Expenditures	\$ <u>-0-</u>
Excess Revenue over Expenditures	\$ <u>1,106,000</u>

**CITY OF WIXOM
RESOLUTION 2016-36
FISCAL YEAR 2016-2017 FORFEITURE TRUST FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Miscellaneous Income	\$ 15,000
Interest Income	\$ <u>20</u>
Total Revenues	\$ <u>15,020</u>
<u>Expenditures</u>	
Miscellaneous Operating Expenditure	\$ <u>5,200</u>

Total Expenditures	\$ 5,200
Excess Revenue over Expenditures	\$ 9,820

**CITY OF WIXOM
RESOLUTION 2016-37
FISCAL YEAR 2016-2017 FEDERAL POLICE FORFEITURE TASK FORCE TRUST FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Forfeiture Federal Task Force Income	\$ 50,000
Interest Income	\$ 0
Total Revenues	\$ 50,000
 <u>Expenditures</u>	
Forfeiture Federal Task Force Expenditure	\$ 50,000
Total Expenditures	\$ 50,000

**CITY OF WIXOM
RESOLUTION 2016-38
FISCAL YEAR 2016-2017 FEDERAL POLICE FORFEITURE TRUST FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Forfeiture Federal Income	\$ 50,000
Interest Income	\$ 0
Total Revenues	\$ 50,000
 <u>Expenditures</u>	
Forfeiture Federal Expenditure	\$ 50,000
Total Expenditures	\$ 50,000

**CITY OF WIXOM
RESOLUTION 2016-39
FISCAL YEAR 2016-2017 INSURANCE FUND – RETIREES BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Interest Income	\$ 250,000
Contribution – General Fund	\$ 625,000
Contribution – Library	\$ 10,161
Retiree Insurance Contribution	\$ 78,873
Total Revenues	\$ 964,034
 <u>Expenditures</u>	
Audit	\$ 868
Consultants & Personnel	\$ 1,400
Insurance Premium	\$ 441,597
Total Expenditures	\$ 443,865

Excess Revenues over Expenditures \$ 520,169

**CITY OF WIXOM
RESOLUTION 2016-40
FISCAL YEAR 2016-2017 ANNUAL SOLID WASTE PICKUP FEE**

RESOLVE, the adoption of a resolution establishing a fee for the period July 1, 2016 through June 30, 2017, for solid waste collection and disposal in accordance with Ordinance #161, Section 9, Paragraph A and B as follows:

Description	Single Family	Eligible - 65+ Senior Citizens
Per Year	\$162	\$100

**CITY OF WIXOM
RESOLUTION 2016-41
FISCAL YEAR 2016-2017 SOLID WASTE FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Solid Waste Collection	\$ 498,002
Interest Income	\$ 260
Delinquent Penalty & Interest	\$ 300
Revenue Profit Sharing	\$ 2,600
Miscellaneous Revenue	\$ 500
Appropriation from Fund Balance	<u>\$ 3,331</u>
 Total Revenues	 <u>\$ 504,993</u>
 <u>Expenditures</u>	
Solid Waste Collection Expenditures	<u>\$ 504,993</u>
 Total Expenditures	 <u>\$ 504,993</u>

**CITY OF WIXOM
RESOLUTION 2016-42
FISCAL YEAR 2016-2017 SPECIAL HOLDING AGENCY FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Special Holding Agency Fund Revenues	\$ 99,200
Appropriation from Fund Balance	<u>\$ 0</u>
 Total Revenues	 <u>\$ 99,200</u>
 Special Holding Agency Fund Expenditures	 <u>\$ 96,050</u>
 Total Expenditures	 <u>\$ 96,050</u>
 Excess Revenues over Expenditures	 \$ 3,150

**CITY OF WIXOM
RESOLUTION 2016-43
FISCAL YEAR 2016-2017 CEMETERY FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Interest Income	\$ 45
Sale of Grave Lots	\$ 5,000
Appropriation from Fund Balance	\$ <u>6,068</u>
 Total Revenues	 \$ <u>11,113</u>
 <u>Expenditures</u>	
Audit	\$ 313
Operating Expenditures	\$ 500
Grave Site Purchase	\$ 300
Landscape & Maintenance	\$ <u>10,000</u>
 Total Expenditures	 \$ <u>11,113</u>

**CITY OF WIXOM
RESOLUTION 2016-44
FISCAL YEAR 2016-2017 WATER UTILITY SYSTEM MILLAGE RATE**

WHEREAS on the electors of the City of Wixom voted to borrow the principal sum of eighteen million five hundred thousand dollars (\$18,500,000) and issued general obligation unlimited tax bonds to pay for the cost of Water Utility System.

NOW THEREFORE, BE IT RESOLVED that the Clerk of this City be and is hereby ordered and directed to certify to the Assessor of this City that the several amounts of appropriations herein determined and aggregate thereof (less the estimate of the amount of revenue from other sources) are to be raised by General Tax spread on Real and Personal Property. Taxable valuation as equalized for year 2016 of the property in the City of Wixom is \$652,804,610. Taxable valuation on Industrial Facilities Tax as equalized for year 2016 of the property in the City of Wixom is \$14,814,000. The Tax rate is tentatively determined to be 1.74600 per \$1,000 of Taxable Valuation as equalized.

**CITY OF WIXOM
RESOLUTION 2016-45
FISCAL YEAR 2016-2017 TRIBUTE DRAIN SPECIAL ASSESSMENT DISTRICT ROLL**

WHEREAS the City Council held a public hearing on January 11, 2005 regarding the establishment of the Village Center Area Assessment District to fund the construction, operation and maintenance of a new county drain; and

WHEREAS the City of Wixom entered into an agreement with Wixom Village, LLC and Wixom Village Commercial LLC to establish the Village Center Area Special Assessment District in accordance with Section 3.08.180 of the City of Wixom Municipal Code, which permits a special assessment district to be created by contract.

NOW, THEREFORE, BE IT RESOLVED that said total special assessment roll as prepared by the City Assessor in the amount of \$2,830,000, plus bond interest and maintenance costs, is known as Special Assessment Roll No. 04-001C. Said special assessment for FY 2016-2017 is in the amount of \$223,353 plus maintenance costs.

**CITY OF WIXOM
RESOLUTION 2016-46
FISCAL YEAR 2016-2017 CAPITAL IMPROVEMENT FUND BUDGET**

<u>Revenues</u>	<u>Appropriation</u>
Contribution General Fund	\$ 781,916
Contribution General Fund (Debt)	\$ 96,500
Appropriation from Fund Balance	\$ 146,784
 Total Revenues	 <u>\$ 1,025,200</u>
 <u>Expenditures</u>	
City Manager	\$ 11,000
Finance	\$ 3,000
City Clerk	\$ 18,000
Facilities	\$ 257,500
Cultural Center	\$ 153,500
Fire	\$ 37,000
Police	\$ 127,700
DPW	\$ 170,000
Parks & Recreation	\$ 151,000
Debt Service	\$ 96,500
 Total Expenditures	 <u>\$ 1,025,200</u>

**CITY OF WIXOM
RESOLUTION 2016-47
FISCAL YEAR 2016-2017 WATER AND SEWER UTILITY RATES**

WHEREAS the City has established a Water Supply System ("Water System") and Sewer Service System, including a Wastewater Treatment Plant ("Sewer System") for the residents and businesses of the City of Wixom. By the terms of Wixom Municipal Code, Chapter 13.04, Water Supply System, and Chapter 13.08, Sewer Service System, and as required by State and Federal law, the City establishes rates and charges for services of the Water System and Sewer System in amounts sufficient to pay (i) the expenses of administration and the costs of operation and maintenance of the Water System or Sewer System; (ii) principal of and interest on all bonds secured by a lien on the net revenues of each System; and (iii) the cost of replacement, repairs and improvements to the Water System or Sewer System, and all other requirements of each ordinance authorizing issuance of bonds secured by a lien on the net revenues of the Water System or Sewer System.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- Findings.** The City has investigated several methods of apportioning the cost of a Water System or Sewer System among users of each system in the City of Wixom. As part of that investigation, the City has considered academic texts, tables used by other communities in the State and in the United States, and has reviewed studies of water use and sewage flows of a variety of establishments to generate a unit factor which most closely approximates the actual use by each user of the Water System or Sewer System. The City Council finds that the following rates and fees, and the method of allocating those rates and fees to users of the Water System or Sewer System, are proportionate to the necessary costs of providing the service at the levels demanded by the users.
- Liens.** By section 21 of Act 94, Michigan Public Acts of 1933, as amended, and by the terms of Wixom Code Chapters 13.04 and 13.08, the rates and charges for services furnished by the Water System or Sewer System to residences or businesses located in the City of Wixom shall be liens on the property served. The City shall certify those rates and charges delinquent for

six (6) months or more to the City tax assessing officer, who shall enter the amount of the delinquent rates and charges on the tax roll against the premises to which the service was rendered, and shall collect the rates and charges and enforce the lien in the same manner as provided for the collection of ad valorem property taxes assessed upon the same roll along with any applicable fees.

- Rates.** The following Water System rates and Sewer System rates set forth in chart on the next page are hereby approved and adopted, effective July 1, 2016.

WATER / WASTEWATER UTILITY RATES

Water Rates

Meter Size (inch)	Quarterly Customer Charge
5/8	\$ 22.75
3/4	22.75
1	24.75
1-1/2	95.00
2	125.00
3	160.00
4	235.00
6	285.00
8	330.00
10	475.00
Commodity Rate (per MCF) \$ 36.25	

Wastewater Rates

Meter Size (inch)	Quarterly Customer Charge
5/8	\$ 10.75
3/4	10.75
1	12.00
1-1/2	62.50
2	76.00
3	95.00
4	136.00
6	168.00
8	195.00
10	280.00
Commodity Rate (per MCF) \$ 22.75	

Sewer residential cap \$88.30 Quarterly
Flat rate for residential sewer only customer \$60.00 Quarterly
Flat rate for industrial sewer only customer \$85.00 Quarterly

**CITY OF WIXOM
 RESOLUTION 2016-48
 FISCAL YEAR 2016-2017 LOON LAKE LITTLE FARMS SANITARY SEWER EXTENSION
 SPECIAL ASSESSMENT DISTRICT ROLL**

WHEREAS the City Council, at their Regular Council Meeting on January 27, 2015, was presented with an agreement to establish the Loon Lake Little Farms Sanitary Sewer Extension Special Assessment District to fund the construction of a Sanitary Sewer Extension to service the properties located at 1746, 1748, 1750 and 1800 North Wixom Road; and

WHEREAS the City Council authorized the City of Wixom to enter into an agreement with the homeowners Charles A. Phillipson & Patricia A. Thorensen (Husband & Wife), Dale J. Brantigan (a single man), Jonathan E. Tobias & Agnes E. Niedzwiecki-Tobias (Husband & Wife) and Kimberly Brooks Richardson Trustee of James & Barbara Robinson Irrevocable Trust ("Homeowners"), whose addresses are 1746, 1748, 1750 and 1800 North Wixom Road, Wixom, Michigan 48393, respectively, to establish the Loon Lake Little Farms Sanitary Sewer Extension Special Assessment District in accordance with Section 3.08.180 of the City of Wixom Municipal Code, which permits a special assessment district to be created by contract.

NOW, THEREFORE, BE IT RESOLVED that said total special assessment roll as prepared by the City Assessor in the amount of \$69,355, plus interest, is known as Special Assessment Roll No. 15-001C. Said special assessment for FY 2016-2017 is in the amount of \$3,467.75 plus interest.

Deputy Mayor Ziegler appreciated the comments that came out at the Public Hearing. He noted that Council had three meetings that went well into the night regarding and discussing this budget. He understood that some employees wanted or needed to be there but noted that there were no members of the public present at those meetings. He was disappointed that there was nobody there to witness or take part in the process or give their comment. His role as a member of Council was to do what the public wanted, needed or expressed. What he heard from people was that they wanted the services that they've become accustomed to and wanted Council to maintain those services but they must understand in order to do that we had to maintain the income. He did not believe he misled anybody and certainly they hoped that after the four-year millage was passed things would get much better. He noted that the funding of cities is backwards in Michigan. He added that there are communities right now that are trying to address this issue with Lansing. Lansing took away personal property taxes that we have come accustomed to receiving. As we heard in the presentation, the State was going to give Wixom a partial payment. That has been the story of our lives as we have a problem here. One of the things we have done as a Council and leadership was we wanted to maintain as tight of a budget as necessary. He noted that he did not view the bucket truck as a frivolous purchase just to hang holiday lights. It was shown to him in a Public Hearing that it was necessary and not cost-effective to rent because of when it was needed like after a storm when many other people or communities also need them. He felt strongly that we needed dependable equipment for our employees so they would not get injured. We would not cut corners at the expense of our employees. The tone that was established early on when the millage was passed was to make sure the employees understood that we did not want to waste money. That was part of the frustration that happened when the Administration presented a budget and he thought that budget was paired down as tight as possible. He believed they worked hard to spend only what they have to. He added that the Council certainly spends a lot of time and effort to cut the budget more and even have comments and discussions. He fully supported this budget and thanked the staff for all their efforts.

Councilmember Smiley echoed Deputy Mayor Ziegler. He added the Council spent a lot of time going over the budget. He noted the budget was well-represented. He encouraged the public to attend the meetings and read the minutes as there was healthy debate.

Councilmember Gottschall explained that he was not in support of the budget and would be voting to reflect that. He hoped they would run a thorough analysis year after year trying to find the patterns where we may be able to tighten things up just a bit while still making a contribution to Budget Stabilization. It is a good idea to try to ensure that we are not taking taxpayer dollars for things that potentially lead to our savings account. He does enjoy that we are giving some of the staff members raises to reflect the hard work they do and he recognizes that we do underpay staff in this City. If we want to attract the best and brightest, we have to pay those kinds of salaries and wages. For him, the big things on this budget are with the Cultural Center improvements and not trying to analyze where our Budget Stabilization money was coming from or going to. He said again that he was not in favor of this budget.

Councilmember Rzeznik echoed Deputy Mayor Ziegler as they spent many long, hard nights debating each of these issues. He noted that when we realized some of the assets that we talked about (like the Wastewater Treatment Plant) were 25 years old, a lot of the equipment has outlived its useful life. There have to be improvements made to keep these assets up. Three years ago the most contentious item in the budget session was the wing-plow truck. The promise that was made to Council was that we would actually eliminate and not replace a retiring DPW employee. If you looked at the math, the wing-plow truck repaid itself already with the reduced overtime and employee benefits. With this budget, there was another contentious piece of equipment that was nineteen years old. It required \$100,000 to bring it up to OSHA standards and the brand new item was \$120,000. An employee almost got injured while he was on the piece of equipment. He was surprised there was no public that made an appearance at any of those three sessions. The people that he spoke to also said they wanted to maintain standards in Police, Fire and DPW and that's why they voted for the millage. With the millage they have been able to maintain those services. Some people may say the leaf collection was frivolous and suggest that we try taking it away. Those residents that utilize that service would be up in arms. Our snow removal is the best in the State. When residents leave their subdivisions at 7:30 a.m., there was at least one path plowed through the subdivision. It makes them proud when they show up to work at 8:00 a.m. when a lot of their counterparts in neighboring cities do not. I thought in general the public has come to know and love the services provided, including the Parks and Recreation activities. They received a lot of corporate support and sponsorship for things that some may see as frivolous, such as concerts in the park. They received quite a bit of support from local businesses as well. With the State Shared Revenue declining, we still had not rebounded from the property taxes and with the loss of the largest tax payer (around 16%) and potential loss (of 17%) for personal property taxes. He was very much in support of this budget. As he said in the last three budget meetings, 11 mills may be the new reality, as 7.54 mills is the Charter Cap and was probably real decades ago. Today it may not be.

Councilmember Kennedy said the City employees worked very hard. He agreed City Council spent three long nights working on this budget; however, he realized that people that earn money had to sit and work long hours to make the money. The Council acts as stewards of the money for the people of the City of Wixom. For those people that did not believe the budget was worked on hard enough or some

additional cuts could have been made, they were out-voted and that was the way things happen. He was under the impression when Ford left that it represented 15% of the City's income; although, that was what the Budget Stabilization Fund was for. When there was talk about the public not attending the budget sessions, he liked to believe that the constituents thought enough of the Council to work it all out. He understood why they would not want to show up and listen to every little budget item that was talked about with hopes they would trust in the Council's responsibility. In the areas where he walked around, what the public wanted and needed was not represented in this budget. He asked for just a small percentage of a decrease and that did not happen. He felt that there was no effort in trying to achieve that. He said three years ago, as he was sitting in the audience, it was explained that this money was for operational expenses to help get the spending in line. It was something they needed to do in order to cover police, fire, insurance costs, retiree costs, etc. The employees did a great job as they saved a lot of money. The fact of the matter was they looked to move forward and planned on asking for additional monies or a continuation and he believed that was wrong and because of that, he would not accept this budget.

Mayor Hinkley said there was mention about the time that was spent on this budget process. He added that in his sixteen years of being on Council, he could not remember the Council working as many hours as they had on this one. He added that it was what it took to get to where they were. He commented that the loss over the last ten years of Shared Revenue was \$7.9 million. So when we ask why we need to have the Budget Stabilization or millage renewal, he would ask anybody to take that percentage out of their income over ten years and tell him where they are. He mentioned this at the State of the City Address. He did not think the City was out of the woods. It was because revenue comes in and the expenses continue to go up. That happens when we have to catch up. We made a significant amount of cuts during the last sixteen years he had been on Council. He took a little offense when people tell them we are over-spending. Take a look at the employees in this room and follow them one day to see if we would like to get on a piece of faulty equipment and do their job. He believed that we needed to take care of our assets. Being that he is a business owner, he was aware of that. Plante Moran congratulated us for our progress over the last few years. He explained that the public should come to the budget meetings so they get a clear understanding. There were several comments made by individuals tonight that were untrue and the public needed to hear both sides of the story. It was okay to look at the paperwork and find out that the money was spent, but it was just as important to look at the reason why it was spent. If we were to tour the Wastewater Treatment Plant, and we could, we would notice that it is aging. He noted that he does support this budget.

**Roll Call Vote: (4) AYES – Beagle, Hinkley, Rzeznik, Ziegler
(3) NAYS – Gottschall, Kennedy, Smiley**

Motion Carried

NEW BUSINESS:**1.) Recommendation to Pay for Additional Services to Suez for Cleaning the East Aeration Tank at the Wastewater Treatment Plant for a Total of \$59,427.58**

CM-05-90-16: Moved and seconded by Councilmembers Beagle and Gottschall to pay Suez for the additional services for cleaning the east aeration tank at the Wastewater Treatment Plant in an amount of \$59,427.58 with funds to be derived from the Wastewater Capital Reserve Account.

Mr. Sikma stated the request was in addition to the original cost expected to clean the tank. He explained that the ammonia concentration leaving the Treatment Plant was recognized so Suez took action to remedy it. They were able to acquire a blower from the old plant to lower the ammonia before it reached discharge limits. There were no violations. They waited until the system was cleaned before the final costs came in. For that reason, they came before Council tonight rather than back in February when the event occurred. They did not know how many additional solids were going to be in the tank so they wanted to get a final number before moving forward.

Councilmember Gottschall wanted to clarify that even though the cost was shy of \$60,000 because of the SAW Grant, it was 90% refundable. Mr. Sikma confirmed that it was.

Councilmember Rzeznik noted that the funds would come from the Capital Reserves Account from the Wastewater Treatment Plant before the reimbursement. Mr. Sikma confirmed that was correct.

Mayor Hinkley said that he read the report but it was brief. During the dates of February 13-22, 2016, he continued to see that the overtime and the number of pumps fluctuated, but he didn't understand why the original bid or speculation was incorrect. He wondered if there was a problem or an issue. Mr. Delaney of Suez said the initial cost was based on the design of the facility. He explained they struggled with the tank as it was filled with grit and they lost capacity. They didn't anticipate that being an issue until it became an issue. Mayor Hinkley said that in his line of work, he would be hung for having the cost differ as he did not get reimbursed for intangibles. To him, it seemed like it was an unforeseen circumstance. He said that this project was planned. In his career, if he bid a job and he said that this was the cost of the job and it ended up being some other cost because of some intangibles, he would get hung for that. Mr. Delaney said they cleaned the east tank, not the west tank. The issue they faced was on the west not being part of the scope. Mayor Hinkley suggested that as we move forward and do all the work that needed to be done in the facility over the next several years, they should make sure everything is covered.

Vote:

Motion Carried

2.) Consideration of Award of Bid for Solids Dewatering Improvements at the Wixom Wastewater Treatment Plant to the low bidder, Midwest Power Systems of Milford, Michigan in the amount of \$2,399,000 and Contract Engineering Services to Hubbell, Roth, and Clark (HRC) for \$220,000 for Contract Administrative Services

CM-05-91-16: Moved and seconded by Councilmembers Rzeznik and Beagle to award the Bid for Solids Dewatering Improvements at the Wixom Wastewater Treatment Plant to the low bidder, Midwest Power Systems of Milford, Michigan in the amount of \$2,399,000 to be paid from Wastewater Treatment Plant Capital Reserve, and Contract Engineering Services to Hubbell, Roth, and Clark for \$220,000 for Contract Administrative Services to be paid from Wastewater Treatment Plant Capital Reserve Account.

Councilmember Gottschall wondered if the \$220,000 contract to HRC was for all the improvements that will be made to the Wastewater Treatment Plant over the next several years or if it was just for the solids dewatering project. Mr. Booth said that it was for the solids dewatering, roof on the main building, HVAC improvements, architectural repairs, the sludge transfer pump, and the few system upgrades. It did not include things that had yet to be designed or bid. Councilmember Gottschall asked if any of these costs were refundable through the SAW Grant. Mr. Booth said no because this was not eligible. Councilmember Gottschall said that his hesitation was not with the project but the fee for HRC's services.

Deputy Mayor Ziegler supported the project and noted that it was the lowest bid. The first night of the budget hearings, they had Dawn Lund of Utility Financial Services speak to the Council on how to maintain and keep a cost-effective Wastewater Treatment Plant. He suggested those minutes be read as they came to the meetings for three years studied the system and rate history. He recalled that she said the City was subsidizing the system and the rates were too low. So unfortunately, it was pushed off to the future and that's the reason we see some of the rates going up today. He hoped they were taking care of the business that should have been taken care of much earlier.

Councilmember Rzeznik said that it was not apparent to most folks but they changed the entire solids handling process. Instead of hauling off the liquid, they will not haul solid dewatered products that were much easier to dispense into composting and farmland. Mr. Sikma agreed. Councilmember Rzeznik said the contract for engineering was actually invoiced for the hours worked but the \$220,000 was just a budgeted amount. Mr. Booth confirmed that was correct.

Councilmember Kennedy said that if we do look over the minutes of the meetings when Ms. Lund spoke, we would read that money would be put into the budget to take care of sewer repairs and that's why there would be an increase. That way we wouldn't be shocked when it is around a 15% increase. Mr. Booth indicated that a lesson was learned on the sanitary side of not investing into a Capital Improvement Program that was not being collected on the water side of things. In fifteen years when there is talk of water improvements, we will not be in the same situation.

Mayor Hinkley wondered if there was \$ 2.3 million to remove the roof. Mr. Booth said the contract was to make penetrations through the roof for the new HVAC system that needed to go into the solids handling area. The roof will be repaired, resurfaced and given another twenty year lifespan.

Vote:

Motion Carried

3.) Transmittal of Information Regarding Litigation Concerning a Orion Township Ordinance Prohibiting the Delivery of Newspaper Advertising

Deputy Mayor Ziegler explained a memo was given to the Mayor and Council that addressed an issue that came before Council on April 12, 2016 which he did not attend because he was in England. He explained that Councilmembers Gottschall and Kennedy hoped to create an ordinance to limit these papers that have been delivered to homes as they believe it's a nuisance. At the May 10, 2016 Council meeting, the City Manager informed the Council that it could cost up to \$1,500 to have this looked into by the City Attorney, at which point Councilmember Gottschall still believed it was worth looking into. He noted that he made a comment at a previous meeting that he never heard a complaint about it. He added that the City Manager cautioned the Council that this may be an issue with the constitutionality and that it may not be a good decision to go down that road. Councilmember Gottschall called for a vote to have this looked into and it did not get a second. The Correspondence part of this packet included a lawsuit that was filed regarding the fact that Orion Township actually issued tickets to the Detroit News for littering. That Township was being sued for the very reason the City Manager said we should be cautious. Not only did the Board get sued, but each individual member of the Board was also sued. He appreciated Mr. Goodlein giving the Council his advice ahead of time and was glad that the rest of Council saw that it was something that we should not do. He requested the information regarding Orion Township be added to the Minutes as an Addendum so it could bring closure to the topic. (See attached.)

Councilmember Gottschall said he was glad they received this information also. At times while sitting on Council he feels like he is in some strange nightmare where his words are completely ignored. This answered a question that was never asked. The Deputy Mayor's comments go along with a line of questioning that does not exist. The motion was to have the City Attorney do some research; it was not to push through any ordinance. He noted not at any time, in the minutes or recorded, did he say let's end the papers. The problem was with the way they were delivered. When they delivered the newspapers every other week, it was in his newspaper box or hung on a hook. It was not tossed into the driveway, unsealed so the papers were blowing about the neighborhood. That was the research he was looking at. Could they place these papers into the newspaper box or hang them on the hook like every other day of the week. It was not to prohibit or get into a lawsuit. He was not here to waste money like that but when he asked a question, and this wasn't the first time he said something, the audience members at a future meeting don't get even hear half of the story but a tall tail at best. This becomes a problem for him. He thought it was a breach of the public's trust when people are spreading around untrue information about how things are handled by this Council. This was not the first time because they can go back to the WOCCA issue when not even the full story was given there. He understood that they were not here to get themselves into a lawsuit, but this was not the question asked. He did not say to stop the newspaper delivery; it was to allow the Attorney to do research and give their opinion. He would rather have an opinion from the Attorney than speculation from anyone else on Council or staff.

Deputy Mayor Ziegler said that one of the things he learned early on when he became a Councilmember was that the position he had was not to address little inconveniences that bothered him personally. He was not here to address problems that he found and bring them to Council. He added that if we read the minutes and listened to what was said at the meeting, it was certain that Councilmember Gottschall wanted to have some research done. It was advised at the last meeting that it would cost \$1,500 and he didn't think that it was necessary to spend that kind of money as he didn't believe it was a problem. He believed what he said was accurate and he stood by it.

Councilmember Gottschall said that what was presented to Council was the Attorney could spend up to 10 hours of work for a cost of up to \$1,500. He did not think that it would take 10 hours. If they would have taken only 30 minutes to say that it could not be done, he would have been satisfied. He said that the Council has received a lot of opinions, whether it was speculation, ourselves or somebody else. He was more comfortable having the opinion from the Attorney rather than somebody saying they thought so. He would rather base his decision from the facts or the Attorney's opinion.

Councilmember Kennedy said that he thought Deputy Mayor Ziegler was bragging by saying that he was in England. He thought that was good and that he would have liked to have been there himself. He thought the report from the City Manager was a nice report regarding this topic. He added that court cases were not the law. He thought most of the time that bullying brought on lawsuits. He said that he tried stopping the paper from being delivered by calling the 800 telephone number that was given but it had not stopped. Mr. Goodlein said they would find another way to make contact to them, whether it be another number, email or in writing. He would look into this. Councilmember Kennedy suggested this be put on the website.

Mr. Goodlein said that he read the complaint that was filed against Orion Township and the Board and although he was not an attorney, he thought that some of the things they cited in the complaint were pretty strong. It would not be safe at this point to proceed with any type of ordinance that would characterize the types of delivering of this material. Councilmember Kennedy said that he never said anything about stopping or writing an ordinance. He just wanted to suggest that there was a problem with the opt-out contact number. Mr. Goodlein said that they would address the issue. He just wanted to reiterate that it was in the best interest for the City not to proceed concerning this as a littering or a nuisance issue. He understood that it was only in the manner of the way that the papers were delivered but he wanted to express that it was the same method the circular was delivered in other communities as well. The delivery of an item that was guaranteed by the Constitution as Freedom of Speech that has a constructive result preventing the distribution of that item could cause a problem because we then have a constructed obstruction of that person's free speech and/or free press rights. In his opinion, that was where the Free Press was going with the Orion lawsuit.

Mayor Hinkley was glad things didn't change based on the fact that Orion was in a lawsuit.

CALL TO THE PUBLIC:

Mike McDonald, 2005 Lamella, said that he was thinking about the paper issue. He suggested calling the advertisers to tell them that if this paper was thrown into their driveway one more time, they would never shop in the store. He was never surprised at Deputy Mayor Ziegler's attack at other people as he sat on Council for a number of years and took it. He thanked Councilmember Gottschall and Kennedy for being as civil as they could be. Somebody alluded to the fact of not supporting improvements to the Wastewater Treatment Plant. He clarified that he said for twenty years there was money in the fund to make repairs. He thought around 2000 that the City Administration should get paid for what they do for the Water/Wastewater Department. He pointed out that everyone in the City has water or wastewater bills. As a citizen of Wixom, he owned the Water and Wastewater Treatment Plant. He paid the City Manager's salary through Operating Millages. The City Manager, Finance Director, and Plante Moran decided they could steal money from the taxpayers. That money was supposed to be there to make the repairs. He asked how much money was left. Since 2000 at \$300,000 a year, that was \$4.8 million that the City stole from the Water and Wastewater Plant. That money should be there. All he asked was how much money was left in the Capital Plan that was put in when they passed the water deal for improvements. In one year, you will have over \$7 million in reserve. You could blame whomever but they were taking money from the taxpayers to pad their accounts. Someone said that definition of insanity is doing the same thing over and expecting different results.

Jane Kleban, 507 Natures Cove Court, said that she appreciated all the work the City employees do. She knew they worked hard and didn't need to follow them around. She did not realize that the Budget Hearings were open to the public. She thought that other members of the community may not believe they were open to the public. She thought the meeting tonight was the only meeting open to the public.

CITY MANAGER COMMENTS:

Mr. Goodlein said that he and Director Yon encouraged everyone to be careful during the holiday weekend. He reminded everyone that the Employee Picnic and Senior Graduation would be held on Thursday, June 9th. Also, the TEAM Golf Outing is scheduled for Friday, June 10th, and this was a program that helped education programs in school.

COUNCIL COMMENTS:

Councilmember Smiley asked everyone to travel safe this weekend and take a moment to remember what Memorial Day was about.

Councilmember Gottschall indicated that when the City Attorney is in the office next for a Closed Session, he would like to discuss the item marked Correspondence #5 as he has a few questions. He was frustrated with the budget process, not so much the budget itself because he knew that we did the same thing for a long time. His frustration grew because of the way they behaved on Council. They received emails from residents about things they have not even discussed themselves. That showed that someone was out there saying something. He said that the continued spreading of misinformation from members on Council was a

breach of the trust they received when they were sworn in. This is not major league politics; it is Wixom. We represent our neighbors. We know a lot of people on a first name basis. This should not be hatchet jobs that people do behind backs that get them all riled up and send them off to a meeting. It was unbelievable and he hoped it stopped along with the personal attacks, not just tonight but throughout his short term. He hoped they would start to behave like professionals. They are not always going to agree on everything but they didn't need to be disagreeable.

Councilmember Rzeznik thanked the staff for their hard work on the budget. He thanked Eagle Scout Ryan Jennings for his pump improvements at the Wixom Cemetery. He wished everyone a great Memorial Day.

Councilmember Kennedy asked everyone to remember what Memorial Day was about and wished everyone a good weekend.

Councilmember Beagle thanked City staff for not only their hard work on the budget but for their hard work every day including the events and services that the taxpayers deserve. We would never put any employee's health in danger and that's why they do what they do on Council. He believed the staff worked hard with the events that they plan with the number of staff members and the City should be thankful for what they do. He thanked Eagle Scout Ryan Jennings for his project in the Cemetery. Lastly, he announced that there are a few openings left for the TEAM Golf Outing.

Deputy Mayor Ziegler said no comment.

Mayor Hinkley thanked staff for their hard work on the budget. He knew many employees were working late and coming into work the next morning. One of the things he needed to address was some of the comments made by Councilmember Gottschall. He thought that maybe some of the concerns or jabs would be less or none. He said that Council spends time going to trainings and various things outside of the Council meetings. He noted that the MML offered many classes for the newer Councilmembers to attend, even the older members of Council may want to attend. There was one that was coming up regarding the One Stop Ready. He said recently there was some concern with Tax Abatements. The newer members of Council may not understand that it's only one of the things in the toolbox that we had to keep businesses here in Wixom so that we do generate revenue and attract new businesses. The next One Stop Ready class was on June 22, 2016. He suggested they get with Ms. Brink from the City Manager's Office so they could get an education and what it means for Wixom. He said that in regard to Correspondence #4, the dissemination of proceedings from Closed Sessions of Public Bodies, he reminded everyone that public officials that attend a Closed Session of a Public Body were prohibited from disclosing information disseminated during the Closed Session of that Public Body. They risk criminal and civil penalties if they do so. He heard this happened three or four times over the last four or five months and he would not take it anymore. The next time there was an issue where a member of Council made a comment in reference to a Closed Session, he would get with the City Attorney and proceed with the action that was required. He expressed his opinion regarding the budget and constraints in going forward and he

agreed with a lot of the members on the dais. There were some things in the budget that he was not in favor of, but after listening to other members of Council, sometimes his feelings changed. He did not ask for a particular percent to be reduced in the Budget, but for a particular Department to be looked reviewed. After the City Manager and staff spent hours drawing up different options, it did not go anywhere and he was disappointed but we will have some scenarios like that. When it came down to it, the budget is sound. Individuals like Mike McDonald come into the Council meeting year after year and go on and on but he does not run for Council. If you want to make a difference in the Community, he thought you needed to run for election and come up on the dais to voice their opinion. He detested the fact the individual speaks of this money has his own. He thought there were more people that had a stake in this community than Mike McDonald. When he looked at saving things for people in our community, it was about our community and our staff. It was not about him. The minute you come into a meeting and think about yourself, he did not want to listen. He put up with Mike McDonald year after year. He doesn't seem to get anything done other than to complain about the job that staff and Council are doing. He thought that everyone did a great job.

ADJOURNMENT:

The meeting was adjourned at 8:53 p.m.

Crystal Opalko
Deputy City Clerk

Approved 06-14-2016
