

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, APRIL 26, 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:

Councilmember Gottschall requested the addition of New Business #11 – Discussion on the Cultural Center Budget. This moved the Closed Session item to New Business #12.

Mayor Hinkley commented that in the audience was a young man named Jacob Derocher who is currently working on his Eagle Scout merit badge. He invited Mr. Derocher to the podium

Jacob Derocher, 1364 Beverly Blvd. in Walled Lake, thanked the Council for their time in allowing him the opportunity to speak at this meeting. He is currently a member of the Boy Scouts of America and a Star Scout in Troup 179. By speaking at this public forum, he was able to complete one of the requirements of the Public Speaking merit badge, a merit badge that is required for the highest rank of Eagle. He shared with the Council what it means to him to be a member of the Boy Scouts of America. He recited the Scout Oath and the Scout Law. He then described the various roles of the Scouts. He believed he could take what he has learned in scouting and apply it to everything he will do in his life. Scouting has taught him the importance of time management, personal accountability, and taking the initiative.

Councilmember Kennedy asked how long before he would receive the Life Rank Badge. Mr. Derocher said he was one requirement away from finishing Lifesaving and he is starting Citizenship in the Nation. Councilmember Kennedy asked how many of the Eagle-required badges that he already had. Mr. Derocher couldn't say off the top of his head.

Councilmember Smiley asked where he plays football. Mr. Derocher said he plays fullback and linebacker for St. William.

Mayor Hinkley asked how many requirements there are for Eagle Scout. Mr. Derocher said there are three – Cit in the Nation, Cit in the Community and Cit in the World. You also need cooking as well as a service project. Mayor Hinkley said that after his father passed away, he found his Boy Scout uniform pressed and sealed in a bag. It was a unique memento for him to have from his days in Boy Scouts. He wished Mr. Derocher good luck.

PUBLIC HEARING:**1.) Public Hearing for the Establishment of an Industrial Development District and the Issuance of an Industrial Facilities Tax Exemption Certificate for ANCA, Inc. in Accordance with Public Act 198 of 1974, as Amended**

Ms. Barker explained that a year ago, she was called by Mr. Riddiford, the President of ANCA, to see if she would meet with him and Kevin Schonshek regarding an expansion. She took a tour of the building and discussed their needs. They came forward at the beginning of this year with an application to move forward on this project. Part of the process for a tax abatement is establishing the district for the parcel where the tax abatement would take place. Next, Council would receive the acceptance of the Certificate which would determine the amount of money for the tax abatement and the number of years. Finally, there would be the acceptance of an agreement. This is the public hearing to establish the district and the issuance of the certificate.

Mayor Hinkley read the rules for speaking at a Public Hearing and opened the Public Hearing at 7:15 p.m. Hearing no comments, the Public Hearing was closed at 7:16 p.m.

MINUTES:

CM-04-64-16: Moved and seconded by Councilmembers Beagle and Kennedy to approve the Regular City Council meeting minutes of April 12, 2016 with an amendment.

Vote:

Motion Carried

CORRESPONDENCE:**1.) Transmittal of Correspondence from Insurance Service Office, Inc. (ISO) to Dennis Smith, Building Official – City of Wixom Regarding Analysis of Building Code Effectiveness and Final Grade****CALL TO THE PUBLIC:**

There were no comments at this time.

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

Councilmember Rzeznik noted that the land application tank capacity is 1,700,000 gallons and the current rate at which it is filled is getting pretty close to that. He noticed a lot of trucks on Charms Road and he asked if they were hauling away. Mr. Delaney replied yes. That will go on through the end of April. Councilmember Rzeznik asked how many times per year we were doing this. Mr. Delaney answered twice a year, the spring and fall. It is based on what they can accommodate as well as the flow.

Councilmember Kennedy said on March 17th, there was a callout on Wright Street. He wondered if there was any condition on this. Mr. Delaney said that his field crew took care of this so he would have to get specific information on that. It could

be from flushing a hydrant in the area. Councilmember Kennedy said that if something like that happens in the future, he would appreciate a definition of what happened and the result.

Councilmember Gottschall asked what CBOD was on page 10 of the report. Mr. Delaney answered that CBOD stands for Chemical Biological Oxygen Demand. Councilmember Gottschall asked if there was an issue with that being above our design standard. Mr. Delaney replied no because it is not in violation of our State requirement. Councilmember Gottschall wondered about the ammonia. Mr. Delaney said that there are different ammonia permit requirements based on seasons. We are still in our requirements of the permit.

Mr. Delaney announced that on May 11, Suez Water was going to be accepting a certification for the Wastewater Facility through the Michigan Voluntary Protection Program. A formal invitation will be coming tomorrow and everyone is invited to a luncheon for this award. This is the highest award for safety.

Councilmember Gottschall said that the Engineering and Construction report mentions in the 2014 Tri-Party Program that there is a proposed development at the southeast corner of Maple and Beck. He asked if that was in addition to what has already been proposed for that location. Mr. Goodlein said that it is the same development.

Councilmember Kennedy said that according to the BS&A Monthly Report, we are almost \$500,000 plus in permit fees over last year. Mr. Smith said that was correct. Councilmember Kennedy congratulated him. Also, during the budget hearings, we were talking about redoing the entire phone system. The IT Report indicates that he was working to upgrade the voicemail system. Mr. Goodlein said that the word "upgrade" is not the best way to describe it. We are trying to get it to work. No money has been put into the system.

Mayor Hinkley questioned the Events Sponsorships. He said that the total for 2016 shows \$38,600 versus the total for 2015 which was \$44,925. Of that \$38,600, he asked if any of that was in-kind or actual cash. Ms. Magee said that is cash. We did have some in-kind from Genisys. Mayor Hinkley assumed that when we have in-kind sponsorships that it would be included in the report and Ms. Magee said yes.

CONSENT AGENDA:

CM-04-65-16: Moved and seconded made by Deputy Mayor Ziegler and Councilmember Rzeznik to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a. Zoning Board of Appeals Minutes of February 8, 2016

Vote:

Motion Carried

UNFINISHED BUSINESS: (None)

NEW BUSINESS:

1.) Consideration of a Recommendation by the Tax Abatement Review Committee to Adopt a Resolution Authorizing the Establishment of an Industrial Development District at 31129 Century Drive in accordance with Public Act 198 of 1974, as amended, and as required by ANCA, Inc.

CM-04-66-16: Moved and seconded by Deputy Mayor Ziegler and Councilmember Beagle to adopt the following Resolution creating an Industrial Development District at 31129 Century Drive in accordance with Public Act 198 of 1974, as amended and as requested by the ANCA, Inc.:

RESOLUTION 2016-13 APPROVING INDUSTRIAL DEVELOPMENT DISTRICT

WHEREAS, pursuant to Section 4 of Act No. 198 of the Public Acts of 1974, as amended ("Act 198"), this Council has the authority to establish industrial development districts within the boundaries of the City of Wixom (the "City"); and

WHEREAS, the City has adopted practices and procedures relating to the establishment, continuation and cancellation of such industrial development districts; and

WHEREAS, in accordance with Section 4 of Act 198, a proposal was made regarding the establishment of an industrial development district encompassing land situated in the City more particularly described in Exhibit A attached hereto and incorporated by reference herein, which are herein defined as the "City of Wixom Industrial Development District No. 2016-02" (the "District"); and

WHEREAS, written notice has been given by certified mail to ANCA, Inc. of the Council's pending action on this resolution and its right to a hearing on the establishment of the District as proposed; and

WHEREAS, notice has been given to all interested owners, residents and taxpayers in the City of a public hearing on the establishment of the District as proposed; and

WHEREAS, pursuant to the requirements of Section 4 of Act 198, on Tuesday, April 26, 2016 a public hearing was held on the establishment of the District as proposed, at which time ANCA, Inc., and other taxpayers and residents of the City had an opportunity to be heard (a copy of all statements both written and oral made at such hearing being on file with this City Council), and a representative of ANCA, Inc., attended said hearing and acknowledged receipt of notice of such hearing on behalf of the said petitioner;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WIXOM AS FOLLOWS:

1. The District is hereby established as proposed, subject to the City's customary practices and procedures with respect to such districts referred to in the preambles of this resolution, such District to consist of the area described in Exhibit A attached hereto.
2. The District is hereby designated as the "CITY OF WIXOM INDUSTRIAL DEVELOPMENT DISTRICT NO. 2016-02"
3. Nothing herein shall be read to imply either the approval of or the making of any finding or determination in respect to an application by ANCA, Inc. for an Industrial Facilities Exemption Certificate for property subsequently located or to be located within the District, the granting of any such Certificate being the subject of separate and independent proceedings, consideration and review standards by this Council pursuant to the provisions of Section 9 and the provisions of Act 198. This Council reserves the right under Act 198 to disapprove of any such application for an Industrial Facilities Exemption Certificate in accordance with Section 9 and the other provisions of Act 198.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Ms. Barker stated the representatives from ANCA came before the Tax Abatement Committee in March requesting a tax abatement on an addition to their building on Century Drive. ANCA is an Australian company. They came to the United States in 1989 and bought the property in Wixom in 2005 knowing that at some point they could add onto the building. The time has come so they approached the City for assistance with the tax abatement. She then introduced Mr. Russell Riddiford, President of ANCA, and Mr. Daniel Podeszwick, an employee at ANCA.

Councilmember Rzeznik commented that Walled Lake Schools has the Oakland Technology Center (OTC) on Beck Road and we have been trying to promote a lot of coop programs through the Walled Lake School District. He noticed that since 2005, they have been working primarily with South Lyon Schools. Mr. Riddiford said he wasn't aware that there were similar programs in the Walled Lake District. It just happened that his daughter was playing on a soccer team with an engineering teacher from South Lyon and he jumped at the opportunity to promote the career path that they provided. He has offered them to send students to their facility for work experience and summer internships. Since he met the principal of Walled Lake Western, Mr. Bell, they have had a couple of resumes submitted to him from Walled Lake students. He has an interview this Friday with a student who seems to fit their industry. In addition, they have a Wixom college graduate coming on this summer who was a student in the Walled Lake Schools. He thought this was a wonderful opportunity for them to promote not only their company but also to guide someone in a career that they hope will eventually be a new employee of theirs. Councilmember Rzeznik thanked him. It was good to hear movement in that direction.

Councilmember Gottschall stated that in reading through the minutes, the justification for doing a five year abatement seems standard. He would like to work on a new normal, especially for additions. He thought two or three years would be better. He didn't feel it was right to ask for a millage renewal while we are giving tax abatements out, especially when there is more to come and there is a developer pushing companies to request them.

Ms. Barker said that it is very competitive out there. She felt that when a company owns a property here, part of the support we want to give them is to let them know we are happy that they are here. There is a lot of foot traffic that goes through this particular business from all states and even out of the country. This is a good opportunity to not only help a business but to sell Wixom as a good community to do business in.

Mayor Hinkley commented that what we are doing with this particular item is adopting a resolution authorizing the establishment of the industrial development district. We are not at a point to discuss whether or not we should have tax abatements.

Councilmember Smiley agreed with Councilmember Gottschall. He didn't want it to be misconstrued as a lack of appreciation. We love all of our businesses in Wixom. We do have a tight budget and he was concerned as well.

Councilmember Gottschall clarified that if we establish a district and don't approve the abatement, they can still go to State to request their abatement certificate. Ms. Barker said that was correct.

**Roll Call Vote: (4) Ayes - Beagle, Hinkley, Rzeznik, Ziegler
(3) Nays – Gottschall, Kennedy, Smiley**

Motion Carried

2.) Recommendation by the Tax Abatement Review Committee to Adopt a Resolution Authorizing the Issuance of a Five (5) Year Industrial Facilities Exemption Certificate for Real Property as Requested by ANCA, Inc. in Accordance with Public Act 198 of 1974, as Amended

CM-04-67-16: Moved and seconded by Councilmember Rzeznik and Deputy Mayor Ziegler to adopt the following Resolution authorizing the issuance of an Industrial Facilities Exemption Certificate to ANCA, Inc. for their 31129 Century Drive, Wixom, Michigan facility for five (5) years on real property in accordance with Pubic Act 198 of 1974, as amended:

RESOLUTION 2016-14 APPROVING INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

WHEREAS, the City Clerk has received an Application for Industrial Facilities Exemption Certificate from ANCA, Inc. dated January 28, 2016 (which application, for the purpose of Act No. 198, Public Acts of Michigan, 1974, as amended ("Act 198"), is deemed filed upon the establishment by the City Council of the District hereinafter defined, covering an existing Industrial Development District No. 2016-02 (the "District") with in the City of Wixom; and

WHEREAS, the City has notified in writing the Assessor of the City of Wixom as well as the legislative body of each taxing unit which levies ad valorem property taxes in the local government unit in which the proposed facility is to be located, i.e. the City of Wixom, and advised each of them that the said Application has been received; and

WHEREAS, the City Council has afforded ANCA, Inc. the Assessor, and a representative of each of the affected taxing units an opportunity for a hearing on this Application and said hearing having in fact been conducted at 7:00 p.m. on Tuesday, April 26, 2016 at the Wixom City Hall, 49045 Pontiac Trail, Wixom, Michigan.

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Wixom, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WIXOM AS FOLLOWS:

1. That the City Council on the basis of the information received from the applicant, ANCA, Inc., finds and determines: (a) that the granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the City of Wixom or impairing the financial soundness of any taxing unit that levies an ad valorem property tax in the local government unit in which the facility is to be located; and (b) ANCA, Inc. has fully complied with the requirements of Section 9 and the other provisions of Act 198.
2. That the City Council hereby approves the Application for Industrial Facilities Exemption Certificate from ANCA, Inc. covering new industrial facilities to be

located within the District, for a period of five (5) years for real property, effective as of December 31 following the date the Certificate is issued by the Michigan State Tax Commission, as the same may be supplemented by a new certificate issued in accordance with Section 16(a) of Act 198 and with the Letter of Agreement (hereinafter defined);

3. That in accordance with the requirements of Section 22 of Act 198, wherein a written agreement between ANCA, Inc. and the City is required in order to clarify the understanding and the commitment between ANCA and the City as a condition of approval of an Industrial Facility Exemption Certificate, the Council hereby authorizes the Mayor and the City Clerk to sign such Letter of Agreement as duly executed and delivered by ANCA, Inc. (the "Letter of Agreement"), and such Letter of Agreement is hereby incorporated in this resolution in full by reference as part of the documentation required to complete the application for the Industrial Facility Exemption Certificate; and further that the City Clerk is authorized and directed to file a copy of the Letter of Agreement with the Michigan Department of Treasury in accordance with Public Act 198.
4. That the City Clerk shall forward a copy of the Application and this Resolution to the State Tax Commission for further consideration upon the payment by ANCA, Inc. of the City's expenses incurred in connection with the consideration of ANCA, Inc. application.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Ms. Barker explained that the second part of a request for a tax abatement is the issuance of the Facilities Exemption Certificate. Real property is what is being asked to be abated. Personal property can no longer be abated. The Tax Abatement Committee is recommending a five year abatement for the \$1.2 million investment.

CM-04-67-16: Moved and seconded by Councilmembers Gottschall and Kennedy to amend the motion to adopt the Resolution authorizing the issuance of an Industrial Facilities Exemption Certificate to ANCA, Inc. for their 31129 Century Drive, Wixom, Michigan facility for three (3) years on real property in accordance with Public Act 198 of 1974.

Ms. Barker said that the Tax Abatement Committee decided on a one year analysis because it doesn't depreciate like the personal property. The analysis was given for a one year. The determination of how many years is figured by multiplying the analysis by that many years. The Committee recommended five years. Mayor Hinkley said the Tax Abatement Committee could have recommended up to 12 years.

Councilmember Kennedy thought if they were breaking new ground, it would be a bigger investment. He would like to see something more proportionate to what is going on.

Councilmember Gottschall echoed Councilmember Kennedy's comments. We gave Zimmermann, Inc. a five year abatement and he is building a whole new facility. Now we are talking about an addition. While we appreciate it, he didn't like the justification for the five year abatement. He would prefer to bring things down for additions to two or three years and we can go up if it is going to be a brand new facility. By bumping this down to a three year, it brings between \$8,000 and \$9,000 saved by the City. That would be helpful to our budget for the Capital

improvements that we want to do, like the Cultural Center improvements. We are on a smaller budget so the thousands go further for us than they do for a bigger corporation.

Councilmember Smiley said that three years is still enough money to save for the Wixom taxpayer rather than the Wixom business. There are lots of businesses in Wixom and they are all wonderful. He didn't see the rationale just by lowering the number of years. He wasn't following why the request was made for three years and not five years or even no years.

Councilmember Gottschall explained that he wanted to start drawing things down. He understood it is a competitive market but we need the money. Part of it is looking at helping businesses as they come in, especially looking down the pipeline and there are likely more to come. We are trying to help all of the taxpayers and residents as well, which is a greater number than a business here or a business there, especially if we are talking about additions versus building a whole new facility. His issue is when we had the last company building a brand new facility versus just an addition. He wondered why everything was the same.

Councilmember Smiley asked if they were just splitting the difference and Councilmember Gottschall replied yes.

Councilmember Kennedy said that for him, when he read through the minutes of the Tax Abatement Committee, ANCA said they are here to stay in Wixom, regardless of the outcome of their request. It is a smaller issue for them than it is for us. It is a matter of the budgeted items also.

Councilmember Smiley said that this sounds like a case for no years. He understood they were compromising for three years.

Councilmember Rzeznik reiterated that in his own discussions with a neighboring community, he approached the City Manager to ask what his chances were of getting a tax abatement for his own business. That City Manager told him that they were currently passing 100% of these for the maximum amount. That tells him that this is a very competitive environment with our neighboring communities. We are all really competing for these businesses, not only to come to Wixom, but to stay and expand while bringing high technology jobs. For that reason, he thought we needed to take the advice of our very seasoned Tax Abatement Committee. Mr. Dornan and Mr. Lee have been around the community for multiple decades and have seen a lot of businesses come and go. He believed the experience is there and when they make a recommendation for five years, he is in support of that.

Deputy Mayor Ziegler said that someone mentioned we are taking money away from the taxpayers and he didn't understand how that comes into this discussion. We are talking about receiving less money than we normally would as opposed to taking away from anybody else. We aren't taking away from the taxpayers. We are getting more money into the coffers as a result of this. The point that Councilmember Rzeznik made about our Tax Abatement Committee, he viewed the work that all of the Committees do as pretty important work. They all take it very seriously. He sits on the Tax Abatement Committee and they had discussions like this at the meeting. They put a lot of pressure on Administration to come back with what they thought were reasonable types of things as it relates to the reports.

They have responded very well and they do a lot of good work. He thought that if we are going to have a Tax Abatement Committee and the concept of tax abatements, we need to respect the recommendations of the Committee. He said he does not support the three year abatement but does support the five year abatement that was recommended by the Committee.

Mr. Riddiford said that when they came to the Tax Abatement Committee, they were actually thinking of 12 years. He did say that they liked Wixom and they were here to stay. In 2005 when they moved to Wixom, they were well courted by Farmington Hills and Novi. At no time did he come to the Wixom Council to ask for a tax abatement to buy the building. This is his first time asking for a tax abatement and he believed they do well for the community. He didn't think they were taking money from the taxpayers, but putting more money into the coffers. They want to put more money into the community.

Mayor Hinkley concurred with Deputy Mayor Ziegler. There have been several individuals on the Tax Abatement Committee for many years. This Committee was the first thing he participated in at the City before being on Council and elected Mayor. We get a phenomenal report and nine times out of ten the businesses are looking for something more than three or five years. We are not suggesting that the City of Wixom is the land of tax abatements because we do turn people down. He knows from experience, other than one company that slipped out on us over night, that every one of the companies that have come before the Tax Abatement Committee and the City Council has lived up to their commitments to be involved in the community, to contribute to our community and to be active in our community. When we look at companies that are from Europe, they are bringing other people from other countries to the City of Wixom. This is why we have five German companies now. They come to the City, they see the City, they see what we have to offer, they bring employees from Europe, they attract employees locally, and they create jobs. When companies don't commit to their tax abatement, we have a clause that says they are going to pay us what they should have. We have teeth in these tax abatements and we are in a position where we can help someone grow.

Councilmember Kennedy said that as a point of information, he did feel that the Boards and Commission are very professional and thorough. We have sent stuff back to the Planning Commission before. One example is the property at Wixom and Charms Road. The Planning Commission sent a recommendation to the Council and it was sent back to the Planning Commission to reevaluate it. It is part of the Council's job to look over these kinds of situations. He said this was just a suggestion and he wanted to see how it would flow.

Roll Call Vote: (2) Ayes – Gottschall, Kennedy
(5) Nays – Beagle, Hinkley, Rzeznik, Smiley, Ziegler

Motion Failed

CM-04-68-16: Moved and seconded by Councilmember Rzeznik and Deputy Mayor Ziegler to adopt the Resolution authorizing the issuance of an Industrial Facilities Exemption Certificate to ANCA, Inc. for their 31129 Century Drive, Wixom, Michigan facility for five (5) years on real property in accordance with Pubic Act 198 of 1974.

**Roll Call Vote: (5) Ayes – Beagle, Gottschall, Hinkley, Rzeznik, Ziegler
(2) Nays – Kennedy, Smiley**

Motion Carried

3.) Consideration of a Recommendation by the Tax Abatement Review Committee to Authorize the Execution of a Tax Abatement Agreement with ANCA, Inc.

CM-04-69-16: Moved and seconded by Deputy Mayor Ziegler and Councilmember Beagle to approve a Tax Abatement Agreement with ANCA, Inc. and authorize the Mayor and City Clerk to execute the Agreement on behalf of the City.

**Roll Call Vote: (6) Ayes – Beagle, Gottschall, Hinkley, Kennedy, Rzeznik, Ziegler
(1) Nays – Smiley**

Motion Carried

Mr. Riddiford thanked the Council and invited them to stop by any time.

4.) Recommendation to Award the Bid for the Annual Crack Sealing Program to the Low Bidder, Wolverine Seal Coating of Jackson, Michigan in an Amount not to exceed \$50,000

CM-04-70-16: Moved and seconded by Councilmembers Beagle and Kennedy to award the bid for the Annual Asphalt Crack Sealing Program to the lowest qualified bidder, Wolverine Seal Coating of Jackson, Michigan, in the unit price of \$1.07 per pound and in an amount not to exceed \$50,000 with funding allocated from Local Road Capital Program-Pavement Preservation Account and Road Maintenance Supplies Fund Account as the annual budgets allow.

Councilmember Beagle told Mr. Sikma he did a good job with this, as well as New Business #5 to get a better deal by partnering with a neighboring community.

Councilmember Rzeznik asked how much material we actually used last year. Mr. Sikma replied that we used 40,000 pounds. This price is 12 cents less per pound than last year's price.

Councilmember Smiley asked if we took the lead on this. Mr. Sikma said that we ended up doing the bidding on this.

Councilmember Gottschall asked how the discount column was applied to the cost. Mr. Sikma replied that the discount of 5% was if we did the whole thing all at once. We aren't utilizing that, but it is still less.

Vote:

Motion Carried

5.) Recommendation to Award the 2016 Pavement Marking Program to R.S. Contracting of Casco Township, Michigan in an Amount not to exceed \$55,000

CM-04-71-16: Moved and seconded by Councilmembers Rzeznik and Kennedy to award the 2016 Pavement Marking Program to R.S. Contracting of Casco Township,

Michigan, in an amount not to exceed \$55,000 with funds to be derived from Road Markings Account.

Councilmember Rzeznik wondered about the durability of the product. He asked if anything had changed in the last few years. Mr. Sikma replied not that he was aware of. We did Beck Road a couple of weeks ago. We are trying to use a new product this time. It is a water-based paint.

Vote:

Motion Carried

6.) Recommendation to Award the Bid for Municipal Generator Maintenance to Wolverine Power Systems of Wixom, Michigan, for Three (3) Years in an Annual Amount of \$4,600

CM-04-72-16: Moved and seconded by Councilmembers Kennedy and Rzeznik to award the Generator Maintenance bid to Wolverine Power Systems of Wixom, Michigan, for three (3) years in an annual amount of \$4,600.

Councilmember Smiley saw that we bundled this to make the whole project cheaper. He asked what it would have been if it was not bundled. Mr. Sikma said that we have done it in the past as an individual and each one was roughly \$800 at a shot. We typically only did them once a year. Last year with the portable generators we paid \$800 for the load test and the maintenance. The larger portable cost \$925. Now we are getting services twice plus the load test for less money. He thought it worked very well.

Vote:

Motion Carried

7.) Recommendation to Grant Authorization to Utilize the Michigan Inter-Governmental Trade Network (MITN) to Sell Surplus Vehicles and Designate DPW Director Tim Sikma as Authorized Agent to Sign Necessary Documents

CM-04-73-16: Moved and seconded by Deputy Mayor Ziegler and Councilmember Beagle to authorize the utilization of the Michigan Inter-Governmental Trade Network (MITN) to sell surplus vehicles and designate DPW Director Tim Sikma as authorized agent to sign necessary documents.

Councilmember Kennedy asked if you have to buy a subscription to get on the MITN website to see it. Mr. Sikma answered yes. Councilmember Kennedy thought that would limit the views. He asked if there was a better way to get it out to more people, like Auto Trader. Mr. Sikma said that it is also in the Spinal Column. He said that we have had very good luck with MITN.

Vote:

Motion Carried

8.) Request to Purchase (21) Trijicon MRO (Miniature Rifle Optic) – 2.0 Adjustable Red Dots with Full Co-Witness Mounts (MRO-C-220005), Waive the Bid Process, and Perform a Budget Amendment

CM-04-74-16: Moved and seconded by Councilmembers Smiley and Beagle to waive the competitive bid process due to Trijicon, Inc. being the sole source of the

previously described optics and authorize a budget amendment to fund this purchase.

Councilmember Gottschall asked if we would use the same budget line as the second radar that we would be purchasing. Director Yon replied yes. It will come from the Forfeiture line.

Councilmember Rzeznik asked if it were possible to use all of the funds from that account for this expenditure. Director Yon said that it was possible but we have funds available in the Weapons line.

Mayor Hinkley reminded everyone that a request to waive the bid process requires 100% support by the Council. If there is not 100% support, all of the work has to be performed all over again and in many cases it costs us more to go through that process.

Councilmember Gottschall clarified that all of the money was coming from Fund Balance or Forfeiture. It is not like we set the money aside. It is the same as the purchase of the radar device.

Vote:

Motion Carried

9.) Recommendation to Consider a Request for a Michigan Liquor Control Commission Local Legislative Body Resolution in Support of an Intent and Proposal By Drafting Table Brewing Company, LLC to add a small Wine Maker's License to their previously approved Microbrewery License at 49438 Pontiac Trail in the City of Wixom

Councilmember Rzeznik said that in accordance with the City Charter, the applicant is his blood relative, his son, so he asked that Council recuse him from the discussion to vote.

CM-04-75-16: Moved and seconded by Councilmembers Beagle and Kennedy to accept Councilmember Rzeznik's request to be recused from New Business #9.

Vote:

Motion Carried

CM-04-76-16: Moved and seconded by Councilmember Kennedy and Deputy Mayor Ziegler to approve Mr. Aaron Rzeznik's request for a local legislative body resolution in support of his intent and proposal to add a Small Wine Maker's License to his previously approved Microbrewery license at 49438 Pontiac Trail in the City of Wixom.

Aaron Rzeznik, owner of the Drafting Table Brewing Company at 49438 Pontiac Trail, said that a small wine maker's license allows him to produce cider and wine on site giving those who do not drink beer another option.

Councilmember Kennedy asked if there would be different types of wines. Mr. Rzeznik replied yes. He admitted that he doesn't know much about wine so he is collaborating with the Northville Winery.

Councilmember Smiley asked if anyone else in Wixom had such a license. Mr. Rzeznik replied no.

Vote:

Motion Carried

Councilmember Rzeznik returned to the Council meeting.

10.) Request for Authorization to Waive the Competitive Bid Process and Purchase Microsoft Network Software Updates from CDW-G of Vernon Hills, Illinois as provided by the National Intergovernmental Purchase Alliance and Best Pricing from the Government Bid of Tucson, Arizona for the amount of \$5,769.83

CM-04-77-16: Moved and seconded by Councilmembers Rzeznik and Kennedy to waive the competitive bid process and purchase Microsoft Network software updates of Microsoft Windows Server 2012 RS and Microsoft SQL Server 2014 software and twenty-five (25) concurrent user licenses for each software package from CDW-G of Vernon Hills, Illinois for \$5,769.83, as provided by the National Intergovernmental Purchase Alliance and best pricing purchasing agreement of Tucson, Arizona for the amount of \$5,769.83.

Councilmember Smiley asked how many of these licenses we needed. Mr. Goodlein replied that we need all 25 licenses. We use OnBase in the Building Department, the Finance Department, the Police Department and the Fire Department. We are not buying extra licenses.

Vote:

Motion Carried

11.) Discussion on the Cultural Center Budget

Councilmember Gottschall said looking at the memo, the amount was \$79,500 from the last budget meetings. We voted in January 2016 to approve the \$98,000. There were things missing when we went over the budget hearings and now we are up to \$153,500. He was trying to compare what the Council was presented with in January and that was the reason for his questions during the budget hearings. We were talking about the dance floor and then the dance floor wasn't on the Capital Improvement Plan for next year. He would be in favor of bumping this back down to the \$98,000 the Council voted on in January. He hasn't been able to figure out exactly from what the Council was presented with in terms of January's projects versus what has been added. He guessed it was probably the tables and the kitchen floor. We were talking bathrooms, partitions, wall coverings, etc. in the Community Center. He was in favor of going back to the January figure they were initially presented with.

Mr. Goodlein said that the Ten Year Capital Improvement Plan shows \$79,000 that we intend to combine with next year and the fee from HRC to get to the \$153,500. There were items in the 2016/2017 that were proposed. The items in the 2015/2016 budget are unspent because if they were to be performed, we would have to cancel bookings at the Community Center. It was thought that it would be better to bundle it with next year and schedule them for January and February. It was also thought that we would get a better economy of scale if we put them all together and did the work at one time. The costs are still the same. There is

\$18,500 for the HRC expense and the \$79,000 that was appropriated by Council previously. In the coming fiscal year, there is a proposed expenditure of \$56,000 that has yet to be approved by City Council. There is \$97,500 that has been appropriated by Council that has been moved to the next fiscal year to be bundled with the \$56,000 that was already in that budget year so all the work could be done at once.

Councilmember Gottschall said he understood the numbers. He echoed his comments back in January. He wanted to make sure we get the investment back and be able to book this out. He wanted to get a marketing plan in place. He was more in favor of spending what the Council voted on in January and seeing if that improves things. Then if we want to come back and say look at what we've done and the numbers are up, let's improve things further, he would be on board with that. Right now, he didn't want to go above what was discussed without seeing the impact of what was discussed to begin with.

Mr. Goodlein said that the \$56,000 is proposed for the 2016/2017 fiscal year. Whether that \$56,000 is going to be spent is yet to be determined by City Council. That would be part of the approval of the 2016/2017 budget.

Councilmember Gottschall said that was fine. Instead of \$153,500, he would like to see that number be lowered to \$98,000.

Councilmember Kennedy said this is a new City Council. The new members are unaware of the money that wasn't spent before. When the Council approved the \$98,000, he thought that was the total amount and we wouldn't be bringing money that was set aside in years past. Even in the legislation, if it doesn't pass or go forward during a legislature year, it dies and has to be brought forward again. That is what he thought we were doing. He commented that nowhere in the report to Council does it say we were going to bring forward this \$79,000.

CM-04-78-16: Moved and seconded by Councilmembers Kennedy and Gottschall to reduce the total for the improvements to the Cultural Center from \$153,500 back to \$98,000.

Mayor Hinkley said there is already something approved in the current fiscal year. Secondly, we are not here to approve or disapprove 2016/2017 budget numbers.

Councilmember Gottschall said that his intention with bringing this up was for the informal discussions that were held during the budget sessions. That way we aren't formally approving this particular part of the budget. He just wanted to make his comments heard rather than bringing them up at the last second.

Councilmember Kennedy withdrew his motion.

Mayor Hinkley was hoping we could have one more short budget hearing before the City Manager brings the budget to the Council for the public hearing. He hoped we would have answers for any items that were discussed in the previous two nights where there was a lack of support.

12.) Recommendation and Request to convene a Closed Session of the City Council in accordance with the Open Meetings Act, after "Council Comments" for the purpose of discussing Attorney-Client Privileged Communication Pursuant to MCL 15.268(h)

CM-04-79-16: Moved and seconded by Councilmembers Kennedy and Beagle to convene a closed session of the City Council in accordance with the Michigan Open Meetings Act (PA 267 of 1976, as amended) for the purpose of discussing attorney-client privileged communication pursuant to MCL 15.268(h).

Roll Call Vote: (7) Ayes – Beagle, Gottschall, Hinkley, Kennedy, Rzeznik, Smiley, Ziegler

(0) Nays

Motion Carried

CALL TO THE PUBLIC:

Dick Harrick, 656 Shady Maple, said that there are a lot of reasons he is not for the proposed development at the Gunnar Mettala Park. He didn't want to go into the emotional ones. He talked to Ms. Barker at length and understood that the original proposal was 120 homes in the park and 50 where the horse farm is. He figured 170 homes multiplied by two cars equaled 340 cars. There would also be a road to go back into the City with moving traffic, as well as a sports complex. Last Saturday, there were 123 cars in Gunnar Mettala Park for two soccer games. That did not include any baseball games or walkers. This seemed extremely dense to him and he was totally concerned.

CITY MANAGER COMMENTS:

Mr. Goodlein pointed out that our law firm has been included in the 2016 Best Lawyers in America Review Guide. Carol Rosati, Gary Dovre, Stephen Joppich and Tom Schultz had been cited in that ranking as being some of the best lawyers in America. He wanted to give Attorney Rosati kudos and accolades that she so well deserved.

Discussion was held regarding possible dates for an additional budget session and it was decided that Mr. Goodlein would email possible dates to the Councilmembers.

COUNCIL COMMENTS:

Councilmember Smiley wished a happy Mother's Day to all of the Wixom moms.

Councilmember Gottschall thanked the Mayor for giving Jake Derocher an opportunity to talk earlier. He had coached Jake for a number of years in football and he has been helping out with his other items to work toward his Eagle Scout. Also, he expressed his condolences to the Parker family.

Councilmember Beagle congratulated Attorney Carol Rosati and her firm for the nice award.

Councilmember Rzeznik had no comments.

Councilmember Kennedy had no comments.

Deputy Mayor Ziegler had no comments.

Mayor Hinkley commented that Councilmember Beagle's birthday is May 4th. He then sang "Happy Birthday" to him.

The Council recessed at 8:42 p.m.

The Council entered the Closed Session at 8:50 p.m. and rose from the Closed Session at 10:00 p.m.

The Council reconvened the regular meeting at 10:01 p.m.

ADJOURNMENT:

The meeting was adjourned at 10:01 p.m.

Catherine Buck
City Clerk

Approved 5-10-2016
