

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, SEPTEMBER 26, 2017**

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:

Mayor Hinkley noted that there was an error on the agenda. Public Hearing #1b should read "Extension of Industrial Facilities Tax Exemption Certificate #2014-446 in Accordance with Public Act 198 of 1974, as Amended." (The Certificate number was incorrect on the original agenda.)

PUBLIC HEARING:

1.) Moeller Manufacturing Company, Inc.

- a.) Transfer of Industrial Facilities Tax Exemption Certificates #2010-236 and #2010-236A in Accordance with Public Act 198 of 1974, as Amended**
- b.) Extension of Industrial Facilities Tax Exemption Certificate #2014-446 in Accordance with Public Act 198 of 1974, as Amended**

Mayor Hinkley read the Rules for Public Speaking at a Public Hearing.

Ms. Barker explained that Moeller Aircraft has been awarded several abatements from the City over the years for their expansion needs. The laws under which tax abatements are granted fall under Public Act 198. A transfer of ownership requires an application of transfer for the said abatements. Once the City had confirmed the sale of the Aircraft Division, Moeller submitted applications requesting transfers of two abatements that began in 2010. They also submitted an application of an extension of an abatement that expired at the end of 2016. If we allowed the transfer of ownership, it would also transfer the ownership on the 2014-446 abatement. The laws also dictate that we hold a public hearing for tax abatement transfers.

The Mayor opened the Public Hearing at 7:05 p.m.

In regard to Item A – There were no comments made at this time.

In regard to Item B – There were no comments made at this time.

The Mayor closed the Public Hearing at 7:07 p.m.

MINUTES:

CM-09-136-17: Moved and seconded by Councilmembers Beagle and Kennedy to approve the Regular City Council meeting minutes of September 12, 2017.

Vote:

Motion Carried

CORRESPONDENCE: (None)

CALL TO THE PUBLIC:

John Markarski, 30424 Ramblewood Club Drive in Farmington Hills, said he was interested in speaking on New Business #5 regarding the road improvement projects. He indicated that he owns property on Avante Drive. It is a very short street and it marries into Lorrie Lane. He owns the property along the cul-de-sac. For the last several years, Avante Drive has been in tremendous deterioration. It is patched in the fall and looks worse in the spring because of water being trapped with the cold asphalt patching. He has tenants who are constantly asking him what would happen to Avante Drive. He has contacted the Department of Public Works and he has been told it is being considered. He has three tenants whose leases are up this next year and he didn't want to lose these tenants because of the road condition. Avante Drive is embarrassing. As Council was aware, the first thing people see when they come into the City is the conditions of the streets. It is important that our streets be maintained in an absolute superb manner. It is the image of Wixom. He asked the Council for help. If he loses these tenants, he is in trouble. Mr. Markarski then provided a little background on himself. To maintain the high level that he thought Wixom deserved, not only should Avante Drive be addressed, but he thought other streets that are in dire need should also be repaired. He asked that the Council appropriate money to fix this street. He appreciated their help and allowing him to appear before Council.

Councilmember Kennedy asked which buildings he owned on Avante Drive. Mr. Markarski said that he owned 47677 to 47695 Avante Drive.

Joe Baker said he lived at 44676 Broadmore Circle in Northville and he was representing the Moeller Manufacturing Company. He appreciated the Tax Abatement Review Committee recommending approval of the two transfers from the 2010 abatement, but he was concerned about the extension. Moeller Manufacturing is located at 30100 Beck Road and they have been there for 25 years. They just spent \$2.5 million on an expansion in 2014, 2015 and 2016. At that point in time, the Council approved an abatement through 2016. That could have been for ten more years, but at the time, it was decided to give them two years of abatement to see how things go. In that period of time, they met all of the requirements of the City. He asked the Council to reconsider the Tax Abatement Review Committee's recommendation to deny the request for an extension of the 2014 tax abatement beyond 2016. He asked for an additional ten year extension.

Mayor Hinkley asked what the benefit to Moeller would be of that extension. Mr. Baker said he didn't bring those numbers with him but the building was worth \$2.5 million. He guessed it was about \$20,000 a year, or \$200,000 for ten years.

Mayor Hinkley stated that Moeller would be saving \$200,000 for that period, but the City would be losing \$200,000.

CITY MANAGER REPORTS:

1.) Departmental Monthly Reports – August 2017

There were no comments or questions regarding this report.

CONSENT AGENDA:

CM-09-137-17: Motion and seconded by made by Deputy Mayor Ziegler and Councilmember Kennedy to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a. Planning Commission Meeting Minutes of May 22, 2017
 - b. Planning Commission Meeting Minutes of June 5, 2017
 - c. Planning Commission Meeting Minutes of June 26, 2017
 - d. Planning Commission Meeting Minutes of July 24, 2017
 - e. Zoning Board of Appeals Meeting Minutes of August 14, 2017

Vote:

Motion Carried

UNFINISHED BUSINESS: (None)

NEW BUSINESS:

- 1.) **Consideration of a Recommendation by the Tax Abatement Review Committee that Council Adopt a Resolution Authorizing the Transfer of Industrial Facilities Tax Exemption Certificates #2010-236 and #2010-236A in Accordance with Public Act 198 of 1974, as Amended, from Moeller Manufacturing Company, Inc. to Moeller Manufacturing Company, LLC**

CM-09-138-17: Moved and seconded by Councilmembers Ziegler and Rzeznik to adopt the following Resolution authorizing the transfer of Industrial Facilities Tax Exemption Certificates #2010-236 and #2010-236A in accordance with Public Act 198 of 1974, as amended, from Moeller Manufacturing Company, Inc. to Moeller Manufacturing Company, LLC:

**CITY OF WIXOM
COUNTY OF OAKLAND, STATE OF MICHIGAN
RESOLUTION 2017-46 APPROVING TRANSFER OF
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE'S
#2010-236 AND #2010-236A**

WHEREAS, the City Clerk has received an Application for transfer of Industrial Facilities Exemption Certificates #2010-236 and #2010-236A from Moeller Manufacturing Company, LLC dated June 29, 2017 (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 new industrial facilities to be located within the City of Wixom Industrial Development District No. 2010-01 (the "District"), said District having been previously established; 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 facility is 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 Moeller Manufacturing Company, LLC, 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, September 26, 2017, at the Wixom City Hall, 49045 Pontiac Trail, Wixom, Michigan.

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, Moeller Manufacturing Company, LLC, finds and determines: (a) that the transfer of the Industrial Facilities Exemption Certificates, 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) Moeller Manufacturing Company, LLC 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 transfer of Industrial Facilities Exemption Certificates from Moeller Manufacturing Company, Inc. to Moeller Manufacturing Company, LLC for the remaining period of the certificates, originally established as a period of ten (10) years for real property and eight (8) years for personal property, and additionally abide by the original Letter of Agreement between the City of Wixom and Moeller Manufacturing Company, Inc. dated July 22, 2010;
3. 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 Moeller Manufacturing Company, LLC of the City's expenses incurred in connection with the consideration of Moeller Manufacturing Company, LLC Application.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Vote:

Motion Carried

2.) Consideration of a Recommendation by the Tax Abatement Review Committee to Deny the Extension of Industrial Facilities Tax Exemption Certificate #2014-446 as Requested by the Moeller Manufacturing Company, LLC in Accordance with Public Act 198 of 1974, as Amended

CM-09-139-17: Moved and seconded by Councilmembers Smiley and Beagle to deny the extension of Industrial Facilities Tax Exemption Certificate #2014-446 as requested by Moeller Manufacturing Company, LLC in accordance with Public Act 198 of 1974, as amended.

Councilmember Smiley thought that when he read through the Tax Abatement Review Committee minutes, they indicated this would equate to \$40,000 for Wixom per year, not \$20,000 that was said earlier. Mr. Brown said he would rely on the minutes. Councilmember Smiley clarified that there was no precedent for the City

extending a tax abatement. Ms. Barker indicated that the City has no history of extending a tax abatement.

Vote:

Motion Carried

3.) Consideration of the Mayoral Appointment of Wes Umlor to the Wixom Downtown Development Authority with a Term to Expire June 30, 2018

CM-09-140-17: Moved and seconded by Councilmembers Rzeznik and Kennedy to confirm the appointment of Wes Umlor to the Downtown Development Authority with a term to expire June 30, 2018.

Mr. Umlor introduced himself to the Council. He said that he was looking forward to working with Mr. Brown, Ms. Barker and the rest of the DDA to do his part in taking the City to the next level.

Vote:

Motion Carried

Mayor Hinkley thanked Mr. Umlor for volunteering his services.

4.) Recommendation for City Council Approval to Enter Into an Agreement with CGI Communications, Inc. of Rochester, New York, for the Production of a Community Video Program, and Authorization be Granted for the Mayor to Sign the Agreement on Behalf of the City

CM-09-141-17: Moved and seconded by Councilmembers Smiley and Rzeznik to approve to enter into an agreement with CGI Communications, Inc. of Rochester, New York, for the production of a Community Video Program, and authorization be granted for the Mayor to sign the agreement on behalf of the City.

Councilmember Gottschall asked what these films were used for and examples of ones that have been done in the past. Ms. Magee replied that the video is on the website. The videos are for economic development and promotion of the City. The Mayor provides a brief presentation at the beginning of the video and there is a script that follows. Councilmember Gottschall noted that he saw something listed regarding the cost through local partners and if the funding doesn't come through CGI can't cancel the videos. He confirmed this was at no cost to the City. Ms. Magee replied that was correct.

Councilmember Rzeznik asked if the monies being paid by the sponsors were advertisements within the video. Ms. Magee explained that the user can click on the sponsor's logo and it will go to the advertisement. Councilmember Rzeznik asked how that worked from our previous video and Ms. Magee replied that it worked fairly well.

Councilmember Kennedy asked how that was tracked. Ms. Magee indicated that the sponsors were listed on the website.

Councilmember Smiley said that he watched the old ones. He thought they were well done and he could see the value of updating them. The Agreement includes a line that they will ensure that they are seen. He wondered what that meant. Ms. Magee said that we put it on the front page of our website. Councilmember Smiley said that he was sold on the idea. He was sure there were places where people will want to click to listen to this. He liked how nice the videos looked from three years ago.

Vote:

Motion Carried

5.) Recommendation to Accept Hubbell, Roth & Clark's Proposals for the Engineering Design Services for the City Parking Lot and Six Road Improvement Projects for a Total Cost Not to Exceed \$88,980 and to Approve the Associated Budget Amendments to Fund These Capital Improvement Projects from the Budget Stabilization Fund

CM-09-142-17: Moved and seconded by Deputy Mayor Ziegler and Councilmember Beagle to accept Hubbell, Roth & Clark's proposals for engineering design services for the City parking lot and six road improvement projects for a total cost not to exceed \$88,980 and to approve the associated budget amendments to fund these capital improvement projects from the Budget Stabilization Fund.

Deputy Mayor Ziegler believed that this was a good way to go. He recalled a report that was given to Council a few years ago by the former City Manager detailing the roads that needed to be repaired. He felt the municipal office parking lot needed to be redone badly. He thought the plan to move forward was good and he liked that they would be completing some of the things they put off. He was in full support of this plan.

Councilmember Gottschall asked what the balance of the Budget Stabilization Fund would be once this money was taken out for this project. Mr. Brown said approximately \$2.3 million. Councilmember Gottschall said that was about half of the fund and he was concerned. He was not in favor of dipping into the Budget Stabilization Fund for projects. He felt that Fund was there for budget shortfalls in the future and he would rather see the City prioritize these projects and then tackle them. He said that he had noticed all the cold patch on Avante and thought that road needed to be addressed. He felt trying to take care of these issues in smaller increments with the local road funding was the way to go.

Councilmember Kennedy agreed with Councilmember Gottschall on what the Budget Stabilization Fund should be used for. He said that he was under the impression, from the former City Manager, that the LDFA budget would cover repairs of most of the secondary roads on the south end of the City.

Mr. Brown said that based on what he had seen in previous reports given to Council, Mr. Goodlein was anticipating using the Budget Stabilization Fund to fund the road projects.

Councilmember Kennedy hoped that Mr. Sikma could shed some light on the projects chosen for the LDFA money. Mr. Sikma said they used the LDFA money for

the repairs to Frank, Anthony, Wixom Tech and Beck Roads. He noted that those projects were being performed this year. They anticipated the remaining monies from the LDFA budget would go toward the repairs on West Road just east of Beck Road. He felt that after that project, the LDFA funding would be gone.

Councilmember Kennedy remembered that they received a grant for West Road so the cost to the City would be minimal. Mr. Sikma confirmed. He said that any money left, after the West Road project, would be utilized before they used the Budget Stabilization Fund.

Mr. Brown said it was his understanding that the LDFA monies would be exhausted at the end of the activities of which we have already committed.

Councilmember Kennedy remembered that Magellan and Avante Drive were going to be completed as part of the LDFA funding repairs.

Mayor Hinkley recalled that the LDFA had a certain amount of money they needed to use before it was lost. When the LDFA started to look at different roads in the City for repair, Magellan and Avante were possible roads to be addressed depending on the costs. He also explained that they received a \$900,000 grant for a \$1.3 million project on West Road. He believed that some of the remainder of the costs would be paid for by the LDFA monies. He stressed that the City staff recognized with road testing and PASER ratings performed, a lot of the roads within the City needed attention. He thought when the City looked at the opportunity to possibly use the Budget Stabilization Fund for road repair, they consulted with the auditors and it was determined there would still be a good amount left within the Budget Stabilization Fund. He expressed that the City of Wixom was much stronger than other communities with the balance of the Budget Stabilization Fund, and for that reason he could support using the money to repair the roads. He thought that it would only help retain businesses and attracts new businesses; therefore, generate more tax revenue. He felt by generating more tax revenue, we would add to the Budget Stabilization Fund as a result. He thought it was a good use of the money and hoped to get support on this.

Councilmember Kennedy had no problem with the roads being repaired as he felt it was obvious that they needed it, but he was under the impression that the LDFA would be paying for it.

Councilmember Rzeznik said from years 2008-2014, the City talked about maintaining the current assets with the budget crunches and downward economy. In going to the public with the millage renewal, the criticism they received was that the City had this Budget Stabilization Fund that they put money into. He noted that consistently over the last three years they had contributed an additional amount and grown the Fund Balance, which the State wanted to have at least 15%; therefore, he was in support of using the funds from the Budget Stabilization Fund. He felt by using the funds this way, the City would be improving the assets. He thought it was important during times like this to improve the assets because they had already maintained them for way too long.

Councilmember Smiley thought that projects like this take time and because of that he felt it would allow the opportunity for the Budget Stabilization Fund to collect additional funds. He noted that in the end it would come out a little lower but it would ultimately be replenished. He said that he slept real well knowing they had this rainy day fund and didn't want to see it depleted; however, he felt the roads were in desperate need of repair.

Mr. Brown liked the instinct of wanting to maintain a healthy balance in the Budget Stabilization Fund. He believed it would remain healthy at the end of this process.

Councilmember Kennedy agreed with Councilmember Rzeznik in that this would be improving the infrastructure. He questioned what percentage they hoped to have in the Fund Balance and at what point should the rest of the money be used for Capital Improvements. He suggested they, as a Council, should agree to a certain percentage so that they did not drain everything out beyond that percentage.

Mayor Hinkley felt there was a really good example of why this needed support present at the meeting tonight. He noted that they did not grant a \$40,000 per year Tax Abatement to Moeller Manufacturing. He expressed how happy the City was that Moeller was part of the Wixom community and noted that the City had provided them with thousands of dollars of tax abatements in the past, but it was time to start keeping some of the dollars to repair our assets and infrastructure.

Roll Call Vote: (6) AYES – Beagle, Hinkley, Kennedy, Rzeznik, Smiley, Ziegler
(1) NAY – Gottschall

Motion Carried

6.) Consideration of the Introduction of an Amendatory Ordinance to the City of Wixom Code of Ordinances, Title 9, "Public Peace and Welfare," Chapter 9.28, "Alcoholic Liquor Control Regulations," Section 9.28.040, "Purchase by Minors Prohibited," in Order to Conform to Changes in State Law, and to Provide Penalties for Violations Thereof

CM-09-143-17: Moved and seconded by Councilmembers Kennedy and Beagle to approve the introduction of an amendatory ordinance to the City of Wixom Code of Ordinances to amend Title 9, "Public Peace and Welfare," Chapter 9.28, "Alcoholic Liquor Control Regulations," Section 9.28.040, "Purchase by Minors Prohibited," in order to conform to changes in state law, and to provide penalties for violations thereof.

Vote:

Motion Carried

7.) Recommendation and Request to Convene a Closed Session of the City Council in Accordance with the Open Meetings Act for the Purpose of Discussing Attorney-Client Privileged Communication Pursuant to, and Authorized by, MCL 15.268(h)

CM-09-144-17: Moved and seconded by Councilmembers Smiley 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 and authorized by MCL 15.268(h).

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

(0) NAYS

Motion Carried

CALL TO THE PUBLIC:

There were seven students from Lakeland High School and three students from Detroit Catholic Central in attendance for their government class.

CITY MANAGER COMMENTS:

Mr. Brown mentioned the Noise Free America Award that was given to Wixom in recognition of the successful implementation of the Quiet Zone that took effect on September 14, 2017. He hoped that Council would RSVP with Debe Barker in regards to the Ribbon Cutting of the Hampton Inn.

COUNCIL COMMENTS:

Councilmember Smiley said that on Friday, October 6th, there would be a special football game at Walled Lake Northern. The game was going to be a Salute to the Troops.

Councilmember Rzeznik congratulated Attorney Carol Rosati on making the Super Lawyers Award. He noted that the Walled Lake Western Pink-Out Football Game is October 13th.

Councilmember Gottschall had no comments.

Councilmember Beagle thanked Wes Umlor for stepping up and volunteering to become a member of the DDA. He thanked those employees that celebrated work anniversaries. He congratulated the City Attorney on being a Super Lawyer.

Councilmember Kennedy thanked his fellow members of Council that volunteered with the schools and reported the school happenings to the rest of us.

Deputy Mayor Ziegler said he really liked when there was a crowd at the meeting. He appreciated the students that chose to come to Wixom for their experience.

Mayor Hinkley thanked the students for coming to the meeting. He reminded everyone about an upcoming Job Fair on October 17th from 8:30 a.m. to 1:00 p.m. It will be held at the Wixom Community Center.

The Council recessed at 8:11 p.m. They went into Closed Session at 8:23 p.m. and rose from Closed Session at 9:04 p.m.

ADJOURNMENT:

The meeting was adjourned at 9:04 p.m.

Catherine Buck
City Clerk

Approved 10-10-2017
