

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, APRIL 12, 2022**

Mayor Beagle called the meeting to order at 7:02 p.m. and the Pledge of Allegiance was recited.

Present:

Mayor: P. Beagle
Deputy Mayor: T. Rzeznik
Councilmembers: P. Behrmann
K. Gottschall
T. Gronlund-Fox
P. Sharpe (Excused)
R. Smiley

AGENDA CHANGES:

Mr. Brown stated that New Business #6 should be authorizing the Mayor and City Clerk to sign the HRC Agreement instead of authorizing the City Manager to sign the Agreement.

MINUTES:

CM-04-43-22: Moved and seconded by Councilmembers Gronlund-Fox and Smiley to approve the Joint City Council, DDA, Planning Commission, ZBA, and Parks & Recreation meeting minutes of March 21, 2022.

Vote:

Motion Carried

CM-04-44-22: Moved and seconded by Deputy Mayor Rzeznik and Councilmember Gronlund-Fox to approve the Goal Setting meeting minutes of March 22, 2022.

Vote:

Motion Carried

CM-04-45-22: Moved and seconded by Councilmembers Smiley and Behrmann to approve the Regular City Council meeting minutes of March 22, 2022.

Vote:

Motion Carried

CORRESPONDENCE:

1.) Notice of Hearing for the Customers of DTE Electric Company, Case No. U-21195

CALL TO THE PUBLIC:

There were no comments at this time.

CITY MANAGER REPORTS:

1.) Fire Monthly Reports – February 2022

Councilmember Behrmann asked for an update regarding the house fire on Maple Road. Fire Captain Brad Geistler said that the case has been closed. The cause was

undetermined based on the amount of damage that was sustained during the fire. He noted that Oakland County did the investigation.

2.) Police Monthly Report – February 2022

There were no questions or comments regarding this report.

CONSENT AGENDA:

CM-04-46-22: Motion and seconded made by Deputy Mayor Rzeznik and Council-member Gronlund-Fox to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a.) Library Board Minutes – February 28, 2022
 - b.) Planning Commission Minutes – February 28, 2022
 - c.) Planning Commission Minutes – March 7, 2022
- 2.) Recommendation to Accept a Water Main Easement Granted by Barnett Industrial Properties, LLC (a.k.a. Grand Steel) for Property Located at 51100 Pontiac Trail for \$1.00
- 3.) Recommendation to Adopt the West Nile Virus Reimbursement Resolution Designating DPW Foreman Andy Allen as “Agent” for the City of Wixom to Seek Reimbursement of Eligible Expenses Incurred Under the Oakland County West Nile Virus Fund Program

Vote:

Motion Carried

UNFINISHED BUSINESS: (None)

NEW BUSINESS:

- 1.) Submittal of the City Manager’s Proposed Fiscal Year 2022-2023 Budget and Setting May 24, 2022 as the Date of the Public Hearing Regarding the Budget**

CM-04-47-22: Motion and seconded made by Councilmembers Smiley and Behrmann to receive the City Manager’s Proposed Fiscal Year 2022-2023 Budget and set May 24, 2022 as the date of the Public Hearing regarding the Budget.

Ms. Stamper presented a slide show with the highlights of the budgets that were delivered to the Councilmembers. She started by saying that the taxable values were estimated to increase 8.28%, consisting of Residential (+ 7.19%), Commercial and Industrial (+ 12.98%), Personal (- .91%) and Industrial Facility Tax (+2.30%). She noted that the Personal Property went down because of the drop off of the industrial manufacturing personal property. This is the last year that is to occur. Our taxable value went from approximately \$827 million to just over \$895 million, or an 8.28% increase. The City millage rate was proposed at 11.8821, reflecting a decrease of .0637 due to Headlee Rollback. Compared to millage rates provided by Oakland County Equalization for the 31 cities in Oakland County, the proposed millage rate is the 8th lowest, with millage rates ranging from 8.3590 to 36.5895.

The proposed Fiscal Year 2022-2023 Revenue decreased by -\$354,453 or -2.6112% compared to estimated actual Fiscal Year 2021-2022. We had an increase in tax revenue of just over \$447,000. State Shared Revenue was estimated to decrease by -\$357,629 when compared to the actual estimated amount to be received in Fiscal Year 2021-2022. The majority of this fluctuation was attributable to Fiscal Year 2021-2022 revenue being higher than usual due to receiving a lump sum payment of \$328,807 as a result of a retroactive adjustment dating back to November 2020. The retroactive payment was due to the recalculation of revenue based on the new population numbers from the 2020 Census. She noted a decrease in Building permits of approximately \$266,000, not knowing what the next year will bring us. Miscellaneous Income is down by about \$42,000 and there was a decrease in our Video Service Franchise and PEG Fees. There was a change to the DDA contribution since the DDA finished paying back the debt that they owed the City from the prior years. Now we are entering into a period where they will be reimbursing us for City services.

Deputy Mayor Rzeknik asked if that would show up as an increase in revenue or a reduction of expenses. Ms. Stamper replied that would be revenue. It will be the same as the Water/Wastewater and Local Roads.

Next, Ms. Stamper reviewed the changes in Expenditures in the General Fund by departments. She said this budget provides funding for the City's normal cost of Other Post Employment Benefit (OPEB) in the amount of \$79,435 and Pension in the amount of \$181,500 along with a Pension Amortization payment of \$359,304. The bonding process for unfunded liabilities was completed in August 2018 and bond payment activity was included in two separate departments within the General Fund. The General Fund reflects an estimated balance at the close of Fiscal Year 2022-2023 of \$4,687,917.

The new development/construction in the Downtown Development Authority (DDA) results in an increase to the captured taxes within the district. Therefore, the DDA capture is great enough to fully cover the annual DDA debt payment. Final repayment to the City for funds advanced in prior years will end in Fiscal Year 2021-2022. The Proposed General Fund budget now reflects revenue from the DDA in the amount of \$157,366 for cost of services provided by the City.

The budget reflects contributions totaling \$3.2 million to Major Road, Local Road, Safety Path and Land Acquisition. The Budget Stabilization Fund reflects an estimated balance at the close of Fiscal Year 2022-2023 of \$1,352,817. Since Fiscal Year 2003-2004, full-time positions have been reduced from 65 to the current 54 positions, or by 17.48%.

Ms. Stamper stated that the Solid Waste collection and recycling fee will be set at \$165 and assessed on the Summer Tax Bill. Sewer utility rates will remain the same as Fiscal Year 2021-2022 at \$32.70/mcf along with the customer charge and special sewer costs. This year's rate study revealed healthy cash reserves, along with utilization of ARPA funding for a project included in the capital plan, allows for no change to rates this year. Water utility rates will increase from \$39.60/mcf to \$41.00/mcf along with meter maintenance and customer charge. Residential sewer

charge cap, residential sewer only customers and industrial sewer only customers will remain the same as Fiscal Year 2021-2022.

She said this budget includes a Ten-Year Capital Improvement Plan contribution in the amount of \$995,000. Since the ten-year contribution is spread over a period of time, the annual expenditures fluctuate throughout that same time period. Therefore, the annual expenditure (\$2,996,423) is higher than this year's contribution.

Lastly, Ms. Stamper reviewed the Major Road Improvements (\$887,000), the Local Road Improvements (\$1,115,000), the Safety Path Improvements (\$1,254,000), the Wastewater Improvements (\$3,460,463) and the Water Improvements (\$187,305).

The Budget Study Sessions are scheduled for May 2nd at 6:00 p.m. May 3rd will be an optional date. She said we would start on Monday evening and see how far we get. If we complete it all, we won't come in on Tuesday. If we need the additional time, we have Tuesday night available.

Councilmember Gronlund-Fox asked if we would be getting any more COVID money. Ms. Stamper replied that the only amount we have left to receive is the ARPA funding. That was separated out from the General Fund because it was such a large sum. We are getting just over \$1.4 million over the course of two years. The plan was to use that on the larger projects like the wastewater project. Councilmember Gronlund-Fox asked if we had any forfeiture funds. Ms. Stamper replied yes. Director Moore allocated some expenditures from there this coming year.

Councilmember Gottschall asked if we weren't collecting any Personal Property tax revenue in the future. Ms. Stamper said that we still were, but not for manufacturing. We still collect commercial property and industrial that is not manufacturing based. The \$300,000 is less than the total loss because we have been phasing that out for the last several years. They base that calculation on our old millage rates when we used to charge 7.549. The State will continue to pay that to us. Those businesses filed their reports with the State now instead of with us. They pay fees to the State and portions of that get distributed to us.

Councilmember Gottschall asked if we had talked with the Library to see if they could use any of the ARPA funds for their projects. Mr. Brown said that he would talk with them. Councilmember Gottschall mentioned that the Water and Wastewater Enterprise Funds and the Library Fund are separate funds. It was not General Fund money that would have paid for the project because it was its own separate ordeal. He recalled that the Council brainstormed how to use the ARPA funds but we didn't vote on where it was going to go. Because it was separate funding, he would like to see us talk to the Library first.

Vote:

Motion Carried

2.) Recommendation to Approve the Interlocal Government Agreement for Election Services Between Oakland County and the City of Wixom for the Absent Voter Counting Board and Authorize the Mayor and City Clerk to Sign the Agreement

CM-04-48-22: Motion and seconded made by Deputy Mayor Rzeznik and Councilmember Gronlund-Fox to approve the Interlocal Government Agreement for Election Services between Oakland County and the City of Wixom for the Absent Voter Counting Board and authorize the Mayor and City Clerk to sign the Agreement.

Ms. Buck stated that this Interlocal Government Agreement would allow Oakland County to process our absentee ballots on Election Day. Ballots would be taken to Oakland County the day before the Election and processed through their high-speed scanners. Wixom would only have to provide one Election Inspector and Oakland County would provide the rest. The cost of this service depends on the total number of ballots that are processed. If Wixom had 10% of the total ballots processed, we would be charged 10% of the total cost. This Agreement allows us to make the choice whether or not we want to use Oakland County for each election.

Councilmember Gottschall asked if we could still have them not process ballots for any elections if this were approved and Ms. Buck replied yes. Councilmember Gottschall said he was a little hesitant because we lose the chain of custody of all of those ballots as soon as they leave our hands. Once they leave our hands, we have zero control. It was something he was leery of us moving to. He wasn't sure of the cost and how much more time and resources it would take. People will probably get more used to voting absentee. He felt the last Presidential Election would probably be a high point and this fall would tell the tale on that. He wasn't sure if he would want us to make that switch immediately.

Deputy Mayor Rzeznik had similar concerns about giving up control. If we do use it, he assumed we would use it for a General Election like a Presidential Election where we have the volume. In the fine print of the Agreement, it said that the County was not responsible for anything dropped off after 4 pm the day before the Election. He asked how much of a rush we got with absentee ballots after that time. Ms. Buck said that it varies by election. She estimated approximately 10-15% come in on Election Day. She explained that those ballots that come in after the batch went to the County would be processed in each of the precincts.

Councilmember Smiley said he had some of the same questions as Councilmember Gottschall. He knew that staff was here late processing absentee ballots. He thought we could use this resource as we need it.

Councilmember Behrmann knew it would be more cost effective for the Department. He asked if it would adjust our results being posted. She explained that when the scanners are closed on Election Day, the results are automatically transmitted to Oakland County. Likewise, when Oakland County closes the scanners, the results will be posted immediately. There will be no difference. Oakland County will be using high speed scanners so they will be processed quicker

than they would be processed here. Councilmember Behrmann said he was in support of this.

Vote:

Motion Carried

3.) Recommendation to Adopt a Resolution Designating Steve Brown and Tim Sikma as Agents of the City of Wixom and Granting Them Authorization to Sign Michigan Department of Transportation Permit Applications

CM-04-49-22: Motion and seconded made by Councilmembers Gronlund-Fox and Smiley to adopt a Resolution designating Steve Brown and Tim Sikma as Agents of the City of Wixom and granting them authorization to sign Michigan Department of Transportation Permit Applications.

Mr. Sikma stated this was an authorization for applying for State road rights-of-way permits. We work with two primary State roads, I-96 and M-5. The reason we included M-5 was to work on the Airline Trail, which is in Commerce Township. When we apply for funding or for work to be done, it needs to be done through a city. We are proposing to install a couple of benches, a way-finding sign and a bike repair station within the M-5 road right-of-way. For that application, MDOT has asked us to apply through this process. He said that we do repair storm drains on occasion and we have two water main and sewer crossings under I-96. He noted that they did request MDOT work with RCOC to change the lighting patterns on Wixom Road. They have taken out the left turn lane sequences as they do work.

Vote:

Motion Carried

4.) Recommendation to Approve the 2022 Permit Application and Revised Contract with Great Lakes Fireworks, LLC of Eastpointe, Michigan for a Public Fireworks Display in the City of Wixom for a Total Cost of \$14,235 from the Lite the Nite Account #101-751-807.543, Authorize the Mayor to Sign the Permit Application and Contract on Behalf of the City and Approve a Budget Amendment in the Parks and Recreation Fund

CM-04-50-22: Motion and seconded made by Deputy Mayor Rzeznik and Councilmember Gronlund-Fox to approve the 2022 Permit Application and revised Contract with Great Lakes Fireworks, LLC of Eastpointe, Michigan for a public fireworks display in the City of Wixom for a total cost of \$14,235 from the Lite the Nite Account #101-751-807.543, authorize the Mayor to sign the Permit Application and Contract on behalf of the City and approve a budget amendment in the Parks and Recreation fund.

Ms. Magee said that the Council previously approved the contract with Great Lakes Fireworks for 2019, 2020 and 2021. Due to COVID in 2020, we did not have the display, so the contract was extended a year. Because of the increase in costs for an equivalent display, the contract has to be increased. The revision of the contract was coming back to Council for authorization and to submit the permit applications.

Deputy Mayor Rzeznik asked if the duration of the finale would be the same as last year and Ms. Magee replied yes. The City had two options; we could reduce it in half or pay the additional amount for the same show.

Councilmember Gottschall said this bothered him from a moral prospective that we sign a multi-year contract and then we are being asked to pay more. He felt it was because we are a City and they think we will do it. If it were a business transaction, one business would just tell them no. He would almost prefer we go that route. He knew we fund most of this through donations. We are taking donations from one event to give it to another one when we signed a contract with a business saying what we would pay them for the term of the contract. He said he would vote no just because of that. The only thing in the contract regarding price changes was that the vendor can make changes that are non-material to the pricing. This was not the contract we signed.

Ms. Magee indicated that this contract was due to go out for bid next year.

Councilmember Gronlund-Fox agreed with Councilmember Gottschall. This didn't set well with her. She didn't know what recourse we had, if any. Ms. Magee said that our options are we can do the show or we can reduce the show. Councilmember Gronlund-Fox asked if our attorney had looked at this.

Mr. Brown clarified that this company had a three-year contract with the City of Wixom for three displays – one in 2019, one in 2020 and one in 2021. They didn't do a show in 2020 because of the pandemic. Because of that, we executed another year for 2022. The original contract didn't cover 2022. They didn't change the original contract. It was a one-year addendum because one of the years didn't happen.

Councilmember Gottschall said that Attachment #3 was a one-year agreement. He asked if we could contact the other companies that bid to see what they would be willing to do it for this year. Ms. Magee replied that most of the fireworks display companies are already under contract.

Councilmember Smiley wasn't alarmed at the 30% increase. He realized that the economy was doing poorly and there are inflation and supply chain issues. Everything is expensive. He wanted us to entertain the thought of how much is too much for fireworks.

Deputy Mayor Rzeznik said he was in support of the 30% increase. We have been in unprecedented times. He has seen full container loads coming from overseas increasing 100-200%. Things have gone up in price. FedEx Air rates are 40% higher than they were a couple of years ago. He didn't see this as an issue. He commented that when we did a survey with the Parks and Recreation Commission, this turned out to be one of the more popular events for the entire community. He was very much in support of this.

Councilmember Behrmann commented that the original contract required a 50% deposit and he asked if we paid that. Ms. Magee replied yes. If we cancelled the

fireworks, she thought they would issue a refund but she wasn't sure. Council-member Behrmann said he didn't see the 30% increase being as large because this was a contract that was signed in 2019. If we prorate that over three years, it was 10% a year. He understood it and he knew the fireworks were popular. He didn't see how we could demand them to perform a show this year for a dollar amount that was contracted three years ago.

Vote:

Motion Carried

5.) Recommendation to Approve a Budget Amendment to Fund the Previously Approved Purchase of an In-Car Camera System from Getac Video Solutions, Inc. of Bloomington, Minnesota for a Total Cost of \$46,676 from In-Car Cameras Account #411-301-974.375

CM-04-51-22: Motion and seconded made by Councilmembers Smiley and Behrmann to approve a budget amendment to fund the previously approved purchase of an In-Car Camera System from Getac Video Solutions, Inc. of Bloomington, Minnesota for a total cost of \$46,676 from In-Car Cameras Account #411-301-974.375.

Director Moore said this was approved last December. He put the cost of the infrastructure of the capital plan in with the storage amount because he thought it was going to be spaced out over five years. He has since learned that the only part of the overall project over five years was the storage. Previously, this was only budgeted for \$11,305. He has learned that we need to pay for the capital purchases in one shot for a cost of \$46,676. He respectfully requested the budget amendment of \$35,371 to make the purchase.

Councilmember Smiley said the thought of having this cost distributed over five years was nice, but it was not a determining factor for him. He had no problems with this.

Vote:

Motion Carried

6.) Recommendation to Award a Five-Year Agreement to Hubbell, Roth and Clark of Howell, Michigan as the Engineer of Record for the City of Wixom and Authorize the Mayor and City Clerk to Sign the Agreement

CM-04-52-22: Motion and seconded made by Councilmembers Smiley and Behrmann to award a five-year Agreement to Hubbell, Roth and Clark of Howell, Michigan as the Engineer of Record for the City of Wixom and authorize the Mayor and City Clerk to sign the Agreement.

Mr. Sikma said that three months ago, we start with a Request for Qualifications for engineering services for the City of Wixom. The engineering services cover the review of building plans, design sidewalks, negotiating with Great Lakes Water Authority, helping with storm sewers and the designs of them, assistance with NPES permits that are required by the State, help with Ten Year Capital and long-range plans.

Mayor Beagle asked how this went out for bid. Mr. Sikma replied that we ran the typical request for proposals through BidNet and we had several engineering firms that were contacted through that system. We had several firms pick up our information and four responded with bids.

Mr. Benson added that when this bid went out, there were already firms that preregistered to receive certain types of bids. That goes out to hundreds and from those hundreds of companies, many will download it. We then end up with however many choose to submit a bid, which is how we got to four.

Mr. Sikma said that for a company to apply, it does take several thousand dollars.

Mayor Beagle wanted it noted that the bid went out to several companies and that there was a process for this.

Mr. Sikma said that we felt that we had due process on this. About a year ago, we did a similar request. At that time, we received two bids. We felt that was not adequate for what we were hoping for so we sent it out less restrictive this time. The bid tab shows the four vendors with comparison of their pricing. For many of those fees, HRC was the lowest. The four vendors were interviewed by five people on the review panel. Of those interviews, HRC was also rated the best of those four vendors. For all of these reasons, and the fact that they have been working with the City for over 20 years, staff has recommended that we continue working with HRC.

Mayor Beagle said he was very satisfied with the process. We do not have the staff in this City to write an RFP for every project. This is a company who is very capable of doing anything that we throw at them. He was satisfied and happy and said he could support this.

Councilmember Gottschall said he was a little torn about the scoring. He thought it looked a little skewed. He didn't know how one would display a clear understanding of the scope of work at 8.8 versus a 5.2 and what that looked like. He wondered if this was a little biased because we work with one company more frequently and so we feel they are more capable than the other companies that we haven't worked with. This wasn't to say that HRC was not qualified. Mr. Sikma explained that the qualifications make it difficult. Those scorings were not only for the proposals that we went through but also the interviews with each of these firms. Councilmember Gottschall commented that most of the bickering on Council has been about cost and per average hour across all positions was the lowest, which was nice. That doesn't account for everything in the sense that one firm might have a low hourly cost but assign the higher cost people to do the same project. We had one company that had 40 different hourly wages and positions. At the other end of the spectrum, there were 14 different pay classes. He asked if we had any discussions on who would be working on projects. Mr. Sikma said that we looked on that based on the interviews and who would be our main point of contact. It was up to the firm to assign their workloads and we didn't get into that part of their business.

Mr. Benson added that what we are looking for in an engineering firm is that they have to have the scope. That was why these schedules are so long. There are many

different employees involved with what we require. We look a lot at the project lead, our day-to-day contact. We also looked at it from a comparison standpoint, like if we needed a two-man survey crew and each firm did provide that. We could then compare that on an apples to apples basis. Most often, HRC had the lowest cost per hour for those employees. Councilmember Gottschall asked if we provided hypothetical projects. Mr. Benson replied no. We asked for a common situation, like a two-man survey crew. Councilmember Gottschall wasn't sure if we had thought about working with each of these firms on a test run for our projects. It would go back to if we were really being biased on our ratings. He knew we liked working with HRC and they did a great job for us but he wondered how we could rate people on such a scope. It should be a pass/fail situation.

Director Moore said he was fortunate to be drafted to this Committee. In 27 years of being with the City, he has never worked with HRC. He had nothing to compare it to. He had no baseline for which to compare.

Councilmember Gronlund-Fox knew that we have worked with HRC for over 20 years. She asked if we have worked exclusively with them or if we have had other engineering firms work on different projects. Mr. Sikma said that he has worked with several different engineering firms, including two of the applicants. Mr. Brown said that Spalding DeDecker was the engineer for Phase 1 of the Airline Trail. Councilmember Gronlund-Fox said that depending on the project, we might use other engineers. Mr. Sikma said yes, if it makes sense for the City. Two of the applicants have done projects for Wixom and they have worked out. Councilmember Gronlund-Fox said she supported this.

Councilmember Behrmann asked what this contract would cost us per year on average. Ms. Stamper said she would have to pull some historical costs on that. Councilmember Behrmann asked if he should be looking at Professional and Contractual Relationships under the Building or DPW budget. Ms. Stamper said that they are spread all over the budget. There could be construction cost in the Water/Sewer fund, Major/Local Roads, Safety Paths, etc. Councilmember Behrmann said that was not the way he understood this. He understood that this contract was for them to be our general City engineers. They would be reviewing plans and writing a report every month on what they are doing. Maple Run 2 was a separate project that didn't have to go to HRC. It could have gone to any firm. After the West Road project, there was a big increase that they recommended. He and another Councilmember requested at that time that we send some projects out for bid. He said we have had 12 or 13 projects that have been awarded to HRC since he has been on Council. Those projects totaled just less than \$1.4 million. Out of those, two went out to bid – the Airline Trail and the easement acquisition. Nowhere in the contract does it say that we are going to use HRC for every project going forward. It was saying that we like the work that they do and they will continue to be our general engineering firm for the City. He didn't think it would be prudent of us to let another company work on the Wastewater Plant since HRC has worked on that from the beginning. He still didn't think his request had been accomplished by this RFP because we have never sent out for projects like Maple Run. We could have easily sent that out. He saw one or two things a year that we could bid out to keep HRC honest. That was what he requested two years ago and he was told it was going to happen. It hasn't happened. He was in support of

moving forward with HRC being our general engineering firm for the City, but for one or two major projects a year, he didn't see how it would be that big of a drain on staff's time just to bid it out. If HRC is always coming in number one, then stop that practice. The whole reason he started having issues with the HRC awards was what happened on West Road and he still hasn't seen anything that makes him sleep well at night knowing we shouldn't be bidding out some of the major projects.

Mr. Sikma commented that West Road was an anomaly. We bid that late and we bid that in an attempt to cut costs. There are a lot of different nuances to West Road, like extending it into a second year. Most of the repairs were done in the spring of the following year, which required more repair after the concrete had been cut. Councilmember Behrmann said his main point was he agreed we should move forward with HRC being our City engineering firm, but what we were approving tonight was not approving they get every project moving forward. Mr. Sikma pointed out that every time we get a new contractor, we have to vet those people. He has to follow through with a lot more of the compliance issues that he relies on the engineer to approve. If he hasn't worked with the engineer for a number of years, he has to ask more of those questions. It is a big responsibility and he takes it very seriously. It is a huge time commitment on his part. If we choose to move to a different engineering service, he would ramp that up. This was why he wanted a five-year contract. He said he would commit to bidding out one or two projects a year.

Mr. Benson clarified that under our current structure, HRC is an essential part of putting together our bid documents. Mr. Sikma said that was correct. Mr. Benson asked if it was a conflict of interest to have HRC help us prepare bid documents and Mr. Sikma said that he thought it was. It would probably end up more on his Department. Mr. Benson thought something to think about was how much we rely on the engineer based on our staffing capacity, which was part of the rating system.

Councilmember Behrmann said that what was troubling to him was that he was hearing different things from Mr. Sikma and Mr. Benson than what he had been told previously. He was told by staff that projects would be bid out and now we are two years down the road and it hasn't happened. He wanted to make it clear that he still didn't feel comfortable giving them \$1.4 million worth of work over the last year and a half and not having any checks and balances. If it was too much for Mr. Sikma to handle with the current staff, he thought that we might have to look at that.

Mr. Sikma said that for that \$1.4 million, we were able to pave Beck Road from West Road to Potter Road, Highgate on the Lake, Highgate on the Green, sidewalk pathways, Maple Run engineering, Cliffs, Hidden Creek, Maple Road and the water main under I-96.

Mr. Brown added that he and Mr. Sikma have had conversations that he hasn't liked about the fact that we are going to pursue the bid process on these road projects. It will be a learning experience. It will be demanding on Mr. Sikma. Mr. Brown said that we have gone out for bid twice for the overall engineering relationship, which he wanted to accomplish first and that has been part of the slow down on the

administrative side of things. He anticipated that we would have had a successful bid process the first time and instead, we had to go through another bid process that we are just reaching the end of right now. He said that Mr. Sikma reports to him and we will do what we say we are going to do.

Councilmember Smiley couldn't believe Councilmember Sharpe wasn't here. Mr. Sikma indicated that he spoke with Councilmember Sharpe when he found out he would not be here for this meeting. We really need to proceed with engineering services as soon as possible. He asked him if he wanted us to delay this decision and he said if he had additional comments or any concern he would express that to either staff or Council. Mr. Brown added that Councilmember Sharpe said he was satisfied with the due diligence that we did compare prices and that we did an analytical evaluation of those prices. He was satisfied moving forward. Councilmember Smiley said that we have had this long relationship with HRC and that length of time adds tremendous value. He took the RFQ as evidence that we are in good hands and the relationship is in good shape. He couldn't recall any occasion where we had a problem with the performance or quality of what HRC provided. He understood us not knowing if they were competitive, but how do we measure cost with the time staff has to vet someone new versus someone we already know. He asked how long Mr. Sikma had been doing this. He said that he has 20+ years of experience. Councilmember Smiley said that if something came across his desk that was more than he thought it would be, his experience would tell him to look into that. He said he trusted Mr. Sikma. He was gratified that we went through the RFQ and HRC was the selected firm.

Mr. Sikma commented that with this conversation, it has put HRC on notice that we are mindful of what we pay them and we will continue to look for the best value.

Deputy Mayor Rzeznik understood the rate sheet comparison. In reading the fine details of the contract, Article II, Payment for Engineering Services, said that the fee for services and work outlined in Article I shall be billed by Engineer to the City on an hourly fee schedule, with multiplier of 2.80, which mark-up will cover unemployment and payroll taxes, contributions for social security, retirement benefits, etc. He thought 2.80 was high.

Nancy Faught, from HRC, explained that the 2.8 multiplier was the labor rate plus 1.8. Their overhead and profit is 1.8 plus the labor. She said their profit was more around 10 or 11%, one of lowest. She said they get audited by their accountants under the federal government so their overhead rate was audited every year. The rate table he was looking at was the maximum that HRC can charge the City of Wixom.

Deputy Mayor Rzeznik said that this was a five-year contract. HRC has been the engineering firm for the entire time (13 years) he has been on Council and he felt that seemed long to him. He would rather see a three-year contract with one-year renewals. He said he would support this if everyone else was fine. Also, he did understand the wastewater piece of this.

Councilmember Behrmann thought we had the option to get out of the contract. If two years down the road we weren't happy, we could terminate the relationship

with notice. He was not worried about the timeframe of the contract. Mr. Brown mentioned that there was a 90-day notice to terminate the contract.

Mayor Beagle said that the Council will be looking at these contracts yearly to make sure we are getting what we are supposed to be getting.

Mr. Brown said that the attorney did review this contract and understood the hourly rate will include that multiplier.

Mayor Beagle was in full support of this. He requested that HRC revise and revisit the way they do the monthly reports.

Vote:

Motion Carried

CALL TO THE PUBLIC:

There were no comments at this time.

CITY MANAGER COMMENTS:

Mr. Brown stated that Anna Kulas Rosenthal continues to restore and expand activities for the seniors. They recently celebrated with a Birthday Lunch and the Veterans Lunch was catered by Quick Chick. Also, he included an article from The Detroit News related to other GLWA customers, including Wixom residents and businesses, absorbing costs for unpaid Highland Park services. He indicated that a letter of protest on behalf of Wixom was previously provided to the Governor in March on this subject. Lastly, the Walled Lake Schools will be closed on Friday, April 15th.

Mr. Benson mentioned that the planning services contract was put out for bid last week and bids are due in early May. He noted that the Planning Commission and the ZBA will be involved in the process since they work closely with the planner. Also, he has drafted an RFP for GIS services and there will be a number of services before the end of the fiscal year that will need to be addressed.

Mr. Brown stated that the Fire Chief, Jeff Roberts, recently retired after 29 years of service with the City. We thank him for his years of service and wish him the best in his retirement.

COUNCIL COMMENTS:

Councilmember Smiley thanked Chief Roberts for his service to the City. He thought Mr. Brown's letter to the Governor was a good step and he thanked him for that. He wished everyone a Happy Easter and a Happy Passover.

Councilmember Gronlund-Fox thanked Ms. Magee and the Parks and Recreation staff for a great event with the Easter Egg Hunt last Sunday. She also thanked Chief Roberts for his service.

Councilmember Gottschall said that with the unfortunate accident and passing that happened recently on I-96, he hoped we could closely monitor and work with MDOT to make sure they don't have lanes closed and barrels out when they are not

doing work. He wasn't sure that we could pressure them. Lanes on I-275 have been closed for months at a time with no work happening. He would like to avoid that in the City of Wixom. If there was any way to stay on top of them, unless there are doing work, he would appreciate it. He thanked the City Manager for the letter about GLWA and the ongoing issues with Highland Park. There are a few communities that have been discussing the possibility of withholding that overage portion and he would be in favor of having that discussion. He didn't think it was right to continue to carry the burden of another city that has made a conscious effort to not pay anything at any point. And the State has been sitting idly by to ensure nothing gets fixed. He said he was approached by some residents who shared concerns about the disc golf course cutting through the woods at Gilbert Willis Park. He agreed that we shouldn't be going through the woods or cutting down trees. It is a nice, natural area and he wouldn't want to see that affected. Finally, he thanked Chief Roberts for his service to Wixom and our residents over the years.

Councilmember Behrmann thanked Chief Roberts for 29 years of service. His children loved the Easter Egg Hunt and he thanked staff for that.

Deputy Mayor Rzeznik congratulated Chief Roberts on his retirement. The Summer Concerts for the summer look great all the way through August 17. He noticed a lot of new sponsors this year and he was glad to see more of Wixom businesses get involved. He mentioned the Regional Job Fair on Tuesday, April 19th, from 8:30 am until 1:00 pm at the Community Center. He hoped we would get a lot of the public to show up from Wixom and surrounding communities. There will be companies there that are looking to hire.

Mr. Benson said that we are partnering with the Lakes Area Chamber and Oakland County. It is open to anyone interested, not just Wixom residents.

Mayor Beagle congratulated Chief Roberts on his 29 years of service to the City. He was sure that the Harley would get a few miles put on it this summer. He congratulated Ms. Magee and her staff on a great Easter Egg Hunt. There was a good turnout and it was well run. Looking at the Summer Concert schedule, he also saw some new sponsors and good bands. Lastly, he thanked Deputy Mayor Rzeznik for filling in for him at the last meeting.

ADJOURNMENT:

The meeting was adjourned at 8:52 p.m.

Catherine Buck
City Clerk

APPROVED 4/26/2022
