

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, NOVEMBER 29, 2022**

Deputy Mayor Rzeznik called the meeting to order at 7:00 p.m. and the Pledge of Allegiance was recited.

Present:

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

AGENDA CHANGES: (None)

PUBLIC HEARINGS:

Deputy Mayor Rzeznik noted that a motion was made at the November 15, 2022 Council meeting to set a public hearing for the ordinance enactment that was under Unfinished Business on tonight's agenda. It has been determined that a public hearing was not necessary for that one, so there will be one public hearing tonight for the Community Input Regarding the CDBG funds.

1.) Public Hearing to Solicit Community Input Regarding the Utilization of the 2023 Funds from the Community Development Block Grant (CDBG) Program Allocation

Deputy Mayor Rzeznik read the Rules for Public Speaking at a Public Hearing. He then opened the Public Hearing at 7:03 p.m.

Ms. Magee explained this Public Hearing was regarding the 2023 application. The Block Grant Program provides funds for the purpose of renovating older homes, revitalizing neighborhoods, providing human services, and rebuilding community infrastructure that benefits low to moderate income residents. Qualified projects must be located in census tracts that are occupied by low to moderate income individuals and families that meet HUD's standards and guidelines. In Wixom, we have two census tracts and both are located south of Pontiac Trail. Federal regulations considering these funds require public hearings to receive comments, recommendations and requests from individuals that seek funding for these funds. The total allocation is \$49,363 and no more than 30% or \$14,808 can be allocated to public services.

With no comments, Deputy Mayor Rzeznik closed the Public Hearing at 7:04 p.m.

PRESENTATION:

1.) Presentation of Fiscal Year 2021/2022 City of Wixom Financial Audit

Martin Olejnik, the partner from Plante Moran that was on the audit, was joined by Nicolette Acho, the Senior Manager. He noted that the Opinion Letter was an unmodified opinion, which means that you can rely on the numbers that were presented for budgeted purposes and other reports.

Ms. Acho reviewed some of the 2022 highlights. The unassigned fund balance in the General Fund was approximately \$3.9 million this year after the City added \$2.3 million to fund balance during 2022. That was up from last year. The City invested about \$6.5 million into City assets, which was up from \$3.6 million last year. The pension and OPEB funding continue to benefit from the bonding that the City did a few years ago. The pension system is now 101% funded and the OPEB system is 146% funded. The City has received about \$1.5 million in ARPA funds which is being held for infrastructure projects.

Next, she showed a five-year trend of General Fund revenue. The total revenue of \$13.8 million was up about \$100,000 from last year. Property taxes were consistent from prior years. The State Shared Revenue and grants increased about \$350,000 from last year. She also reviewed the five-year trend of General Fund expenditures. The total expenses of \$11.5 million were up about \$800,000 from the prior year. That increase was primarily in personnel costs and transfers to the capital improvement fund for infrastructure improvements.

Ms. Acho noted the five-year trend of General Fund revenue and expenses compared to the unrestricted fund balance. This was a combination of the committed assigned and unassigned, which was the fund balance that was truly available to the City to spend. The City has done a good job managing within its means, keeping that unrestricted fund balance consistent and increasing it over the past few years. Looking at the health of the fund, the auditors tend to look at the available fund balance compared to annual expenditures. Wixom is currently at 87% but about half of those available funds are earmarked for future capital improvements.

The next slide explained how a lot of funds pass through the City, but not all of it stays. A large portion goes to the Schools and the County with a little less than half being recorded as City revenue.

She reviewed the six-year trend of water operations. The water fund did have an operating loss of \$200,000 this year; however, there was \$800,000 of depreciation expense (a non-cash expense). Rates are being set appropriately to cover those operating expenses. Revenues were slightly down due to the fact that this was the second year the water debt millage wasn't levied. The unrestricted net position (what was available to spend) continued upward again this year. She indicated that the sewer had an operating income this year of \$36,000 and rates are being set to cover those operating costs. The unrestricted net position continued upward.

Ms. Acho showed a graph of the trend of capital investment compared to the depreciation of assets currently in place. For general government, Wixom had a few

years of increased capital improvements. From 2019 to 2021, we were coming down from that investment. This year had a spike and the City has earmarked about \$4.8 million for future capital improvements. The water and sewer capital investments are much more in line with the depreciation of current assets. Significant investments were made in 2022.

The last graph showed the funding levels of the pension and OPEB plans compared to both the State and the County. The City is very well-funded compared to both. This year the City has both a pension and an OPEB asset recorded on the balance sheet due to the overfunded status of those plans.

Councilmember Gottschall clarified that the one note under the Summary of Unrecorded Possible Adjustments on page 8 was due to an accounting change. Mr. Olejnik said that was correct. He said his letter talked about the audit process, if there were any disagreements with management on how the audit went, and if there were any unusual things that happened. He said that there was nothing that happened out of the ordinary. The records were in good condition and management was very forward in providing the auditors all the information that they needed. He said the second portion of the letter was legislative items. The big items were the ARPA funding and COVID resources. He explained that there was a new required standard that was implemented this year and that was GASB 87. It was the same thing for private companies to put operating leases and capital leases on the books. Leases are supposed to be recorded on the balance sheet. Before it was just rent expense or rent income.

Deputy Mayor Rzeknik thanked Mr. Olejnik and Ms. Acho, as well as the Finance Department on the great audit.

MINUTES:

CM-11-150-22: Moved and seconded by Councilmembers Behrmann and Gottschall to approve the Regular City Council meeting minutes of November 15, 2022.

Vote:

Motion Carried

CORRESPONDENCE:

- 1.) Michigan Public Service Commission Notice of Hearing for the Customers of DTE Electric Company, Case No. U-21259
- 2.) Michigan Public Service Commission Notice of Hearing for the Customers of DTE Electric Company, Case No. U-21193

CALL TO THE PUBLIC:

There were no comments made at this time.

CITY MANAGER REPORTS:

1.) Departmental Reports - October 2022

Councilmember Sharpe noticed on the Parks and Recreation Report that Ms. Magee met with the contractor regarding the pavers at the columbarium. He asked if we were any closer to getting those pavers installed. Ms. Magee replied that the

contractor has all the material on site and it was decided that they would do that in the spring.

Councilmember Sharpe then asked about the Engineering Report. He was wondering about the easements for the safety paths. Mr. Sikma said they have not scheduled a meeting with the property owners yet. Mr. Benson added that we have been working on the plan for the outreach, specifically along Wixom Road. We have a long history of trying to work with the property owners with some successes and some failures. There are some unique situations for some of the property owners. Some folks want certain considerations and some want others. We are trying to be a little more personalized and hopefully be more successful. He indicated that staff was actively working on this. Councilmember Sharpe explained that we got the Air Line Trail in and the safety paths are used for bicycling as well. When you are on the east side of Wixom Road and you head north, it just stops. There is no place to go. He would like to get that done. To him, that was the next step of our bicycle centric City. He wasn't sure if there was anything the Council could do to help, but he'd love to be asked to help. Mr. Benson said he understood. He noted that not everyone who is a property owner agrees with that perspective. Councilmember Sharpe said it is our prerogative as government to do what is best for the citizens, not for a single homeowner.

Councilmember Gottschall noticed there were a few notes in the Water and Wastewater Report about cloudy water, testing and unclear water. He asked if we knew the actual cause. Mr. John replied that at the time those reports came in, the Great Lakes Water Authority had finished conducting some of the repairs on their main line that transmits water. They were pressure testing them and they brought some pumps on line. The added pressure was transmitting it. It affected us and the City of Novi. It was just air pressure. He said they visited a couple of houses to make sure that was the cause and the residents were satisfied with that.

Deputy Mayor Rzeznik said that our phosphorus concentration was actually below our limit for the first time since 2018. He asked what changed. Mr. John replied that they leaned on Tribar. The discovery was made that they release phosphorus in a form that is not treatable chemically, at least not without great expense and a lot of complicated matter, which was why they have been struggling with it for the last four years. We have done everything as a wastewater plant to treat it but when it is in a form that conventional means won't work on, it is up to us to make the discharger fix it at their end. This was the second month that it has been successful and it is measured monthly.

2.) Quarterly Investment and Budget Report - June 2022

There were no comments or questions regarding this report.

CONSENT AGENDA:

CM-11-151-22: Motion and seconded made by Councilmembers Gottschall and Smiley to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a. ZBA Minutes – July 11, 2022

- b. Planning Commission Minutes – October 17, 2022
- c. Planning Commission Minutes – October 24, 2022

Vote:

Motion Carried

UNFINISHED BUSINESS:

- 1.) Recommendation to Enact an Amendatory Ordinance to the City of Wixom’s Code of Ordinances, Title 13 “Public Services,” Chapter 13.16, “Engineering Design Standards for Subdivision and Project Improvements, “Section 13.16.20, “Generally,” to Add Provisions Adopting the Updated Stormwater Design Standards of the Oakland County Water Resources Commissioner**

Mr. Sikma indicated that the change recommended was due to a number of discussions throughout the last 15 years on Design Standards for Southeast Michigan. It was worked on by the County and they developed standards that show water quality, sediment controls and volume controls for up to 100-year rain event. We have calculations in place now that will allow for protection of flooding and water quality issues. This was a requirement of our NPDES permit that was updated in July.

CM-11-152-22: Motion and seconded made by Councilmembers Smiley and Behrmann to enact an amendatory ordinance to the City of Wixom’s Code of Ordinances, Title 13 “Public Services,” Chapter 13.16, “Engineering Design Standards for Subdivision and Project Improvements, “Section 13.16.20, “Generally,” to add provisions adopting the updated Stormwater Design Standards of the Oakland County Water Resources Commissioner.

Vote:

Motion Carried

TABLED ITEM:

- 1.) Recommendation to Approve an Amended Professional Services Agreement with SAFEbuilt Michigan, LLC to Extend the Term of the Agreement for Building Department Services for a Three-Year Period to Expire December 31, 2025 and Authorize the Mayor to Sign the Agreement**

CM-11-153-22: Motion and seconded made by Councilmembers Smiley and Behrmann to approve of an amended Professional Services Agreement with SAFEbuilt Michigan, LLC to extend the term of the Agreement for Building Department Services for a three-year period to expire December 31, 2025 and authorize the Mayor to sign the Agreement.

Deputy Mayor Rzeznik explained that this was discussed at length at the last meeting.

Councilmember Behrmann stated that there were two Councilmembers who voted to table this item. He wondered if there was any feedback from them that they were comfortable. Mr. Brown replied that he had a direct conversation about that

with Councilmember Gronlund-Fox and she was satisfied with the information provided by Administration in the memo and the schedules.

Vote:

Motion Carried

NEW BUSINESS:

- 1.) **Recommendation to Authorize the Submittal of the 2023 Community Development Block Grant Program Allocation in the Amount of \$49,363 with \$4,900 to HAVEN for Battered/Abused Shelter, \$4,900 for Emergency Services, \$4,900 for Senior Services and \$34,663 to Civic Center Improvements**

CM-11-154-22: Motion and seconded made by Councilmembers Smiley and Sharpe to authorize the submittal of the 2023 Community Development Block Grant Program Allocation in the amount of \$49,363 with \$4,900 to HAVEN for Battered/Abused Shelter, \$4,900 for Emergency Services, \$4,900 for Senior Services and \$34,663 to Civic Center Improvements.

Ms. Magee said the Block Grant required a public hearing. In the past, we have rotated the public service agencies. The recommendation was to fund HAVEN (\$4,900), St. Vincent DePaul (\$4,900), Meals on Wheels (\$4,900) and the remainder will go toward the new playground.

Councilmember Gottschall asked if we were expecting the playground to be done next year. Ms. Magee replied no. She thought it would be completed in 2024. Councilmember Gottschall then asked if we would expect to be giving next year's portion toward that again and Ms. Magee replied that was correct.

Vote:

Motion Carried

- 2.) **Recommendation to Review the Fiscal Year 2021/2022 Financial Audit and Authorization to Accept and File**

CM-11-155-22: Motion and seconded made by Councilmembers Sharpe and Gottschall to review the Fiscal Year 2021/2022 Financial Audit and authorization to accept and file.

Vote:

Motion Carried

- 3.) **Recommendation to Approve an Interlocal Agreement between the City of Wixom and Oakland County to Designate Oakland County Equalization Director Michael R. Lohmeier as Designated Assessor for the Period of January 1, 2023 through December 31, 2027 and Authorize the Mayor to Sign the Agreement**

CM-11-156-22: Motion and seconded made by Councilmembers Behrmann and Sharpe to approve an Interlocal Agreement between the City of Wixom and Oakland County to designate Oakland County Equalization Director Michael R.

Lohmeier as designated Assessor for the period of January 1, 2023 through December 31, 2027 and authorize the Mayor to sign the Agreement.

Councilmember Gottschall confirmed that this was because they named a new assessor. He thought there was talk about our contract being amended at some point with an increase in cost. Mr. Benson said this was a procedural matter to officially designate who our Assessor is. Mr. Brown added that any modifications to the agreements on the table will be in June 2023.

Vote:

Motion Carried

4.) Recommendation to Approve a New Michigan Liquor Control Commission Class C On-Premise Retail Liquor License for El Camino Real, LLC of Wixom, Michigan and Authorize the Mayor to Sign the Agreement Restricting Transfer of the Liquor License

CM-11-157-22: Motion and seconded made by Councilmembers Sharpe and Smiley to approve a new Michigan Liquor Control Commission Class C On-Premise Retail Liquor License for El Camino Real, LLC of Wixom, Michigan and authorize the Mayor to sign the agreement restricting transfer of the Liquor License.

Mr. Benson said El Camino Real was the newest downtown business locating in the Country Corners Plaza. They received their full certificate of occupancy a few months ago and have since applied for a Class C liquor license to expand their menu. The City now has two Class C liquor licenses available for distribution based on our increase in population from the 2020 Census. Per City Council Resolution 2005-32, the City Council has previously designated that all new Class C liquor licenses should be only issued within the Village Center Area zoning district. El Camino Real is located in the VCA district so they are eligible. We received their application in October 2022 and put it through our comprehensive review process both on the Construction Development Services side, as well as the Police Department doing background checks on all of the individuals affiliated with this organization. We did not find any specific issues that would dissuade Administration from recommending approval of this Class C liquor license. They are interested in a Social District permit should they be granted a Class C liquor license. Per City practices with Class C liquor licenses issued within the VCA district, there is an existing practice to have an agreement in place to restrict the transfer of those liquor licenses outside of the City. This was a policy decision, not directly enforced by the MLCC. We do have the ability to make this a condition of approval, which the applicants have agreed to. Should they cease to operate for 90 days, the license is to be returned back to the MLCC to be reissued again by the City.

Deputy Mayor Rzeznik disclosed that he is party to a liquor license in the VCA.

Councilmember Smiley asked if the previous tenant had a liquor license. Mr. Benson replied no. Councilmember Smiley asked if they were taking one of the two open licenses and Mr. Benson replied yes. There will be one license left. He added that we are eligible in the downtown district for redevelopment liquor licenses which have become more liberally applicable. Unfortunately, those are not available until you are exhausted of your Class C licenses. Just because we only have two and are

now down to one does not mean that we couldn't issue more through other mechanisms.

Councilmember Gottschall said when he was reviewing the application, there were two details that he noted that didn't look correct. Number 14 talked about distance from other licenses within a two-mile radius. They were saying Loccino's of Wixom, which was now Wixom Station, was two miles away. He wondered if this would impact this license since it was not two miles away from El Camino Real. Mr. Benson did not believe so. Councilmember Gottschall said the other detail he saw was the 500-foot distance from the school building. He wanted to clarify it was the building and not the property. Mr. Benson said that was correct.

Councilmember Sharpe asked if the liquor licenses had value. He thought the owner of the license could sell the license to somebody else at a premium. Other than the cost of applying, there was no cost for the license. We are not selling a license to the applicant but approving the application. Mr. Benson explained that there was a significant filing fee with the State for that license. He thought it was \$20,000. Because the Class C licenses are limited, you can transfer from within the County to any other jurisdiction. If you start to run low in the County, they can be transferred between private parties for whatever they agree to transfer them for. The intent of the Restriction Agreement was to prevent liquor licenses from being hoarded and transferred to other jurisdictions. It was his understanding that the original practice of implementing these restrictions was done proactively as a recommendation from our City Attorney.

Mr. Brown added that this was a business attraction tool for us. It was a way for us to retain that tool if the business goes elsewhere or closes its doors. It allows us to retain control of that license and have that for our future attraction effort.

Councilmember Sharpe said if it were to be sold to someone else, we would have the same amount of say that we do now in approving the applicant. Mr. Brown said that if they sign the agreement, it will prohibit them from selling or transferring it to someone outside of the City. The City Council would have to approve the transfer.

Deputy Mayor Rzeznik stated that the most recent liquor license was purchased from an entity in Traverse City and transferred into Wixom. That was for Longhorn Steakhouse.

Gerardo De Leon-Manuricio and Ismael Ruiz were present at this meeting. Mr. De Leon-Manuricio said that the restaurant has been open for two months now. Everyone was looking for a drink and he hoped the Council agreed with the liquor license.

Deputy Mayor Rzeznik thanked them for coming and welcomed them to Wixom.

Vote:

Motion Carried

5.) Recommendation to Approve a Social District Permit Application from El Camino Real, LLC at 49342 Pontiac Trail for Submission to the Michigan Liquor Control Commission and Approve the Updated Social District Map

CM-11-158-22: Motion and seconded made by Councilmembers Smiley and Behrmann to approve a Social District Permit Application from El Camino Real, LLC at 49342 Pontiac Trail for submission to the Michigan Liquor Control Commission and approve the updated Social District Map.

Mr. Benson said after speaking with the MLCC, we were made aware that El Camino Real can also apply for their Social District permit at the same time as their liquor license. It was contingent on the action of the MLCC, as you cannot have a Social District permit without a liquor license. In order to expedite the process, we offered to bring these together to the Council. The Council established the Social District in downtown Wixom in 2021. Currently we have two participating establishments of the five eligible. Should the MLCC grant El Camino Real the Class C liquor license, they would then become an eligible establishment. The only additional action was that we need to update the map. Their location would be listed as an eligible location with the MLCC.

Councilmember Gottschall wondered if we would want to extend the boundary to the sidewalk behind the restaurant. He guaranteed that people were walking around with alcohol behind the building, not just on the Pontiac Trail side. Mr. Benson explained that the sidewalk behind the building was not a public sidewalk. It was a portion of the private structure. Councilmember Gottschall said that if we are designating units within the building, he felt we should also be able to designate the sidewalk behind it. The unit itself is not publicly owned. We do not have any control over it. Mr. Benson said the map was to reference where the liquor serving establishments physically were. Councilmember Gottschall said that the red line showed the boundaries. He proposed that we bump the red line back around the building. The rest of it wouldn't be blue because they weren't eligible. We know people are walking around with alcohol. He thought we should just correct the map to make it more practical for what was actually happening. Mr. Benson said he could update the map and bring it back to Council.

Deputy Mayor Rzeznik noted that the area behind The Drafting Table was part of the MLCC approved beer garden. It was a separate designated district beyond the Social District.

Mr. Benson believed we would run into issues with having temporary licenses within the Social District. He wondered if that could create a conflict. He said he would research the topic and report back.

Councilmember Gottschall said that we should always do something that most people are doing. If they are out there, why are we crafting a map that says they are breaking the law when we know what people are doing and we are fine with it.

Councilmember Sharpe agreed with Councilmember Gottschall. He didn't think the blue section on the map was El Camino Real's whole space. The door is on the

northern side of the building. If you walk out of El Camino Real, you will be in violation because you aren't in the zone any more. There needs to be a designated pathway to get to the street. The front of the building isn't conducive to getting down to the street.

Vote:

Motion Carried

CALL TO THE PUBLIC:

Dr. Ajay Raman, County Commissioner-Elect in the 14th District, introduced himself. He recognized Councilmember Smiley for the well-fought race. He said he had nothing but positive things to say about him. It was a good experience and a close race. He said his hope and his goal was to be able to work with everybody. He knew there was a lot of partisan divide and people have their thoughts. He wanted to move forward and represent all the residents as best as he can. His goal was to be visible, be transparent, be honest and work in the best interest of the City. He said he planned to be at many of the Wixom Council meetings and he looked forward to working with the City. He requested that everyone contact him if he can help in any way. He said that he attending a training class yesterday and an interesting statistic that they mentioned was that only 9% of people in Michigan know what a County Commissioner is, let alone who their County Commissioner is. He said he wanted to buck that trend. He knew Wixom had good County Commissioners to this point and he hoped to continue the trend. He looked forward to working with everyone.

CITY MANAGER COMMENTS:

Mr. Brown said that there were two employees celebrating work anniversaries during the month of December. Russ Pierson has been with the DPW for six years and Jim Byrd has been with the DPW for 21 years. He congratulated and thanked them for their service to the City of Wixom.

COUNCIL COMMENTS:

Councilmember Sharpe stated that considering the Mayor was not present and the results of the game last Saturday, he had nothing further to add.

Councilmember Gottschall thanked Ms. Stamper and the Finance Department for the good job with our finances. When he started on Council, we always had the unmodified opinion on reports, which was always nice. There used to be recommendations on how to clean things up or do things differently. This report and the last report didn't have any recommendations. It was nice to see that everything has been adjusted to the standards that the auditor would like. He thanked the Commissioner-Elect for coming to introduce himself. Mr. Weipert has always done a good job of being very supportive of the City, but he felt we haven't always been kept informed of what was going on at the County Board. He asked if Commissioner-Elect Raman could provide legislative updates so we are aware of what was happening. What happens at the County level affects the City.

Councilmember Behrmann said that the Saturday before last, he noticed the DPW were in the Cemetery raking leaves in the snow. You have to give them a lot of credit for that. He appreciated all their hard work getting the leaves cleaned up throughout the entire community.

Councilmember Smiley thanked Dr. Raman for stopping by. Dr. Raman had said that only 9% knew their County Commissioner and Councilmember Smiley said he didn't believe it was that high. He asked when he would be sworn in and Dr. Raman replied in January. Councilmember Smiley congratulated him. He offered his condolences to the family of Steven Zelle, a former Planning Commissioner. He hoped to see everyone at the Annual Wixom Tree Lighting this Friday. Santa's visit is a treat and it is great fun for all of the family.

Deputy Mayor Rzeznik congratulated Ms. Stamper, the Finance team and the Department Heads for a great, squeaky clean audit. He said this was his 14th year and we have always had a really great report card. Even during the down times, we did things right. He thanked Commissioner-Elect Raman for coming by. We hope for his support with our long-standing Beck Road Improvement Corridor project. Whatever support he can provide from the County level would be very helpful. The Tree Lighting Festival has been a tradition in the City of Wixom. We sing carols, stand around with friends, there is food, there is drink, there is ice sculpting, there are carriage rides and Santa Claus will visit at 6:30 p.m. It runs from 5:00 – 11:00 p.m. on Friday, December 2nd. Please come out and you will get to see the town lit up. The DDA is doing a great job again getting a lot of the local businesses to decorate. It really looks festive. He was thankful for the big trees at the entrance. It was nice to see them all lit up. Also, the Wixom Historical Society has an open house on the Windows to Christmas at the Gibson House on December 2nd from 6:00 – 9:00 p.m. It is decorated like the Hudson windows of old. They will have cookies and hot chocolate there.

ADJOURNMENT:

The meeting was adjourned at 8:01 p.m.

Catherine Buck
City Clerk

Approved 12-13-2022
