

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, JANUARY 24, 2023**

Mayor Beagle called the meeting to order at 7:00 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
R. Smiley

AGENDA CHANGES: (None)

MINUTES:

CM-01-05-23: Moved and seconded by Councilmembers Gottschall and Gronlund-Fox to approve the Regular City Council meeting minutes of January 10, 2023.

Vote:

Motion Carried

CORRESPONDENCE: (None)

CALL TO THE PUBLIC:

There were no comments made at this time.

CITY MANAGER REPORTS:

1.) Departmental Report - December 2022

Councilmember Gronlund-Fox questioned the results for Tribar. The Water Report showed that a couple of the samplings for Plant 5 were not available and she wondered why. Mr. John replied that sometimes the Lab falls behind with the results. He said he had the results now and they were under the limits.

Deputy Mayor Rzeznik said that with the effluent still being at 9.2 nanograms per liter, it looked like the output from the Tribar Plant was within the limits, but the effluent on the PFAS side still seemed extremely high. Mr. John said that compared to the State limits, we are still low. The Plant effluent was impacted by what was still in the system. If you were to look at the data since the problem started, we have actually dropped a considerable amount. He explained that Tribar was not the major contributor to the PFAS at this point. It was the residuals that existed in the system. PFAS tends to exist in crevices in the concrete pipe and we would have to take an extensive cleaning of the system to remove every last speck of it.

2.) Quarterly Budget and Investment Report – September 2022

Councilmember Sharpe commented that we have about \$51 million that we earned in interest and growth. He had asked Ms. Stamper prior to this meeting if he read Page 9 of the report correctly where it said we had interest earned of \$172,000 during the entire fiscal year of 2022. Just in the first quarter of the 2023 fiscal year, we earned about \$128,000. He knew we couldn't predict the future, but it did look positive for interest rates being about where they are for the next few months. We can get a half of mill of revenue just from our interest income for the 2023 fiscal year. We need to be thinking about that when we budget for next year. When we talk about tax increases and millage increases and roads, we can earn a lot of money for basically doing nothing and not taxing anymore because we are getting 4% on our money now, possibly more depending on how well our fund portfolio manager does.

Ms. Stamper stated that over the past couple of months, our government pool investment has increased incrementally each month since the close of the September quarter. During the summer, it was around 2.5% and now we are at 3.5%. She hoped that would keep trending in that direction. Unfortunately, some of our expenses are going to reflect those increases, too. Our longer-term investments are expiring from 2023 through 2026. As those expire, they purchase other investments on our behalf. She indicated that it was a favorable trend now, better than it has been in a few years.

CONSENT AGENDA:

CM-01-06-23: Motion and seconded made by Deputy Mayor Rzeznik and Councilmember Behrmann to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a.) Parks and Recreation Commission Minutes – October 10, 2022
 - b.) Planning Commission Minutes – November 28, 2022
 - c.) Planning Commission Minutes – January 4, 2023
- 2.) 2022 City of Wixom Planning Commission Annual Report
- 3.) Recommendation to Approve Revised Planning Commission By-Laws Dated January 16, 2023

Vote:

Motion Carried

UNFINISHED BUSINESS: (None)

NEW BUSINESS:

- 1.) **Recommendation to Adopt the Economic Development & Economic Development Marketing Strategy Dated January 2023**

CM-01-07-23: Motion and seconded made by Deputy Mayor Rzeznik and Councilmember Gronlund-Fox to adopt the Economic Development & Economic Development Marketing Strategy dated January 2023.

Mr. Benson said this was an exciting project and process to bring to the Council. He introduced Justin Sprague and Elena Moeller-Younger from CIB Planning who were instrumental in putting this project together. He said that the City historically has an economic development strategy. Our current one was adopted in 2014. That was also done through grant funding, as this was a technical assistance grant through the MEDC. For this particular task, the project was to update the 2014 plan and to develop and incorporate a marketing component to that. When we talk about the kinds of businesses that we would like to attract, grow and retain, we also look at how we project the image of the City of Wixom. This project brings all of these pieces together. To help guide this process, CIB Planning advised that we create a business and resident advisory committee to lead the process. A couple of Councilmembers participated on this committee. We began that process in the spring of 2022 and over the course of the last eight months or so, we have been working through data, different strategies, discussions, and the strengths and weaknesses of the community, which ultimately come together in this plan. Mr. Sprague said it was a pleasure to present this project to the Council. There was a strategy in 2014 that was the result of an economic development administration grant to complete an economic development study. That study was quite comprehensive. It was heavy on data, industry and industry descriptors, as well as where Wixom fits in the big picture of industry. What it lacked were goals and objectives. It didn't create a clear solid vision for the City, so we really wanted to do that in this plan. Not only did we want to bring that last plan up to date, but we wanted to use that as the framework of where we have been and recognize that it was time to look at where we are going.

He said we created a number of new goal statements related to economic development in the community. We wanted to establish a strong and cohesive economic development brand for the City of Wixom, which was more than just a destination brand or talking about how we attract people to Wixom. It really stands for how Wixom does business and interacts with the business community. In an area where there are numerous communities all seeking to land the next economic development project, it was important to establish who we are as a community from an economic prospective. It allows you to start to identify what your key strengths are from the community. It gives a guide to what we should be looking to attract. He stated that you should never practice economic development by casting a large trolling net into the sea hoping to catch something. You want to make sure that you have your data, you know your facts and you can speak specifically to those investors that you are trying to bring into the community.

The other piece of that was how do we grow our local entrepreneurs and strengthen our small businesses. About 80% of retail was leaving the community. We wanted to hone in and harness our local economic entrepreneurs to help them start their businesses and grow their businesses. Roughly 75% of all of the job growth and expansion within the community is going to happen with a business that is already located here. It is really important to take those who have spent time here and invested here to continue to help them with resources.

Another goal was to establish a more consistent visible physical identity of Wixom so people who are coming into Wixom will know when they are in Wixom. It should be a place that they recognize. Creating a vibrant City experience for all to attract visitors, residents and investors will show that we are actively seeking investors. We want to support and retain existing businesses and further diversify the mix of industry in Wixom, which will create higher salaried career opportunities. We have a great economic base of employers in this community. We are bringing a lot of people into this community to work for those employers. It is fairly unilateral to what those employers are serving. They are supplying most of the auto industry. We want to make sure that having manufacturing in the community is a great thing, but we also want to make sure we are diversifying and serving other sectors in manufacturing, such as aerospace, defense, logistics and supply chain, or other high-tech specialty manufacturing employers.

As he stated, there were no goals, no objectives, and no implementation action items in the 2014 plan. They wanted to bring that to the forefront of the discussion so the Council could see that the Committee had spent a lot of time and consideration in analyzing data that was collected and prepared an action strategy that really tied back into each one of the goals he mentioned.

Ms. Moeller-Younger said the Steering Committee wanted to do an audit of what was already being done. Through that experience, we were able to see that Wixom already has a very good footprint when it comes to the website and the digital space that we are using to promote and communicate what the City of Wixom was all about. She found that Wixom was using a lot of tactics to reach key audiences, but there was always room for more. One of the processes that they went through with the Steering Committee was identification of Wixom's brand. We were able to set up a brand platform. In that way, they use the time together to walk through elements that Wixom maintains, like the tangible benefits, the social benefits, the emotional benefits, the personalities and brand values. That set us up to continue with the brand process.

A lot of people spend time thinking about the logo, which was more than just a logo. It is about Wixom's story and how to tell that story to the right people at the right time. A brand is part of that. She recommended putting together a Steering Committee to move through the process of potentially refreshing and reworking the City logo. The City's logo was done about 40 years ago. Moving through the process with a graphic design firm and taking the time to work through that with expertise was one of the main recommendations that came out of the identification of Wixom's brand or Wixom's logo.

One of the things they liked to put together was a quick and easy community marketing and key messages chart. The chart identifies who we are talking to, their primary interests, the outreach tools and the suggested key messages to those segments. These suggested key messages came out of the analysis and the process

that we had with the data from the Steering Committee. This was a good place to have one snapshot, a broad overview of what we can do moving forward and how we can do it. A lot of the implementation steps are in the charts throughout the strategy. These all came from the interaction with the Steering Committee.

Deputy Mayor Rzeznik said that one of the things that were conspicuously absent from the target emerging industry clusters that he noticed was the area of mobility where the MDEC, the State of Michigan and Oakland County were spending a lot of time and energy on. This area of Wixom and the surrounding communities has been the cradle of the mobility sector for many decades. In the areas of the CASE (connected, automated, shared and electrified), our next energy is a stone's throw from our border. These are the emerging sectors and it was conspicuously absent from here. When you talk to the young families who are going into our subdivisions, most of them work in that mobility sector. The other one that seemed to be conspicuously absent was logistics and warehousing, which is a growing area in this southwestern Oakland County region. He wondered if they did not see those as emerging for our area.

Mr. Sprague said that they did. He felt it was very important that they tied this strategy with Oakland County's strategy, as well as SEMCOG's strategy. They did talk about the mobility collectivity specifically with what was happening with the automakers, the Mcity at the University of Michigan, the proving grounds near here, etc. There were a lot of reasons to be plugged into that. The Steering Committee discussed the importance on industry versus location, not just placing everything into the automobile basket, but recognizing we need that engineering, that technical support of supplies here. They are already growing here. They wanted to make sure we were collecting data from the Oakland County strategy and the SEMCOG strategy to make sure staff was plugged into with what they were doing. Deputy Mayor Rzeznik said that all of those have electrifications as one of their primary strategies. He wanted him to make that note and he was excited to see this roll out.

Mr. Benson added that it was less than an omission; it was implied that those kinds of businesses would come here. When we had those conversations with the Steering Committee, it was if the hope was a giant distribution hub or a variety or mixed-use campus feel. He said he gave a lot of credit to CIB Planning for bringing in the planning components that the Planning Commission envisioned for that kind of a site. He agreed that there could be a more specific note toward the electrification side. He felt there was a very thoughtful discussion regarding that.

Councilmember Gronlund-Fox appreciated all of the work that was put into this. There was a lot of information to go through. The action items listed indicate the timeline of one to three years. She asked if they were prioritized as far as those specific action items that they believe the City should work on first. Mr. Sprague replied that they did not prioritize or rank them. They worked with the staff to determine what the staff's capacity was to be able to take on these types of

projects. In fact, one of the recommendations that came out of this was looking to hire a marketing specialist to help drive the economic marketing for the City. He said they figured that each one of these projects had some level of priority in itself so staff could determine what they would like to tackle first. He said they did recommend that there continue to be an advisory business committee that can work with staff to determine what that prioritization should look like.

Councilmember Gronlund-Fox noticed that there was no budget component to any of the action items. She said it was hard for Council going into the budget season to be able to prioritize and figure out what we needed to do and what we can afford to do as far as the timeline. Mr. Sprague agreed. He said that was something that could be discussed as staff determines what these projects would like to take on in the next several years. A detailed implementation would then be brought to Council. Councilmember Gronlund-Fox asked if CIB Planning would help staff determine what that budget would look like. Mr. Sprague said that they would not. Their involvement in this would conclude upon Council's adoption. At the request of the City, if they would like their assistance, they are always there to help.

Mr. Benson said that part of the reason that they didn't prioritize the list was because ultimately, they would be decisions of City Council. The plan was to pull these tables out and adjust them in a way that we would be able to report on this annually as to the topics we feel we can pursue and having them be part of the budget conversation. He thought the most frequently discussed priority action item was looking at the City's brand, our color schemes, our fonts. Included in the packet was an example of brand guidelines. We went back and forth a lot. We were suggesting what a brand guideline would look like, but this project was not saying that those were what should be adopted going forward. Part of the big discussion was the suggestion to do that kind of process and tying that into gateway signage to better define the boundaries of what is Wixom.

Mr. Sprague agreed that part of the big discussion was wayfinding and entryway signage. People should know they are in the City.

Mr. Benson said the hope was to have at least some portions of this being a part of our budget discussions this year and then really upon Council and the DDA Board's recommendations as to which aspects they would like to pursue. Some of these things weren't expensive or didn't require City Council's involvement while some were larger.

Councilmember Gronlund-Fox confirmed that when these were brought to Council, they would have the anticipated budget piece. Mr. Benson said that was correct.

Mayor Beagle said that we have had discussions in the past about replacing the entry signs into the City.

Mr. Benson said a big part of this was taking the comments and things that have come up over the course of time and trying to incorporate them as discussion points and ultimately as action items. There are many things that were discussed that we felt they had a place in the plan.

Councilmember Sharpe said he was impressed by the thoroughness of the plan. He had forgotten that CIB Planning had been hired for this special project as part of our RRC ongoing initiative. He did recognize that there was a lot more that needed to be done to be an RRC city. He really liked the "crossroads of work and play." He thought that really fit for the train going through and the Air Line Trail and other things like disk golf and pickleball. He thought the SWOT analysis was honest, which was nice to read. He knew we have to take that and act on it now. He felt the Committee had been honest with themselves and the community on what our weaknesses are, and we do have a few. Some of those could be positives in terms of attracting businesses. He thought "got money" (like "got milk") was one where he didn't want people coming in thinking we have low taxes but we are going to raise them. We could say we have low taxes and we are going to keep them low. Because CIB Planning wrote this, he wondered if Carlisle Wortman had looked at this and if they had feedback. Mr. Benson said this document doesn't overlap in the master planning process or the zoning ordinance process, so they haven't been involved. CIB Planning has a little more diversity on the marketing and the communication side of things. That was not something we asked Carlisle Wortman to do for us. The number one thing they would get involved with was the outcome of design standards. We have them looking at the downtown and the GPUD district again since we haven't looked at them since they were adopted in 2004 and 2009.

Councilmember Sharpe was concerned about the Council adopting this plan and then laying it on their desk. Mr. Benson said this document was the responsibility of the DDA Director and him. They would be responsible for taking this document, reporting on it annually, looking at it and trying to incorporate those into the actions. Even beforehand with CIB Planning, we wouldn't have asked them to make sure we were implementing this. That was City staff's responsibility. Councilmember Sharpe said that Carlisle Wortman hasn't provided any feedback and he was concerned about that.

Mr. Brown added that he wouldn't be concerned about that because the planning function wasn't to move forward with this kind of an economic branding and marketing strategy. The City needs to establish that. The planning function would allow us to maintain consistency with that as we continue to develop or redevelop the community, but it would not be someone that would be in the implementation phase on this marketing and branding kind of thing. It was a different function. He didn't anticipate they would be involved further with the actual implementation either. It didn't fit with their bailiwick. If Mr. Benson had a staff of five working for him, that was whose desk it would end up on. Because we don't, it will end up on Mr. Benson's desk. One of the things that was mentioned was hiring a marketing coordinator. That was something we could consider. That person would be a key

part of a team that would do that. He wasn't suggesting that was something we would ask for, but it was identified in the study. We will get it figured out and established and start building toward all these different goals that were outlined. The planning function needs to be consistent with those things to evaluate proposals.

Mr. Benson stated that when we talk about economic development, we talk about the targeting emerging clusters and the types of businesses that we look to attract. They really reflect what we plan for. When the Planning Commission and the City Council adopt a plan, ordinance or design standards, a plan like this should be reinforcing what you have decided. That was what this document does. We have looked at our Design Standards, what we require and what the IRO (Industrial Research Office) are, what are the allowable uses, special land uses and not permitted uses. That factors directly into what we are trying to attract and what we are not trying to attract. When we say we don't want mini storage in the IRO, it is not a permitted use. That was part of our economic development discussion. He would almost say it was the inverse relationship. Planning informs what kind of economic development we are trying to pursue.

Mr. Sprague added that at the core of this, economic development is really three things. It is business retention, business attraction and community development. That was what this plan was about. How do we want to retain and attract new businesses to the community? Though we do have some investment and development strategies laid out, the crux of the document is what makes Wixom great economically, what story we can tell and how is our staff going to focus on getting out in front of each and every one of these economic based employers and have strategy sessions with them to help them grow and expand in this community.

Councilmember Behrmann said he appreciated the time and effort that the Committee members put into this project. The one thing he thought for a while was the consistent entrance signs throughout the City. He felt that would be beneficial. There is an old wooden sign on Maple Road, white entrance signs on Pontiac Trail and a green one on the freeway. Even if we didn't do something like Novi has with the stone entrance, we could just do consistent, similar signs with the logo we have now or rebrand with a different logo.

Councilmember Smiley thanked them for all the work. He clarified that the adoption of this would get us to about 84% of our requirements for our Redevelopment Ready Certificate. Mr. Benson said that the requirement was that we have adopted the plan for economic development and marketing.

Mayor Beagle thanked CIB for their hard work, as well as the Committee members. He was excited to see us implement some of these items.

Vote:

Motion Carried

2.) Recommendation to Approve the Concrete Replacement Bid from K.D. Cement, LLC of Commerce Township, MI for 2023 Concrete Sidewalk/Road Repair Projects in an Amount Not to Exceed \$300,000 and Authorize the Associated Budget Amendment

CM-01-08-23: Motion and seconded made by Councilmembers Gronlund-Fox and Smiley to approve the concrete replacement bid from K.D. Cement, LLC of Commerce Township, MI for 2023 Concrete Sidewalk/Road Repair Projects in an amount not to exceed \$300,000 and authorize the associated budget amendment.

Mr. Sikma explained that last summer, we initiated a policy to reconstruct sidewalks throughout the neighborhoods in Wixom. Part of that program was to do a 50-50 match with the homeowners for repairs. We were able to get through Hillsborough, Wildwood, Trails of Loon Lake and about three-quarters of Wexford Mews. One of the things that made this program a success was the low contract bid last March using K.D. Cement LLC. We looked at reestablishing that contract for this fiscal year and asked K.D. Cement for pricing. Their price included an increase, primarily due to the new construction costs that we were seeing everywhere. The initial bids were from March of last year and over the summer concrete pricing rose considerably, along with the price of fuel. K.D. Cement honored the price from last March. He can no longer keep that price for this new year and we feel the pricing is justified. We have worked with them in the past and the homeowners have been very thankful. We have billed all of the homeowners who have had concrete done and he thought there was 80% from the homeowners in payment. He indicated that we would be doing Loon Lake Woods, the rest of Wexford Mews and some major road sidewalk replacements. We will also do some work on 12 Mile west of Wixom Road where Novi had completed their section.

Councilmember Gottschall questioned the tables in the report. One has a replacement of 8-inch and one for 6-inch. Another has the 6-inch with different values. Mr. Sikma replied that the two on the second page were for concrete roads and the ones on the first page were for sidewalks. Councilmember Gottschall asked if any part of this had been negotiated since we were not bidding this out. The root removal per sidewalk being \$15 per foot seemed insane to him. Mr. Sikma said there were a number of areas with one-inch roots where they thought they could use a Sawzall. They ended up using a Ditch Witch on two- and three-inch roots and grinding them. It was a matter of identifying what was out there and making a price for what it cost to do it. Councilmember Gottschall asked how we were letting residents know what the cost would be. He assumed we would be letting them know an estimate, but something like that would have a variable since they wouldn't know how many roots there were. Mr. Sikma said that when we initially go through, we estimate that and we send letters out with those estimates. The DPW was better at that now and he thought we would be more accurate for our pricing this year. Councilmember Gottschall understood the inflation factor, but he felt that had been abused the last three years. We are foregoing our ability to get a better

price because we like them as a contractor, so he felt there should be some negotiation attempt with this contractor and contractors in the future.

Councilmember Sharpe thought there might be a typo in the report. There would be no reason why a 6-inch street wouldn't be the same as a 6-inch sidewalk. Every other rate went up. He remembered K.D. Cement being quite a bit lower than everyone else in last year's quote. He thought the \$8.55 would have still been the lowest. Mr. Sikma said that overall, they were a little higher (with this bid) than the rest of the bids from last year. Councilmember Sharpe noticed we had limited it to \$300,000, but he asked if we could get that same price for the rest of the year if we wanted to keep going. Mr. Sikma thought that we could as he did not give them a limit.

Mr. Brown asked if Mr. Sikma had calculated what an overall price increase had amounted to on a cost basis. Mr. Sikma said it was just over 7%. Mr. Brown said that we recognize we are doing this without going through a bid process but for the work that was done, continuity of the project and the program, we thought the increases were reasonable. When you compare to what the bids were last March, we were pretty confident that we had a good price. Sometimes when you go out for bids, you end up with a worse price and that could be realized here. For him, people were very happy with the work that was done last year and he didn't want to shift gears to a new provider that may or may not be cheaper that doesn't provide that same quality and consistency of work.

Councilmember Gottschall said he wasn't concerned with the lack of bidding on this. He didn't mind when we reuse the same contractors. If we are happy with them, why go through the trouble if they are still reasonable. He thought it was always worth the conversation to see if we couldn't sharpen the pencil a little bit here or there. It is taxpayers' money but it was also homeowners' money. We are making the decision for our homeowners. It was worth the question, like on the tree roots. Could we call it \$12 or \$13 instead of \$15? He didn't know how they could come up with \$15 per foot for root removal.

Councilmember Smiley asked if this fell into the classification of waiving the bid process and would require a unanimous vote to pass. Mr. Sikma replied yes.

Deputy Mayor Rzeznik said he also had a question about the 50% increase in the root removal, but then he remembered them cutting the roots of his neighbor's large silver maple. They tried by hand to get rid of the roots and they had to bring the Ditch Witch to finish the job two days later. He could now see why they would need to increase it. There was a lot of labor that went into it.

Vote:

Motion Carried

3.) Recommendation to Accept Jurisdiction from the Road Commission for Oakland County Over That Portion of 12 Mile Road as Identified in the Agreement Transferring Jurisdiction and Authorize the Execution of the Agreement Per MCL 247.852

CM-01-09-23: Motion and seconded made by Councilmember Smiley and Deputy Mayor Rzeznik to accept jurisdiction from the Road Commission for Oakland County over that portion of 12 Mile Road as identified in the Agreement transferring jurisdiction and authorize the execution of the Agreement per MCL 247.852.

Mr. Sikma stated that he was recommending to accept .31 miles of 12 Mile Road east of Wixom Road from the Oakland County Road Commission. Years ago, this particular road used to be an on-ramp to I-96. Since then, it has seen less observation from the Road Commission. We feel that we can give our residents a better service by taking it over. If we factor out the money annually for Act 51, it comes out to roughly \$4,000 annually. One of the reasons for receiving grants from Oakland County through the Local Road Program was the industries in the area commented on our roads. There are several properties along 12 Mile Road on the Wixom side that have potential for economic development. One of the things that the owners of those properties asked was what we were going to do with the road. There were some drainage issues and new asphalt was needed there. Rather than go with a Tri-Party arrangement, we talked to Oakland County about accepting the road after it was repaired. They repaired the drainage by replacing culverts down 12 Mile Road and it has been much better. We have had zero complaints over the last summer, which was much better than it was. They have also reconstructed the road. They would like to give us the road and he thought it was the right thing to do.

Mayor Beagle asked what the PASER rating was on that road right now. Mr. Sikma said that it was a 10 right now but it will go down to 9 after the first year.

Councilmember Behrmann asked what Mr. Sikma would estimate the cost was for them to redo the drainage and resurface the road. Mr. Sikma said that was hard to say because they used maintenance funds for that. It wasn't part of a reconstruction project. Councilmember Behrmann said it was about \$400,000 for Maple Run and he wondered if it would be more. Mr. Sikma thought it might be \$400,000 because of the culverts they needed to repair and replace, as well as the drainage work. Councilmember Behrmann said that now that they have brought that PASER rating to 9 or 10, assuming it will need general maintenance, we will have 20-25 years until we will have to repave it again. At \$4,300 a year for 25 years, it was just over \$100,000. He asked how it made sense for us to take over the responsibility of this road from Oakland County if we are going to have to spend a half million dollars or more and we are only going to get \$100,000 in return. Mr. Sikma said that piece was recommended for economic development. We will see more construction in that area. The Master Plan shows two hotels and a potential on the end for another building. He felt the City would find revenue in that area. Councilmember Behrmann was confused how we would get much more than

\$4,000, or anything that would justify us taking on this responsibility if the County should have been maintaining it all along. Mr. Sikma didn't think we would've gotten that without Tri-Party money. If we don't do that now, we would still have to pay for a portion of that road each year, which was how we work out the road constructions with Oakland County. Councilmember Behrmann said that this just didn't make sense in dollars and cents to him.

Mr. Benson said that the beauty of it being a City road was that we have total say over what accesses look like, how creative we are willing to be with a future developer, and what they need to do to make sites work. Oakland County is much less willing to be flexible and they are less responsive. As a whole, if we need to do additional infrastructure projects, he knew there were additional pieces that make it more flexible by being under City ownership. In the long run, it probably does not save us money, but it allows us to provide a higher level of service. We hope that would become an attraction value from a development standpoint. It was about what we want our roads to look like in our community. He felt the number one reason was the service.

Councilmember Behrmann asked what our expense would be on a Tri-Party basis if we were to not accept this transfer. Mr. Sikma said that it was typically 10%. The Grand River cost will be \$450,000 and it was a \$5 million project. Councilmember Behrmann saw the idea of it being ours and we could do whatever we wanted easier, but from a dollars and cents standpoint, every year we put more money into our roads. He couldn't see why accepting this road made financial sense.

Councilmember Smiley asked for the pros and cons of owning that road and having that control. He wondered if it was really that valuable and if we really wanted to be in charge of more roads. He questioned if the economic development potential was that enticing. Mr. Benson said it was difficult to say. No one comes to us and asks if that was our road and if it is, they will locate there. What they do ask is what is the quality of the road. That makes a significant difference. Just the visual appearance of how well the roads are maintained makes a huge difference of how we are perceived by people when they are looking at a site or even going to Wilson Marine to look at a boat.

Mr. Brown said that part of that was retention. For example, there were rumors that Wilson Marine was looking around to relocate, which still may be the case. The quality of that road was appalling and it wasn't going to get better any time soon under the standard relationship between us and the Road Commission. The .31 roadway goes to a dead end in the City of Wixom and it was going to be very, very low on the priority range for the Road Commission. If it stays with the Road Commission, he assured the Council that when it came to the end of its life, he wouldn't expect them to be very motivated again because it got to that state in the first place under their watch. Now we would be experiencing that again if the City refuses to take ownership of the roadway. That was the discussion with the Road Commission – If you do that, we will do this. There was no formal agreement, but

that was the idea. He said we were adding to our responsibilities from a dollars and cents standpoint and he felt it was warranted.

Councilmember Gottschall said his mind was in the same spot as some of the other Councilmembers as far as this not making good financial sense. In the past, he has hammered on us as a City taking on new fixed costs and this was a fixed cost that would never be a net gain to the City. With the road revenue that we do collect, we can't keep up with our roads as it is. Now we add another road into the mix to eat into the funds that already do not keep up with our current road issues. He had a tough time understanding why we would want to do this. Unfortunately, it sounded like there was some discussion about them doing the project and the City would then take over the road. He didn't like to go back on a deal, but that wasn't a deal that the City Council made. It was nice that they did the road. He felt the County was holding residents and business owners kind of hostage. The roads are hideous. Homeowners are told that to get them repaired they have to create a special assessment district because the County doesn't have money. The County was way behind on what they need to be doing maintenance-wise. He thought a few departments needed to get funded less, or not at all, so more money could go to roads. Everyone uses roads. He felt we were doing the County a favor by taking this over and costing ourselves a couple hundred thousand dollars in terms of what it will cost us to repair it versus what we brought in. It didn't make sense. He would rather do Tri-Party deals, or he would rather work out an agreement with the County that we would take this on but they would contribute 25% of the cost later. We are already on the hook for Beck Road and we know what a nightmare that is. This isn't even a main road; maybe even one of the least known roads. Many people don't even know that 12 Mile in Wixom exists. He said he would be voting no on this.

Councilmember Behrmann asked if this was completely in the City of Wixom. He knew that with Beck Road we have always been confused as to why it was all Wixom's responsibility because none of it was in Novi for some of the items we have done in the past. Mr. Sikma said that 12 Mile Road is half in Wixom and half in Novi. The Road Commission can give the full road to us. That does not include the intersection with the light. Up to that point, it would be a Novi piece. But the .31 would start after that. Councilmember Behrmann said we would be taking on the responsibility to maintain a road for another municipality. Mr. Sikma said that the portion of the road that was connected to the Wixom industrial would be serviced by that road. There was really not much on Novi's side because it was wetlands. There were no developable properties.

Mr. Benson asked about the other section of 12 Mile Road that connects to Grand River and Napier. He wondered if those were entirely maintained by the City of Novi. Mr. Sikma said that the concrete piece on 12 Mile near the bank was Wixom's and we maintain that. We will be doing some of that concrete work. Mr. Benson said that the inverse was true. There are sections of road that they maintain for us.

Mr. Sikma said that was correct. That was how we ended up with Beck Road and they ended up with the dirt section of 12 Mile Road, which they have since paved. Councilmember Sharpe said he was initially supporting this, but he kind of liked Councilmember Gottschall's proposal that we ask for some better terms on this. It was like someone buying a Christmas present for somebody and then coming after the fact and asking you to pitch in on it. He didn't think the Council was involved with this deal to repave it and then try to sell it to us for essentially \$500,000 twenty years down the road. He didn't know what that would cost us. It didn't feel to him like this made financial sense. Bad roads don't seem to be an indicator whether we can draw businesses or not. Just look at Wixom and all of the construction that is going on at Assembly Park with one of the worse roads in Oakland County. He said he changed his mind and would not support this. He said he supported the idea but he felt we needed better terms.

Councilmember Gronlund-Fox understood the concern of Council as far as the money. She also understood, coming from Administration, it was nice for the City to have control of that road because the County would not do anything about it. Since it was a small portion, once it does need repair, our chance of getting that taken care of are probably slim to none. She wondered if this was tabled, could Mr. Sikma go back and try to negotiate some different terms. Mr. Sikma said they were pretty clear that they weren't very receptive to any more on that. They have paved the road and corrected the drainage issues. It took close to five years to just get the drainage fixed.

Mr. Benson didn't think there was much else they could offer the City. The Act 51 money was the carrot that came with the road.

Councilmember Gronlund-Fox said that in her mind, the reason for us to take over the road would be to have control and we can take care of it. Mr. Sikma added that the economic piece was always the carrot on our side. We thought it was a greater possibility for development in that area.

Mr. Benson said that as a resident of the Township of Waterford, he was very aware of the issues. One of his biggest complaints was the Township was not responsible for the roads. That was the only difference between a City and a Charter Township. They don't do it because it is an expense. It costs money to maintain these pieces of infrastructure. Part of the appeal of Wixom is that when you come here, you make an investment. Your value will be higher and you will pay a fair amount of taxes. As we see with our residential neighborhoods, you get something for it. The road will be taken care of. That would be the economic development argument from him. We are not making money on this, but it was not about making money.

Councilmember Gottschall said that when it comes to negotiating with the County, he thought there might be a misunderstanding that we are at their mercy but we are really not. They have a duty to maintain their assets. It was whether we hold their feet to the fire or not. It shouldn't be a lengthy five-year discussion to fix the

road. To him, that was almost lawsuit territory. If all the homeowners in Waterford started suing the County to fix the roads, the roads would get fixed pretty quickly. He thought there was just a lack of effort and oversight. When it comes to negotiating, things he would be open to were maintenance contributions down the road as they come up. If they want to throw in a lane extension on Wixom Road to the expressway, that could be a part of the deal. He wouldn't mentally tie ourselves just to 12 Mile Road if we are going to negotiate with them. He said he completely understood the economic development side of things, but even if we put up a few more hotels or whatever might happen there, that tax revenue still doesn't put a dent into the extra costs we are taking on with the maintenance. He knew the goal wasn't to make money when you are working in government, but we are also asking residents to give up road money for their neighborhood so we can spend it on 12 Mile Road in the future. He had a tough time justifying that on behalf of homeowners. People want to drive to their house and know the road is good because when they sell that house, the road needs to look good. The amount of people going down that stretch of 12 Mile Road in the City of Wixom could probably be counted on one hand a week. It didn't make sense to him.

Councilmember Smiley said this wasn't something he felt good about but he was convinced that short of a crystal ball the County was never going to do any more to this road. Novi has no motivation to be involved if there was nothing but wetland on their side. It was a relatively small stretch and we have economic development that we can do there. We are the only ones who really care about that road. He thought it was worth mentioning that the RCOC and the County Commission were separate entities and we would like to keep it that way. He noted that our County Commissioner, Dr. Ajay Raman, was present at this meeting.

Deputy Mayor Rzeznik asked if we currently sent a salt truck or snowplow down 12 Mile Road. Mr. Sikma replied that with the anticipation of this agreement, we did this year. Deputy Mayor Rzeznik said that if we build a couple hotels and other businesses there, our fire gear would have to be going down those roads. Mr. Sikma confirmed that they did anyway. Deputy Mayor Rzeznik asked how many buildable lots there were. Mr. Benson answered that there were four lots there. Deputy Mayor Rzeznik thought that when the County was snowplowing, that section of 12 Mile was probably the last to get done.

Councilmember Sharpe confirmed that we didn't get any revenue from the County to do any plowing. Mr. Sikma said that was correct. Councilmember Sharpe said we would be picking up that expense too. Mr. Sikma said that we are receiving Local Road Funding from Oakland County, roughly \$30,000 to \$40,000 a year, for improvements on industrial roads. This has been an ongoing program since 2016. He knew it was different than the Road Commission, but Oakland County does provide those kinds of funds for local roads for the purpose of economic development.

Mr. Benson said there were four buildable lots and 7.12 acres in Wixom on 12 Mile Road.

Roll Call Vote: (4) AYES – Beagle, Gronlund-Fox, Rzeznik, Smiley
(3) NAYS – Behrmann, Gottschall, Sharpe

Motion Carried

CALL TO THE PUBLIC: (None)

CITY MANAGER COMMENTS:

Mr. Brown indicated that his office received a compliment for Karen Darling of the Construction and Development Services Department from the President & CEO of a large construction engineering company. Also, he noted that there were five employees celebrating work anniversaries ranging from one year to eight years of service. He congratulated all of them and thanked them for their service.

Mr. Benson said that we received a property transfer affidavit for the Heath Building, the older brick building along Pontiac Trail. The new owner has already met with him for preliminary talks of what kind of permits they will need. They are still in the exploring phase. It was not an institutional investor but more of a mom and pop retail situation. We are still awhile away from the building being fully built out and reactivated, but it was an exciting development. We have offered to help them however we can to make that project succeed.

COUNCIL COMMENTS:

Councilmember Gronlund-Fox thanked Karen Darling for her customer service efforts. She thanked and congratulated all those celebrating work anniversaries. She passed along her condolences to Wixom employees Sue Comben and Bryan Stowinsky on the passing of their mothers.

Councilmember Sharpe had no comments.

Councilmember Gottschall shared his thoughts with Sue Comben and her family, as well as Bryan Stowinsky and his family for their recent losses. He wished Officer Scherbarth congratulations on his retirement. He wouldn't be able to attend the party, but since he has been on Council it has always been nice to see him at different City events. He has always been a smiling face on the City's behalf and that was important as a police officer for the City. It has been nice getting to know him. He wished him well on his retirement and hoped he had time to relax before he figured out what he would be up to next.

Councilmember Behrmann echoed the previous comments regarding the condolences to both staff members and their families. He congratulated our recently retired employee from the Police Department.

Councilmember Smiley thanked Assistant City Manager Benson for leading and keeping the economic development and marketing plan moving. It was a gratifying process and he was very excited to see how it continues. He offered his

condolences to Sue Comben on the loss of her mother, as well as Sgt. Bryan Stowinsky on the loss of his mother.

Deputy Mayor Rzeznik offered his condolences to the families of Sue Comben and Bryan Stowinsky on their losses this week. He asked Mr. Brown for a brief update on the communications with DTE relative to the December 31st power surge. Mr. Brown said that he had the last conversation with the representatives from DTE yesterday and they settled on a course of action where they will investigate this further on site at a few homes that were impacted directly. We will get out with multiple representatives from DTE and we are planning to bring an electrical inspector from our Construction and Development Services Department to take a look at the wiring that services the homes, as well as the DTE wiring. He has not yet managed to bring together all of the parties, but he anticipated that would happen next week. They will also try to figure out what happened with the power surge that has damaged multiple homes and appliances within the community. Deputy Mayor Rzeznik said a special thank you to resident Marie Smead who collected data from over a hundred residences in one subdivision. Mr. Brown said he has worked with her quite a bit on this and knew the amount of effort she has put into this was incredible.

Mayor Beagle congratulated Karen Darling on the compliment. It was nice to get these things, but everybody in our organization was like that, from the Clerk's Office all the way down to people even smiling when they pay their taxes. We have the greatest staff there is and it is always good to hear other people want to give them compliments. He congratulated everybody with work anniversaries. He passed his condolences on to Sue Comben and Bryan Stowinsky on the loss of their mothers. He congratulated Officer Craig Scherbarth on 25 years with the City. He was sure he would be missed. He asked the Councilmembers to put the second meeting in February and the second meeting in March on their calendars for Budget Study Sessions at 6:00 p.m. each of those nights.

ADJOURNMENT:

The meeting was adjourned at 8:40 p.m.

Catherine Buck
City Clerk