

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, APRIL 23, 2024**

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-04-52-24: Moved and seconded by Councilmembers Gronlund-Fox and Sharpe to approve the Goal Session minutes of April 9, 2024.

Vote:

Motion Carried

CM-04-53-24: Moved and seconded by Deputy Mayor Rzeznik and Councilmember Behrmann to approve the Regular City Council meeting minutes of April 9, 2024.

Vote:

Motion Carried

CORRESPONDENCE: (None)

CALL TO THE PUBLIC:

Derick Hulet, 477 Fletcher Street, was present at tonight's meeting to represent Snethkamp Automotive Group. He noticed on the agenda that the City was looking to purchase a Dodge Ram pickup truck through MiDEAL out of Lansing, Michigan. He's prepared a proposal that would be a significant savings to the City, and above and beyond what the MiDEAL program would provide. His company has provided vehicles to the City for the last several years, and they've provided excellent service both before and after the sale. He was pretty sure the Lansing dealership would not be able to provide the same customer service. He indicated that the net delivered price of the truck would be \$45,245. He brought several copies of the proposal for City Council.

CITY MANAGER REPORTS:

1.) Departmental Reports – March 2024

Deputy Mayor Rzeznik noticed that Skynet was looking for an alternative to the training and cyber security training. He wondered why that was. Mr. Brown said they were not dissatisfied with KnowBe4 service; in fact, they felt it's been pretty

effective. Their main reason for looking at another provider was the significant price increase. They were just looking at all their options.

Deputy Mayor Rzeznik noticed the report indicated the drinking water limit for PFAS was sixteen parts per trillion and eight for PFOA. On April 10, 2024 the EPA enacted a new rule that the standard would be four parts per trillion for both PFAS and PFOA. He asked if those numbers would be reflected in their next reporting cycle. Mr. John of F&V Water Operations said the wastewater standards were different than drinking water standards. Their effluent was treated by the wastewater standard, and they only placed the drinking water standard in the report to show how close they were meeting to the drinking water standard.

CONSENT AGENDA: (None)

UNFINISHED BUSINESS: (None)

NEW BUSINESS:

- 1.) Recommendation to Utilize the MiDEAL Bid Price and Authorize the Purchase of a 2024 Dodge Ram 2500 Crew Cab Pickup Truck from LaFontaine Automotive Group of Lansing, MI for \$46,969 from Vehicle Purchase – Fire Account #410-336-973.350 and Approve the Associated Budget Amendment**

CM-04-54-24: Motion and seconded made by Councilmembers Smiley and Gronlund-Fox to utilize the MiDEAL bid price and authorize the purchase of a 2024 Dodge Ram 2500 Crew Cab Pickup Truck from LaFontaine Automotive Group of Lansing, MI for \$46,969 from Vehicle Purchase – Fire Account #410-336-973.350 and approve the associated budget amendment.

Chief Geistler said their 29-year-old military Humvee that was converted into a grass fire pickup truck had been unreliable as they were having trouble keeping it running. At this time, they were looking to replace that vehicle and purchase a new one.

Councilmember Behrmann was curious what the Chief thought of the counter proposal given to Council this evening coming in at almost \$2,000 less. Chief Geistler said based on the specifications provided, it appeared to be the exact same truck. He didn't have one preference over the other. They used MiDEAL because it was already a bid in process. He didn't believe that Snethkamp Automotive was part of the MiDEAL bid. Councilmember Behrmann asked if administration would have any issues going with the bid presented tonight by Snethkamp Automotive vs. MiDEAL.

Mr. Brown spoke to the Fire Chief and the City Attorney about this. He said typically you would never entertain a quote from somebody outside of the solicitation process. He didn't think Council should accept the new bid unless they chose to waive the bid process entirely, which required a unanimous vote. In addition, they needed to make another motion to award the bid to the alternative vendor that presented at tonight's meeting. He stated the whole benefit to MiDEAL was avoiding the solicitation process as it's already been done for you.

Councilmember Behrmann said if the rest of Council was in support, he would feel comfortable with waiving the bid process and going forward with the new bid as it was cheaper and they've done business with Snethkamp in the past.

Deputy Mayor Rzeknik wondered why Snethkamp Automotive chose not to participate in the MiDEAL bid process. Mr. Hulet said that it forced them to have a one size fits all pricing structure that ultimately any agency in the State could utilize. Also, it became cumbersome as they were not centrally located in the State. He mentioned that the City had done business with the Redford, Highland Park and their leasing company.

Councilmember Smiley asked if there was any other concern with this process by the City Attorney aside from waiving the bid process. Mr. Brown said he presented the entire outline to her and she was content that they'd be alright because they didn't originally go out for bids locally. Councilmember Smiley wondered if there would be any repercussions if they chose to not honor the MiDEAL pricing. Mr. Brown said no. Councilmember Smiley supported the waiving of the bid process and honoring the alternative bid presented tonight.

Councilmember Gottschall asked if they had any idea how many bid proposals were submitted to MiDEAL. Mr. Brown didn't know the answer but thought there was a pretty substantial number. Councilmember Gottschall wanted to make sure it wasn't just one vendor that submitted to MiDEAL.

Mr. Brown asked them to keep in mind that this was not a local bid process; as such, they did not have any involvement with it. He said the Fire Chief hadn't contacted MiDEAL to notify them that they would be purchasing from their bid so there was no expectation from them. They would not be backing out of a commitment.

Councilmember Gottschall knew that with the last few vehicles purchased, the dollar figures had been close or Snethkamp had been slightly more. He liked that they were saving money but it was tough without knowing exactly how many vendors put forth bid amounts for this vehicle through MiDEAL.

Councilmember Sharpe thanked Chief Geistler for transferring money from an unused fund to an over-budget fund to pay for the truck inside the 2024 Fiscal Year. Additionally, he thanked him for coming in right at budget for this purchase. He questioned if they could save money by doing a local bid in the future over using MiDEAL. He said they've always went in blind when using MiDEAL and if they were not going to go in blind tonight, he may start to ask them to bid and/or quote everything. He was concerned because since the Council packet was distributed to the public ahead of time, companies could get all the details and come in and low ball a bid. He did not believe they should just reward them for that. He would not support waiving the bid process; however, he would support the purchase of the truck through MiDEAL.

Mayor Beagle asked when Mr. Hulet found out about the bid request for the truck. Mr. Hulet said that he learned of this protentional purchase after reading the packet last Thursday. Mayor Beagle appreciated the business that Snethkamp has given

the City in the past; however, he wasn't in favor of the lower bid after the public packet had gone out. He felt unsettled about the way the process had taken place. He was not in favor of waiving the bid process, but he would support the purchase of this truck through MiDEAL.

Councilmember Behrmann said he wouldn't make a motion to waive the bid process if they had two Councilmembers not in favor of it. He would like to understand why and how the Snethkamp bid came in almost \$2,000 under. Perhaps, they could table this item so they could send it out for bid locally. Maybe MiDEAL wasn't competitive at this point.

Mr. Hulet said that every time he bid a vehicle for the City he utilized the same criteria. Instead of doing a reduction from the MSRP or MiDEAL price, they worked on a markup basis and added a few hundred dollars for profit. They operated this way when dealing with the City because it was a service they provided for them. He said if it would have been a local bid they would have submitted and probably won or came close.

Councilmember Behrmann wondered if MiDEAL vendors were those that submitted to work with the State and the local municipalities just lumped into it. Mr. Brown would prefer to call it piggy-backing into the MiDEAL price agreement. Councilmember Behrmann asked if it was fair to assume that somebody selling vehicles in bulk may not be the same person that would bid a municipal contract for a few cars. Mr. Brown couldn't speak for other people in the business, but it was his opinion that a local dealer may not want to pursue it considering they could give up a higher price margin. Councilmember Behrmann figured if they could save \$2,000 by sending it out to bid, then they should send it out to bid.

Mayor Beagle wondered how much it would cost the City to bid out this vehicle. Mr. Brown said that was the benefit of going with MiDEAL or MITN because the administrative legwork had already been done by another agency. He wouldn't venture to guess what the cost was to the City but he knew there would be publication time and time being taken away from the organization.

Mr. Benson explained that the MiDEAL program bids out numerous types of vehicles with every type of specification. It made it easy because you could log on and pick exactly what you wanted. The MiDEAL allowed a little more flexibility because you were able to look at the cost difference based on the arranged prices. Mayor Beagle wondered what the savings would be by drafting their own bid spec, publishing, reviewing, staff time, etc. Mr. Benson assumed there would be a decent amount of staff hourly time when preparing/conducting the bid process.

Councilmember Behrmann wasn't comfortable approving the agenda item as it stood considering they could save almost \$2,000 immediately by considering this alternative bid.

CM-04-55-24: Motion and seconded made by Councilmembers Behrmann and Smiley to table the purchase of a 2024 Dodge Ram 2500 Crew Cab Pickup Truck from LaFontaine Automotive Group of Lansing, MI for \$46,969 until administration presented bid specifications and advertised locally.

Councilmember Gottschall said he would prefer they waited to table New Business #1 until all the conversation was finished as he still had things he wanted to say on the matter.

Councilmember Behrmann withdrew the motion in order to continue discussion on New Business #1.

Deputy Mayor Rzeknik guessed around two or three staff members would be involved when preparing the bid specs, publications, bid opening, receiving and reviewing. Considering the staff was already busy enough and they might spend that much money in man hours preparing it all, he wouldn't support going out to bid. He suggested that Snethkamp Automotive consider being part of MiDEAL for he knew that it didn't cost much to be part of the program.

Councilmember Smiley agreed with the low-balling concern that the Mayor and Councilmember Sharpe described. In normal circumstances he would conform to that but he was stuck on the working relationship the City already had with Snethkamp. He felt this company that wasn't aware they intended to purchase a new vehicle saw it in the packet and thought they could give us the better deal because of the working relationship they've established. He still liked the idea of waiving the bid process and giving it to Snethkamp and taking the savings. He did not want to set a precedent so he wouldn't want to see this happen again.

Mayor Beagle thought they would be setting a precedence. The next time we go out to bid, another vendor could read the packet and come to the City with a lower dollar amount. He felt if they honored it now, who was to say they shouldn't honor it again.

Councilmember Gottschall thought savings was savings and it didn't matter how it happened. Perhaps in the future, they could reach out to a vendor and notify them they were going to go with MiDEAL and determine if they could get a better price. He thought it would be easier to consider waiving the bid process if they acted in that manner. As for the cost to bid this out and the man hours it would take, they were not reducing a potential profit because they were a non-profit entity. He stated the staff was available to make sure they were managing the purchases and money accordingly. He was sure that it wasn't the best perspective to say that it would cost the City a certain amount of dollars to bid this out when the staff was already there to work as they wouldn't be bringing in an outside consultant or sacrificing profit from somewhere else. He suggested they reach out to local vendors and invite them to bid and/or ask them if they were part of the MiDEAL program. With all the conversations that were had about being pleased the staff was coming in under budget, he found it odd they would vote to spend more money just because it was coming to us in a different way. He was still in favor of waiving the bid process.

Councilmember Gronlund-Fox stated the City went through MiDEAL and MITN for a reason, and you needed to consider staff time. She questioned if the staff could contact a business and ask them if they could come in under what the MiDEAL or MITN pricing was.

Mr. Brown said it would be worth it for us to check out that angle. Typically, he wouldn't advocate for that because it was the bid process they were choosing to participate in. He would be more receptive to holding up waiving the bid process entirely and go out for bid to determine if someone could give them a better price. He said if that didn't work out, they could always go back and go with the MiDEAL pricing.

Councilmember Gronlund-Fox was concerned they would come upon this in the future considering some of the Council questioned if they were getting the best deal from MiDEAL. She did not feel this was the best way of doing business.

Councilmember Sharpe thought they were risking missing the budget if they went out for bid. He asked Chief Geistler how they considered the vehicle spec. Chief Geistler said they had an idea of what kind of vehicle they wanted and contacted the local dealer and MiDEAL. They went with MiDEAL because it was the best bang for their buck. He mentioned that the Ford F250 Series would cost \$54,000 and the Dodge 2500 cost \$46,969. Councilmember Sharpe said it could become a slippery slope if they went away from awarding MiDEAL; for at every meeting something like this came up, someone could come in and beat the MiDEAL price. He questioned where they would draw the line. The situation was very similar to accepting bids locally from various vendors and one of them said they could beat that price. He thought that was essentially what happened at tonight's meeting as Snethkamp Automotive Group looked at the packet and saw the \$49,969 and said they could do it for \$45,245. He did not think it was the right way to do business.

Mr. Benson said they utilized the bid process so that all potential service providers had an equal opportunity.

Councilmember Behrmann understood what everyone was saying and he did not want this scenario to become a regular occurrence; however, Snethkamp wasn't just a random vendor but someone they've worked with in the past. Additionally, their operations manager lived in Wixom and attended Council meetings regularly. He believed that if they didn't consider giving them the business, it would appear they were slapping the resident in the face when that resident came to more Council meetings than 99% of the people that lived in the City. He couldn't understand how Council complained about the budget nonstop but wouldn't consider waiving the bid process when it would be a \$1,700 cost savings to the City. He felt that Council was missing the point. He stated that this person was a resident, had a local business, would save the City money and you'd get the exact same product with better customer service. He agreed with not entertaining a random bid that came before them or perhaps they needed to consider that the MiDEAL bid process wasn't the best.

Councilmember Gottschall pointed out that they did not know if the MiDEAL was always the best option for the City. He figured there were plenty of local companies that may not have the capacity to supply 300 vehicles so they didn't participate in MiDEAL. Just to default to MiDEAL might not be the best method. He could not understand why the Council was upset because of how it was presented and that

it's considered lowballing. He didn't think it mattered how the savings came to be or who brought the savings.

CM-04-56-24: Motion and seconded made by Councilmembers Smiley and Behrmann waive the bid process when purchasing the 2024 Dodge Ram 2500 Crew Cab Pickup Truck.

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

Motion Failed

CM-04-57-24: Motion and seconded made by Councilmembers Behrmann and Gottschall to table the purchase of a 2024 Dodge Ram 2500 Crew Cab Pickup Truck from LaFontaine Automotive Group of Lansing, MI for \$46,969 until administration presented bid specifications and advertised locally.

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

Vote:

Motion Carried

2.) **Recommendation to Accept the Mutual Non-Disclosure and Confidentiality Agreement with Terre Environmental, LLC of Charleston, South Carolina to Evaluate the Viability of the Removal of Biosolids Containing Polyfluoroalkyl Substances from the Storage Tanks Located at the Water Resource Recovery Facility and Allow DPW Director Tim Sikma to Sign the Agreement**

CM-04-55-24: Motion and seconded made by Councilmember Gronlund-Fox and Deputy Mayor Rzeznik to accept the Mutual Non-Disclosure and Confidentiality Agreement with Terre Environmental, LLC of Charleston, South Carolina to evaluate the viability of the removal of biosolids containing polyfluoroalkyl substances from the storage tanks located at the Water Resource Recovery Facility and allow DPW Director Tim Sikma to sign the agreement.

Mr. Sikma said we do have biosolids that have PFAS (polyfluoroalkyl) and we are working on ways to remove them from the Treatment Plant. For the record, they are not being discharged to the Creek and we are in compliance with all of our NPDES limits currently. We would like to remove them from the site and clean up the tanks. He felt this group has given us the opportunity to do that. They do have some proprietary ways of disposing of this chemical. Our current discussions include being able to clean the tanks, remove what is there and haul it to their transfer treatment and design facility to treat and dispose of these chemicals properly. This is new technology and we are on the cutting edge of this since the beginning. He felt this was a step in the right direction. We don't know what this will cost yet. This group has financial ties that would help with the research and development and possible grants. He said he would come back to Council with a plan.

Mayor Beagle wondered if there was a way that any cost associated with this would be reimbursed by Tribar without having to go to court. Mr. Sikma said he was still looking into that and he was hoping that we would receive either State or Federal funding.

Councilmember Behrmann commented that four years ago we had a filtration system with tents trying to get rid of these chemicals. He asked if the tanks he was shown earlier today contained the same substance from there or if that was collected since then. Mr. Sikma said we had fully intended to utilize the treatment processes that we had on site and use activated carbon to remove all of it. The timing of that brought us into winter problems. We went right up to our grant funding possibilities for that. We were no longer able to keep that project without spending more money. We utilized what we had and considered it a pilot study for future use. That was why we retained the activated carbon and the resin we still have at the Treatment Plant. We could dispose of it if we needed to in the future. We would still have to bring that funding back up and figure out a way to do that. He felt this still was an unfunded mandate from the State and the Federal government. He thought some of the responsibility of clean-up should fall on other entities. Councilmember Behrmann thought it would make sense to start moving forward. Mr. Sikma noted that we were able to treat about half of it.

Councilmember Gottschall noted that Section 5 of the contract states that "confidential information shall not include any information which receiving party can show (e) is required to be disclosed by law." Since the laws are literally still being written about PFAS, it was tough to say what is or isn't law and what has to be disclosed. He wanted to make sure that this was just to enter into discussions to maybe hire them to do this in the future and that in no way will it prevent the City from being completely transparent about what was happening with the levels of PFAS. He wanted to make sure it was an open book and no one from their side was construing any part of this contract as an ability to circumvent any reporting. Mr. Sikma said that we would need to work with EGLE to even move it off the Plant site. It would require some permits through our Part 41 permitting process. This was the first step of many that we will need to do. This was protecting any kind of proprietary treatment processes. With such a large group of individuals interested in it, they feel it was going to be a value to many communities in the future. The company doesn't want to lose their process and their patents because of discussions. Councilmember Gottschall understood the trade secrets and technology, but the contract does make reference to laboratory sampling data or results, reports (whether in draft or final). That language makes it seem like anything that is done as a part of this by them or by us was going to be protected. He didn't think that should be the case. Mr. Sikma commented that once it leaves the site, it still belongs to the City of Wixom until it is treated to the point of breaking it down into the different elements and no longer a hazard to society. Councilmember Gottschall said that there would be sampling and lab reports that go into that. He confirmed that they understood that would be disclosed and Mr. Sikma stated that was correct.

Mr. Brown added that this agreement was strictly for evaluation of whether this could be something that either party wanted to proceed with. There will not be any

testing done on the materials. However, if we decide to go forward with the process with them and have it treated by them, then there would be testing involved.

Councilmember Sharpe asked how we came to talk to Terre Environment. Mr. Sikma replied that he has attended several water conferences over the last four or five years. He has been trying to get groups involved to determine how to effectively and economically treat this to our standards. He has known people in this group for a few years. Councilmember Sharpe thought maybe we were a part of a research and development, but we are not. He confirmed that there was no money exchanging hands unless we like what we see. Mr. Sikma said that was correct. There would be new action by Council at that time.

Deputy Mayor Rzeznik stated that the termination clause was for one year. The survivability only pertains to Section 6, Indemnification. He wanted to make sure that four years from now there were best practices and he gets called on by a group of DPW leaders and Wastewater Treatment Plant experts coming together. He would be able to share any of those best practices. There was really no survivability in terms of the confidential information exchanged during that one year. He searched through this and could not find it anywhere. He was used to seeing two items in mutual MBAs. One was the term of the agreement, and the other was the survivability of the confidential information. Mr. Sikma commented that the technology for PFAS was going so fast. He knew of other companies who were involved that are able to treat this waste effectively. This particular group has the financial means to make it happen for us. He was hoping that he would be able to bring something back to Council very quickly. It would be within the year. He wasn't sure where we would be after that, but the confidentiality of that would be determined later. Deputy Mayor Rzeznik thought that by mutual agreement, they could decide to let Mr. Sikma speak at a conference.

Vote:

Motion Carried

CALL TO THE PUBLIC:

There were no comments made at this time.

CITY MANAGER COMMENTS:

Mr. Brown indicated that there were five employees celebrating work anniversaries during the month of May. Their years of service ranged from one year to 21 years. He thanked and congratulated all of them. Also, he stated that there was a road construction/project update page on the City's website to keep the residents and visitors informed about road projects in and around Wixom. Lastly, the calendar submitted with his City Manager's Update had one correction. The Employee Picnic will be held on Thursday, June 6th, and not June 13th.

Mr. Benson gave a shout out to Mr. Sikma and his team for the great Earth Day Event held for middle schoolers and the general public. He also thanked SafeBuilt and F&V for their donations. It was a well-received event.

COUNCIL COMMENTS:

Councilmember Smiley said he didn't know all of the clerks in Oakland County, but word on the street was Cathy Buck was the best one. Sadly, this was her last

Council meeting as she will be retiring in a couple weeks. He thanked her for all her years of service and said he would see her on Election Day.

Councilmember Behrmann echoed the same comments regarding the Clerk retiring. It was going to be disappointing to not see her at Council meetings any more. He said he has enjoyed her being the Wixom City Clerk. He felt the City was very fortunate on the replacement Clerk. She seemed to be trained extremely well by our current Clerk. He said he attended the DPW Open House today. Mr. Sikma showed him some of the improvements that we have been paying for at the Water Plant. He saw the new clarifier. They took the old control board that didn't control anything and replaced it with a new touchscreen television to see everything in the Plant. He encouraged those who haven't been there recently to go for a visit.

Councilmember Gottschall said it has been very helpful having Ms. Buck here for his eight years on Council. She has always answered his questions and he appreciated getting to know her and work with her. He wished her a lot of happy enjoyment in retirement.

Councilmember Sharpe felt there was good discussion tonight. Even though the Council doesn't always see eye-to-eye, 4-3 votes are rare. That was why there are seven Councilmembers. He gave a shout out to the Branding team, Mr. Benson and Ms. Cloutier who were leading that effort. There was a meeting recently to narrow down signage, wayfinding and logos. He thought it was exciting. They are getting closer to bringing something to Council. The Guide team was pretty good. Also, he noticed the DPW update online today. He knew Deputy Mayor Rzeznik has been ephaptic about current events being first and foremost and it was today. He thanked Clerk Cathy Buck for all of her service. He wished her well on her retirement.

Councilmember Gronlund-Fox thanked Mr. Sikma, his staff and all those involved. She thought it was great to have that information. It was very helpful to everyone. She thanked those employees celebrating work anniversaries. She thanked Clerk Cathy Buck for everything she did and told her to enjoy every minute of her retirement.

Deputy Mayor Rzeznik remembered the day he heard Ms. Buck was coming to work in Wixom. He heard from a mutual friend at a Walled Lake Western football game. His friend, also a Walled Lake City Councilmember, said Deputy Mayor Rzeznik didn't know how lucky the City was. He said he realized in the beginning that we were very, very fortunate in getting Clerk Buck. He said we will miss her. Also, he thanked DPW, Spurt, SafeBuilt and F&V. He also attended the very interesting demonstrations today. It was a refresher course for him and he felt it was very enlightening. He got to see a water bear under a microscope, which was very interesting. He realized how much knowledge Mr. Sikma has over his entire career in Wastewater Treatment Plants. He recommended that staff include the URL underneath the QR code in the Friday Blast for the seniors that don't have a camera on their phone.

Mayor Beagle congratulated the five employees who were celebrating their work anniversaries. He appreciated everything that they do. He told Clerk Buck that it

has been fun. He thanked her for putting up with all his shenanigans for all these years. We have become good friends and he cherished that friendship. He thanked her for all she has done for the City.

ADJOURNMENT:

The meeting was adjourned at 8:17 p.m.

Catherine Buck
City Clerk

Approved 5-14-2024

Patrick Beagle, Mayor

Catherine Buck, City Clerk