

**CITY OF WIXOM
49045 PONTIAC TRAIL
CITY COUNCIL GOAL SETTING MEETING
MONDAY, FEBRUARY 14, 2022**

The meeting was called to order by Mayor Beagle at 5:07 p.m.

PRESENT:

City Council: Patrick Beagle (Mayor), Thomas Rzeknik (Deputy Mayor), Peter Behrmann, Keenan Gottschall, Tia Gronlund-Fox, Peter Sharpe, and Robert Smiley

City Staff: Steve Brown, Drew Benson, Cathy Buck, Deanna Magee, Ron Moore, Jeff Roberts, Tim Sikma, Marilyn Stamper

Determination of Quorum:

A quorum was present for this meeting.

Changes or Additions to the Agenda:

No changes were made to the agenda.

Call to the Public:

There were no comments from the public.

Goal Setting Overview:

Mr. Brown said that Mr. Benson put together a spreadsheet of all of the goals and he hoped the Council found it helpful. He suggested that the Council start with the highlighted goals, which were the ones that were mentioned by three or more Councilmembers.

Mr. Benson indicated that the spreadsheet was created in a way to see those goals from a budget standpoint. The numbers are very rough estimates of the costs and meant only for discussion purposes. People may be able to speak on their individual topics as for the actual costs.

Councilmember Smiley said that there were a lot of quick and easy goals listed and he felt it was safe to assume that staff saw them and would work on them during the next few months if they were not discussed by Council. Mr. Brown said that he and Mr. Benson discussed that very thought.

Mr. Brown noted that there were several goals (like cyber security, reviewing the tax abatements, reviewing the sign ordinance, and the Airline Trail) that were moved down the road. He said that he submitted the Beck Road right-of-way and that will be a priority this year and into next year. Mr. Benson added that some of those could have budget impacts if they are carried over into next year, like the Civic Center Walking Path. That might not be expensed until the next fiscal year. He stated that they didn't remove any submissions.

Goal Setting Discussions:

- **Review All Contractual Services**

Mayor Beagle indicated that he would like to see the contracts reviewed yearly. For example, we have had CIB Planning for more than ten years. We are paying Mr. Avantini's salary and we are getting Ms. McIntyre. With HRC, they tell us who we are getting and how much we are paying for that person.

Councilmember Behrmann agreed that all of our contracts need to go out for bid, but he didn't think it was feasible for Administration to bid them all out yearly. He would like to see more of a

structured timeframe. Engineering was recently bid out, so in six months we could bid out the Planning contract. As long as we have a timeframe where we are bidding each contract out every three years or so. He didn't think it would be a wise use of Administration's time to bid each contract out yearly. Mayor Beagle said he thought we needed to review them yearly.

Councilmember Gronlund-Fox asked how long of a term a typical contract was. Mr. Brown replied that it varied by the service. Some have a longer term. Councilmember Gronlund-Fox said she was focusing on the Planning and Engineering contracts. Mr. Benson thought that the Planning and Building contracts were five-year contracts with three-year renewals. The SafeBuilt contract terminates at the end of the year. Councilmember Gronlund-Fox said she didn't think she could support going out for bids every year because that was a lot of work for Administration. Mayor Beagle stated that he would like to review the contracts every year to make sure we were getting what we were paying for. Councilmember Gronlund-Fox thought we could do a two to five-year contract with two one-year renewals, or something like that. We would still get the oversight that Council was looking for but it wouldn't impact the staff too frequently. Mr. Brown noted that the renewal period for the Wastewater contract was a little different with renewal periods of five years because it was a longer-term relationship.

Councilmember Behrmann asked if we had an ongoing contract with the City Attorney and Mr. Brown replied yes. CIB Planning was the same. Councilmember Behrmann thought those two contracts would make sense to go next. Since the SafeBuilt contract was up in a year, we will bid it then.

Mr. Brown indicated that the GIS contract with MSU expires at the end of June. There are ways of incorporating that into Planning Services or Engineering Services since both of those types of contractors were people who do those kinds of services. Mr. Benson was looking into those options. SafeBuilt was on our radar and BPI's contract also expires June 30, 2022. The Engineering contract was recently bid out. The first time around we were uncomfortable with the number of responses that we received so we reformatted the RFP and put it out again. We received four responses this time, which was a better outcome. In regard to Waste Management, he noted that there have been meetings with the communities involved with that contract. We asked Waste Management for an extension proposal and we were underwhelmed by their response. He pushed the group to go out for bid and Waste Management was not the lowest bidder. Their bid was 45% higher than the lowest bid and higher than their extension proposal. He thought there would be a change in the offering of this service. Right now, the Waste Management charge per year was \$176 and the lowest bid was \$149. He warned the Council that when you transition to a new major service like that, there could be bumps in the road where people might not love the service for the first few weeks until they get things straightened out. We could also just stay with Waste Management if we felt they were worth it.

Councilmember Gottschall stated that residents pay for that service. Mr. Brown said that was correct.

Councilmember Gronlund-Fox asked who was the low bidder. Mr. Brown replied that GFL was the lowest. Councilmember Gronlund-Fox stated that the City of Novi did go with the lowest bidder, which was GLF. The changeout was not easy, but the service is good now.

Mr. Brown said that the Planning contract will probably be the next service contract to go out for RFPs. Mr. Benson anticipated that would be happening before the end of this fiscal year. He requested feedback from the Council regarding the GIS services. As opposed to a formal RFP process, he suggested we solicit bids from whoever was chosen for Engineering and for Planning, as well as MSU.

Councilmember Behrmann asked about the cost associated with GIS. Mr. Benson replied that it was

\$16,000 quarterly. There could be a cost savings if you are already using an existing provider, plus they are more familiar with the City. He said we were open to even looking at a straight private entity, as well. There are many options.

Councilmember Sharpe thought this was all good information. He didn't know how much we spend on all these kinds of services.

Deputy Mayor Rzeznik suggested that an entire list, similar to the vehicle list, be prepared (including the service, vendor, term, expiration date and average cost) for the budget session.

Councilmember Smiley thought it would be good if Administration gave the Council an overview annually instead of going out for bids annually. This would keep the contractors modest and know that we are watching them. He thought it would be good to spread them out since there were so many contracts. He liked the idea of getting proposals rather than RFQs. Taking HRC as an example, he hoped they were seeing we are interested in this. Hopefully they will make sure their numbers are clear and tight. That should serve notice to all of the others as well.

Councilmember Gottschall stated that when it came to reviewing contracts, he relied more on the Department Heads to know who they were working with. Relationships are more than just money; they are the quality of service and who we are used to dealing with. HRC keeps coming up, but they recently came in as the low bidder. He didn't know if we needed a big discussion every year about all of the services. He said he would appreciate an update if there were any kind of issues with the various contracts. Also, he would appreciate a list.

Mr. Sikma noted that there were some services that were bid out every year. Right now, we are doing crack sealing and pavement markings. Those are expendable items and the costs go up and down every year. We are working with other communities for extended use of our services to get an economy of scale.

- **Road Funding/Improvements**

Councilmember Gottschall said that a few months ago, the Council discussed the PASER rating that Mr. Sikma and HRC worked on. We talked about where our funding needed to go. RCOC had the same pie chart of pavement conditions. The PASER rating for them in 2015/2016 was 67% poor and now in 2019/2020 it was almost the opposite. Wixom's went in the opposite direction; we went from good to poor. It came to light that we aren't really treading water with our current funding level for road improvements. He hoped we could do a little better job of getting our PASER rating up. It seemed like we would be looking at an extra $\frac{3}{4}$ of a mill to get to a treading water spot, let alone an improvement spot. He had previously mentioned that there was a Wastewater bond debt that fell off and a portion of that would have covered this. There was also the extra half a mill from the 3.5 mills, but he wasn't sure that would get us to where we needed to be. He thought this was an important discussion.

Councilmember Gronlund-Fox agreed. She thought that was one of the main reasons we were here. Roads get the most attention from residents and Public Safety. She wondered how the additional mill would work with a dedicated millage. Mr. Brown explained that we had a Major and Local Road Millage that passed. The Major Road Millage expired and the Local Road Millage is still in place (until 2026). We could do one before the Local Road Millage expires or at the same time if Council wanted to tie the two issues together. We could also do 3 to 3.5 mills. When we had our last budget discussion, the amount of fund balance available was assigned to projects like roads and sidewalks. Ms. Stamper said that the total amount was \$3.2 million. He noted that we do have additional funding that will be used on road projects in the coming years. The problem was that everyone has more money to spend on roads and infrastructure. It will become a situation where more and more dollars will be chasing the same number of contractors and the prices will go up. At

the same time, we are balancing a PASER rating that gets worse every year. Another category that was assigned to fund balance was land acquisition. He noted that the assigned fund balance was Administration saying we were planning on spending money on these items. The reserved fund balance was where the Mayor and Council would give direction.

Mr. Sikma stated that the road improvements will be on Loon Lake Road, the three courts along Loon Lake Road and the Trails of Loon Lake. Maple Run will be done this summer. RCOC has increased their funding. The Federal Aid Committee voted in 2016/2017 to allow RCOC to have 75% of the funds that come through. Their funding increased overall which means their maintenance budgets that they were using for some of those roads can now go to other projects. They are doing mill and fills on their own with that maintenance money. They did Wixom Road North a few years ago as a maintenance item and not a full repair. We didn't get charged for that. We will get charged about \$150,000 for Pontiac Trail, which was our Tri-Party funds. Additional funding was made available to the Road Commission and that added value to their roads.

Councilmember Behrmann asked if the road millage we have now was funding the local roads and Ms. Stamper replied yes. He then asked where the money was coming from for the major roads. Ms. Stamper explained that was Act 51 State Revenue. It was covering Maple Road and Loon Lake. He asked what covered the industrial streets. Mr. Sikma said that they are local roads. In the past, they weren't regulated because most of the local roads are in residential areas and we tried to get to them first. He said the industrial roads are concrete roads. Councilmember Behrmann thought to fix one of those roads would be a lot more money than to do Maple Run. He asked if the tax revenue from the residential roads was the same as what we were getting from the industrial properties. Ms. Stamper said that they are all paying the same millage based on their values. Typically, they will pay a higher tax because their buildings are worth more than a residential home. She said there has not been a Major Road millage since she has been here. We are waiting on our Act 51 numbers, which should be coming soon. Mr. Brown said that some of the infrastructure money could help as well.

Councilmember Sharpe was not opposed to working on the roads, but he didn't know that fixing the roads automatically meant a tax increase for our citizens. It sounded like there was other funding opportunities. Rather than be all done with the budget like last year and say "let's go fix the roads" and add a mill and a half, let's make it the first thing on the list and we all take a haircut on the other categories if it was that important. There is a lot of extra money out there for roads and now we are going to tell the residents "here is an extra tax increase to fix the roads." It will be a big education on what they will get for their tax increase versus all the other money that was coming in. He would hope we won't say tax increase first and then we figure out how we are going to spend it. He wanted to figure out what we need and then decide where the money will come from.

Deputy Mayor Rzeznik recalled in the early 2000s when we initiated the Local Road millage. At that time, Mr. Howell said that with that money we could look at each subdivision every 15 years. Now we have ten more subdivisions. We do have to take a hard look at it. The construction techniques are different in 2022 versus 2000 that could extend the life of the roads. If we have to pay an extra dime to get something that lasts ten years, it may be worth it. We had a noble goal back then and Wixom was known for redoing subdivisions. It is going to be difficult going forward.

Councilmember Gottschall said it was nice to have Act 51 money; it was nice to talk about the Build Back Better never getting passed; the Governor was running on something and that never happening. To him, this was more about fundamentally catching up our funding. Our funding is too light as it is to even maintain our PASER rating. A one-time influx from federal or state government isn't going to solve our issue. We have a ten-year capital plan and there are things like our new Airline Trail and roads that will be longer than ten years. There almost has to be a post-it note that Ms. Stamper leaves in there to remind us when to start saving for specific projects. He felt a lot of

the roads were overlooked. When we added new subdivisions, we didn't also increase the road millage for those. Cliff North has approximately 25 houses and that will not cover the bill when we need it. It was one of those things where we are never caught up. He appreciated wanting to save in other spots, but he didn't think we would get to that number. That was where having a millage discussion would be useful. Maybe it didn't need to be a mill if we can save in other spots, but we will need something extra. When the schools go out for their massive bonds, they say it is not a tax increase when a previous bond fell off. When the Wastewater bond debt fell off it was just under a mill. We told residents that they would still recognize some savings but we need this now. He thought people did need to chip in somewhere because it will be a fundamental issue to keep up with the roads.

Mr. Brown said this was not unique to Wixom. Realistically, we can use one-time funding sources to make one-year or two-year impacts. If we continue to have an ongoing program to make sure things stay at a decent level, it will require an additional investment.

Councilmember Smiley said that the Council was given the PASER rating and what would happen based on the mills. He agreed with Councilmember Gottschall that we have to look for money to go there, whether it was a millage or trimming during the budget sessions. It would break his heart to use the half a mill that was not charged the last couple years but that was why we used the words "up to". That millage ends in 2026 and he imagined we would have to get that renewed. We have a few years to squirrel away money for roads. He thought it was important to make this a priority since our roads are declining. If we take that half mill and dedicate it to the roads, it would put us on the upswing.

Mayor Beagle thought we would have to look at every opportunity even if it was asking our residents for a millage. We can do "up to 3.5", but a couple goals down we are going to be talking about an item that will be costing us a big chunk of change to give our residents the services that they need. We may have to go up to 3.5 mills to pay for that so we won't have that money for the roads. If it is a millage, we have to go out to sell it.

Mr. Brown stated that the Deputy Mayor mentioned about the historical basis for what we were leveling on the local roads. He thought that would be a talking point. We could consider going out for an increase from the current millage rate to the large amount prior to the expiration in 2026 which takes some of the pressure off. We could say that right now we are collecting x number of mills and it needs to go to $x + y$ number of mills because we have added these subdivisions since the time that millage was first put into play. This would be the information needed for why we are asking for more.

Councilmember Gottschall stated that we have some elections this year and there was time to get a proposal on the ballot.

- **Sidewalk Funding and Improvements**

Councilmember Behrmann said that there were two avenues on sidewalks that were addressed. One was tying it into the Local Road millage, which was what he would prefer. We would identify which sidewalks needed to be fixed. Every subdivision would be looked at every five year. Some communities will fix the sidewalks and others go through every couple years to spray paint the ones that needed to be fixed. The resident has 90 days to fix it or the City will fix it and the resident gets a bill. He would prefer a millage but he felt that we needed to do something. Some of our neighborhoods have a lot of trip hazards and bad sidewalks. If we can't fund it, he felt we needed to start hiring a contractor and invoicing the resident to get the sidewalks fixed.

Councilmember Gronlund-Fox commented that most residents have no idea the sidewalk in front of their house was their responsibility. If we go in and fix it, then bill them, we need to be aware that

our phones are going to be ringing off the hook because they are not going to be happy. It is really a fundamental issue that we have to decide. There are other options. Perhaps we can fix the sidewalk and split the cost with the homeowner.

Deputy Mayor Rzeznik stated that when we did a local road, we would have our engineering firm go through the neighborhood to mark those sidewalks that needed repairs. We would approach the homeowner with the discounted price because we already had the contractor in the neighborhood. That worked out well. He thought that was still a good way to do it. But we would only be doing that once every 15-20 years instead of every five years. Homeowners are more likely to do that knowing they will get discount.

Councilmember Gottschall said it was almost a phenomenon where one person decides they will redo their driveway and they get in with their neighbors. If we can set up a contractor or service where maybe once a year we have everyone that wants to do it or everyone that we tell they need to participate, the one contractor can give a better rate because they know they have the entire City of Wixom to do sidewalk replacement. It could be done annually instead of just when we are doing the roads in the neighborhood.

Councilmember Behrmann asked if this was more about invoicing/enforcement or could this be included within a road millage. He asked if this had ever been done in Wixom. Mr. Sikma said it has always been the homeowner's responsibility to take care of the sidewalks in front of their residence, but the City was responsible for the sidewalks along the major roads. He mentioned that the City and Milford partnered in a bid process for driveway, sidewalk and pathway concrete slabs. It was their intention to repair the major roads and use that same contract to participate in a match program with homeowners. He explained that the match program would allow the homeowner to make repairs and pay 50% of the cost. They would be required to reimburse the City that 50% or it would be rolled into their taxes.

Mr. Brown explained that he'd dealt with this before in other communities, but the situation was different as they were not subsidizing anything for residents. He explained how they'd break up the City into quadrants and each year a new quadrant would be marked. The City would give the homeowner notice and offer them a more desirable price than if they were to make the repairs on their own. He would like Wixom to take advantage of the largest possible project in order to obtain the biggest volume and discount. He preferred they repaired all the City's sidewalks.

Councilmember Gottschall asked if the safety path millage covered this work. Mr. Sikma said that it did because it covered the cost of maintenance and future pathways. Councilmember Gottschall stated he would only consider covering a portion of the costs if they had more than adequate funding. Otherwise he was more in favor of a payment plan process for homeowners. He didn't like when communities performed the work and then put a lien on the property.

Mr. Brown said they were running into difficulties with obtaining right-of-way sidewalk acquisitions making it more difficult to perform sidewalk projects. There were a few approaches they could take to remedy the situation; they could be patient and continue to negotiate a fair price for the right-of-way or they could make the sidewalk project a priority and put the money into land acquisition.

Mr. Benson commented that they'd ask for the right-of-way to be donated but if that didn't work they would offer fair market value. He said if they were not interested in fair market value, maybe they could offer more money. It may be more enticing and get this project moving.

Councilmember Gottschall said another option was to pursue it legally.

Councilmember Gronlund-Fox wondered if they knew the cost comparison with obtaining legal versus offering fair market value. Mr. Brown said they could look into this, but figured the legal option would cause more distress.

Councilmember Smiley was leaning toward a more conservative approach with obtaining the right-of-way, or at least until the legal option becomes suitable.

Mr. Brown asked for a consensus on their thoughts for offering a slight overpayment versus eminent domain.

Councilmember Behrmann asked how many property owners gave them difficulty with obtaining the easements. Mr. Sikma said they haven't come to an agreement with eight owners along Wixom Road and they've been trying for a long time.

Councilmember Sharpe asked who established the market value. Mr. Brown said they worked with Oakland County Equalization Division to get the market value. HRC then prepared the offer to the property owner. Councilmember Sharpe asked if they should take a more personal approach instead of having HRC make the offer. Mr. Brown said they've sent personal letters and made appearances.

- **Fire Department Staffing**

Mayor Beagle commented that staffing the Fire Department was a common goal among Council. He indicated they've had recent discussions about this and it's currently under review. He figured they would have more to say on this at a later time.

- **City Charter Amendments**

Councilmember Gronlund-Fox suggested a few members of Council and staff come together to form a committee to review the City Charter and go over any possible amendments that could be made.

Councilmember Behrmann believed that Council wasn't allowed to be part of the Charter Committee. Mr. Brown said they could if they were only making amendments, but not to revise the entire Charter. Councilmember Behrmann preferred amending the Charter instead of revising the entire thing. Mr. Brown said the establishment of the committee would be presented to Council at their next meeting.

- **VCA Development**

Mr. Brown said they've asked the DDA to think about different ways they could utilize funding in order to drive the east retail property owner to start developing. They've also requested that they prioritize actual accomplishments in terms of developing DDA properties.

Councilmember Gottschall suggested one big step would be to vacate the road, combine all the parcels and list them for sale. Additionally, they should figure out a way to sell the rights to develop the property but insert a time period clause to avoid another issue where nothing was developed for years.

Mr. Benson said they reviewed the zoning requirements of the VCA to determine how it would fit into the Airline Trail plan. Their hope was that once the Trail was completed, they would create a Request for Quote packet and market it to developers.

Deputy Mayor Rzeznik figured there were potential ways of getting this project energized again.

Mr. Benson said developers expressed that two-story buildings cost more. The market was tough because the City had the two-story minimum and three-story maximum zoning requirement. He encouraged more aggressive conversations and asked them to think about possibly using the City property downtown for influence.

Councilmember Gottschall suggested inviting property owners to a Council meeting so they could learn why there was a delay in the development. He would like to hear directly from the source as to why this had gone on for so long.

Mr. Benson suggested inviting the property owners to a joint meeting among Council, DDA and Planning Commission to discuss the entire district from a development perspective.

- **Beck Road Widening Project**

Deputy Mayor Rzeznik said he thought we should start thinking about only Wixom's portion of Beck Road. Mr. Brown said they focused on acquiring rights-of-way property from 6 Mile to Pontiac Trail but agreed they should minimize the spectrum and only focus on property between Twelve Mile and West Road. He was pleased that funding from the City of Novi for Grand River to Eleven Mile Road was pending.

Councilmember Gottschall agreed that they should turn their focus only on Wixom. He thought the City of Novi jumping in to help out with grants was a nice benefit but he was disappointed the progress had stalled.

Mr. Brown said the previous \$23 million estimate for the pedestrian overpass crossing Beck Road had been reassessed and would now cost 35% more. Due to the recent increase cost estimate and struggle to obtain funding, he suggested they should nix the overpass and only focus on widening Beck Road.

- **Hotel Tax**

Mayor Beagle hoped discussions for implementing a hotel tax in Wixom would start back up as they would benefit from having a hotel tax given they had multiple hotels within the City.

Councilmember Gottschall was avid about pursuing a hotel tax. He explained that legislation only allowed a few cities in select areas to collect hotel taxes and unfortunately Wixom did not qualify.

Councilmember Behrmann inquired about the City services the hotels utilized. Director Moore said the Police Department primarily received noise complaints or disorderly conduct, but they haven't seen an increase in activity.

Councilmember Gottschall indicated that entire states allowed hotel taxes so he couldn't understand why Michigan didn't. He mentioned that State Representative Berman was very responsive when they reached out about the issue; however, other elected officials were not as receptive because Wixom wasn't in their jurisdiction. He thought we could bring in over \$100,000 annually from having a hotel tax.

Mr. Benson was curious how the Council felt about the tax now given COVID-19 had such a negative impact on the hospitality industry. Councilmember Gottschall explained that hotel taxes were a pass through and completely occupancy-based so they did not have an effect on the hotel. He stated that COVID-19 also impacted the City and they haven't received any adjustments with Headlee forcing them to look into alternative ways to generate revenue. Mr. Benson suggested partnering with other communities that may share an interest. Councilmember Gottschall hoped

they could receive additional support from neighboring communities, organizations and elected officials. He couldn't imagine they would receive much push back as this pass-through tax wouldn't change the patrons mind about getting a hotel room.

Call to the Public:

There were no comments from the public.

City Manager's Comments:

Mr. Brown had no comments.

Council Comments:

Deputy Mayor Rzeznik felt the meeting format tonight encouraged conversation and allowed them to share many common interests.

Councilmember Gottschall expressed meetings in this format were his favorite because they felt so productive. He understood they didn't get to everybody's goals so he hoped they could continue to have meetings like this.

Mayor Beagle found it insightful to see the staff's goals. He suggested a goal discussion on the agenda for the next Council meeting of February 22, 2022. Additionally, they could meet again on March 22, 2022 at 6:00 p.m. to go over more items.

Councilmember Behrmann preferred to have meetings like this before the regular City Council meetings. He indicated that this type of setting was beneficial for discussion. He suggested the room be set up in the same format for the planned joint meeting with the Planning Commission, City Council and DDA.

ADJOURNMENT:

This Goal Setting meeting of City Council was motioned and adjourned at 7:05 p.m.

Catherine Buck
City Clerk

Approved 2-22-2022
