

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, JUNE 1, 2009 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

Mayor Landry called the meeting to order at 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Landry, Mayor Pro Tem Gatt, Council Members Burke, Crawford, Margolis, Mutch, Staudt

ALSO PRESENT: Clay Pearson, City Manager
Pamela Antil, Assistant City Manager
Tom Schultz, City Attorney
Beth Kudla, City Attorney
Randy Auler, Director of Parks, Recreation and Cultural Services

APPROVAL OF AGENDA

**CM-09-06-075 Moved by Margolis, seconded by Gatt; CARRIED UNANIMOUSLY:
To approve the agenda as presented.**

Voice vote

PUBLIC HEARING - None

PRESENTATIONS - None

REPORTS

MANAGER/STAFF

1. Discussion of Foundations Area Integrating into Fuerst Park Improvements

Mr. Pearson said they would like further direction regarding the Fuerst Park improvements. He said Council had approved the design, the plans were underway and the work was making good progress. He said one of the things talked about in the original design was the possibility of saving some of the foundations from the barn but he didn't know what the makeup of those would be. However, now they did know and the pictures were there and upon further review, he and staff were suggesting they exercise the bid alternate that was put out there with the contractor to have the foundations removed. Mr. Pearson said they were not like old stone work but were poured concrete and were a little unsightly. He commented they represented a long term maintenance and liability hazard for visitors of the park. Mr. Pearson said they had a bid alternate and if Council agreed, they would like to move forward on that. He said the house had been removed, they could put gardens in and it would be easier to work around and still be in keeping with the original concept.

Member Crawford noted the original plan was really creative and she liked the idea of preserving the foundations. However, after looking at the pictures and reading the report, she thought it would be wise to move ahead and have the remnants of the foundation removed. She said if they could then do more gardens or pathways, it would be great.

Mayor Pro Tem Gatt concurred with Member Crawford as, according to the report, the foundations were unsightly and could be dangerous. He didn't think the public would be upset if they didn't see old foundations, as long as the Fuerst family was remembered in the historical markings, as promised.

Member Margolis asked if the idea was still to keep the shape and the structure and use it for the gardens, just not the actual foundations. Mr. Pearson said the idea would be to create, with the gardens, some sort of outline echoing what was there. Member Margolis said she supported going ahead because if it was something unsafe, they could not leave it there. She thought it was the idea of the structure that made sense.

Member Mutch suggested that the Administration look into some kind of flat stone like a paver to create the outline of the structures, which would give the concept of where the structures were. He thought, with the appropriate kind of stone, they could create the outline of the barn foundations that would be low maintenance, wouldn't be a liability and might be done at a fairly low cost. He thought it would also create some definition for the gardens.

Member Burke said he was all for moving the foundations because of safety and the increased maintenance because they would deteriorate over a short amount of time. He said he would not be in favor of outlining it with new material as Member Mutch suggested. Member Burke said they had a secondary bid of \$5,010 to get rid of this and assumed putting down some kind of flag stone or field stone, at today's prices, would be more than the \$5,000. He said he didn't know that he would support that idea but he was definitely for getting rid of the concrete foundations.

Mayor Landry said he agreed, from a purely safety standpoint. He said given the state the foundations were in, he felt the original plan was not an option but liked the idea of creating, in some fashion, where the foundations were. Mayor Landry said he was in favor of keeping it as a garden and inviting community groups to take part in the gardening. He said he would be in favor of some sort of stone, paver or some outline as a visual reminder that the barns once stood there.

Mr. Pearson thought they received the information they needed and would bring back concepts and ideas.

2. ATTORNEY - None

AUDIENCE COMMENT - None

CONSENT AGENDA REMOVALS AND APPROVALS (See items A-K)

Mayor Pro Tem Gatt removed Item G, regarding towing contracts, from the Consent Agenda to be discussed later.

**CM-09-06-076 Moved by Margolis, seconded by Crawford; CARRIED
UNANIMOUSLY; To approve the Consent Agenda as amended.**

Roll call vote on CM-09-06-076

**Yeas: Gatt, Burke, Crawford, Margolis, Mutch,
Staudt, Landry**

Nays: None

- A. Approve Minutes of:
 - 1. May 18, 2009 – Regular meeting
- B. Approval of request from Troy Burgers, Inc. to transfer ownership of 2008 Class C-SDM licensed business (in escrow) with Sunday Sales, Entertainment Permit, Official Permit (Food), and direct connections-2 from La Shish, Inc.; transfer location (Governmental Unit) (MCL436.1531(1) from 6303 Orchard Lake, West Bloomfield, MI 48322, West Bloomfield Township, Oakland County; and request a New Outdoor Service Area to be located at 26062 Novi Road, Novi, MI 48375, Oakland County.
- C. Approval to set a Public Hearing on July 6, 2009 for the Reprogramming of Community Development Block Grant Program Income Funds into the 2009 Minor Home Repair Program.
- D. Approval to award an amendment to the engineering services contract for construction engineering related to the 2009 Pathway Construction project to Spalding DeDecker & Associates, Inc., for a fee equal to 6.75% of construction costs, or \$9,753.
- E. Approval of Traffic Control Orders 09-01 for the installation of a stop sign on southbound Valley Starr Drive to stop at Oak Tree Road, 09-02 for the installation of a stop sign on southbound Nilan Drive to stop at Oak Tree Road, and 09-03 for the installation of a stop sign on southbound Londonderry to stop at Oak Tree Road.
- F. Approval to award an amendment to the engineering services contract for construction engineering services related to the Vista Hills Subdivision Resurfacing project to Anderson, Eckstein and Westrick, for a not-to-exceed fee of \$15,180.
- H. Approval to award the first one (1) year renewal option for the Printing Services contract to Allied Media based on the same terms, conditions, and pricing submitted on their original bid dated February 27, 2008, with an estimated annual cost of \$22,000.
- I. Approval to award additional engineering services to Orchard Hiltz & McCliment, Inc. in the amount of \$17,300 associated with additional design requirements for the three federally funded major road projects: Meadowbrook Road (Eight Mile to Nine Mile), Nine Mile (Haggerty to Meadowbrook) and Nine Mile Road (Novi Road to Taft Road).
- J. Approval to rescind the award to Townsend Neon, Inc., which was approved on May 18, 2009 and award to Universal Sign Systems, the second low bidder, a contract for fabrication and installation of an interchangeable LED message sign on the north side of the Novi Civic Center near Ten Mile Road, for \$33,062.75.
- K. Approval of Claims and Accounts – Warrant No. 794

MATTERS FOR COUNCIL ACTION – PART I

- 1. Consideration of the request of Hotel Baronette for SP09-08, Preliminary Site Plan and Shared Parking Study approval. The subject property is approximately 6.29 acres of land located in Section 14, on the east side of Novi Road, between I-96 and Twelve Mile Road in the RC, Regional Center District. The applicant is proposing to add a three-story 5,688 square foot addition to the existing Hotel Baronette, extend the patio area of the existing restaurant, and eliminate 26 parking spaces from the existing parking lot.**

Mr. Pearson said the Hotel Baronette had been an institution in Novi for business and travelers for years and was getting bigger and better and they were looking forward to joining Council in welcoming this investment. He said it had been through the process and had a positive recommendation from staff and the Planning Commission.

CM-09-06-077 Moved by Crawford, seconded by Burke; CARRIED UNANIMOUSLY: To approve the request of Hotel Baronette for SP09-08, Preliminary Site Plan and Shared Parking Study approval. The subject property is approximately 6.29 acres of land located in Section 14, on the east side of Novi Road, between I-96 and Twelve Mile Road in the RC, Regional Center District. The applicant is proposing to add a three-story 5,688 square foot addition to the existing Hotel Baronette, extend the patio area of the existing restaurant, and eliminate 26 parking spaces from the existing parking lot. Also, subject to incorporation of the reasons stated in the recommended action sheet, items A through D with C being amended, which were:

- A. The proposed new left-turn pocket in the mall entrance drive shall provide a minimum of 100 feet of storage, rather than 75 feet of storage as shown on the submitted plan;**
- B. The applicant shall provide documentation from Twelve Oaks Mall approving the proposed changes to the mall entrance drive;**
- C. The applicant shall perform the routine maintenance on the existing stone copings and window sills as a part of the hotel renovations;**
- D. The comments in the staff and consultant review letters being addressed on the Final Site Plan;**

and that the applicant's in compliance with the ordinance.

Mayor Landry thought they needed some particular reasons on the motion and assumed they would be the reasons stated in the recommended action sheet. Member Crawford said yes, preliminary site plan, shared parking and study approval would be part of the motion. Mr. Schultz said if they incorporated items A through D of the recommended action sheet, it would be fine. Member Crawford and the seconder of the motion agreed.

Member Mutch said one of the items requested by the Administration was a letter from Twelve Oaks Mall signing off on the modifications to the entrance drive. He asked if they had received that letter, and was told the letter had not been received yet. Member Mutch said there was a contingency in the motion. He said there were concerns raised by a consultant during the

façade review regarding the maintenance of the existing materials and the building. He said the language used and the language in the motion was a request and not a requirement. He asked if it could be required, or was that just because of the nature of the improvements they were making. Mr. Schultz thought Item C was politely worded and if Council wanted to change that to say that they shall perform the routine maintenance on the stone copings rather than consider it, he thought that would be appropriate to have the maker of the motion say that. Member Mutch requested an amendment and Member Crawford and the seconder agreed.

Member Margolis said, not knowing what was required there, she was concerned. Mr. Schultz thought the direction to staff was to make sure that they were in compliance with the ordinance with regard to those requirements.

Roll call vote on CM-09-06-077

**Yeas: Burke, Crawford, Margolis, Mutch, Staudt,
Landry, Gatt
Nays: Nine**

- 2. Approval to award professional services contract to Birchler Arroyo Associates Inc. in association with Grissim Metz Andriese and The Chesapeake Group for preparation of a Land Use Study of City-owned property at the northeast corner of South Lake Drive and Old Novi Road on Walled Lake (the "Landings Property") in the amount of \$20,796.**

Mr. Pearson said one of Council's goals was to look at the different possibilities for the property with an open mind. He said they had sought proposals to get professional help for the process and staff had gone through the evaluations. He said they were asking Council to approve Birchler Arroyo, who were within the budgeted amount, for that assistance.

Mayor Pro Tem Gatt said he had received a phone call today from JCK/JPRA who wasn't a part of the top three and the price they bid was very close; he asked where they fell short. Mr. Auler said the process utilized was the Qualification Based System process and it didn't go solely on pricing; there were five criteria. He said the review team evaluated each proposal through the process and then calculated those scores, which was similar to all other projects that were done for the City. He said the top three scores were presented in the proposal.

Mr. Pearson said they opened up the top three rated firms and the firm Mayor Pro Tem Gatt referenced didn't make it. He said any firm could look at those ratings and learn and do better the next time.

CM-09-06-078

**Moved by Margolis, seconded by Gatt; CARRIED UNANIMOUSLY:
To approve award of professional services contract to Birchler
Arroyo Associates Inc. in association with Grissim Metz Andriese
and The Chesapeake Group for preparation of a Land Use Study of
City-owned property at the northeast corner of South Lake Drive and
Old Novi Road on Walled Lake (the "Landings Property") in the
amount of \$20,796.**

DISCUSSION

Member Staudt said he would like to see an extended feedback mechanism to make sure that the residents around there were notified of Council's intention to do the study and provide input. He said they lived with it year around and he would like to see more than one public comment period and would like to see one of them in that general vicinity. He thought it was important that it was clear that this was a study and that whatever came out of it, they would have some input. Mr. Pearson thought Member Staudt had an excellent suggestion. It was not built into their proposal but it could be facilitated by Administration. He said they could do one in the immediate area and another, community wide, at the Civic Center.

Member Mutch supported that concept and thought it would be helpful and it would also be a resource that residents throughout the community could take advantage of when it came into its final form. He asked Administration to think about the possibility of getting public input when concepts were developed because it would give Council guidance as to whether they were on the right track.

Roll call vote on CM-09-06-078 **Yeas: Crawford, Margolis, Mutch, Staudt, Landry, Gatt, Burke**
Nays: None

3. Approval to enter into a Water Service Contract with the Detroit Water and Sewerage Department for the purpose of purchasing bulk water covering a 30-year term from July 1, 2009 through June 30, 2039.

Mr. Pearson said this contract had been a long time in coming but it basically mirrored the model contract the DWSD was demanding of all their customers. He said staff had been very involved in the process and he thanked those who had participated. Mr. Pearson said there had been some system wide accommodation made in the contract but this provided the framework of how the City of Novi and the other eighty some customers would be provided water by the DWSD. He said this provided a structure for review and rates, it took out some of the uncertainty and with this contract they knew what they were dealing with.

Mayor Pro Tem Gatt asked if the contract gave the City an out, if they raised their rates to a price they didn't want to pay. Mr. Pearson said no, they would have to buy out of the contract for the remainder of the term. He said that was one of the problems they had with it but this was the deal being offered for 30 years. Mr. Pearson said regarding the rates, at least now there could not be a capricious, arbitrary sort of rate increase. They would have to go through a process and the City of Novi would have some recourse to that. He said Mr. Schultz had been involved with this on Novi's behalf and on the behalf of many of their other clients. Mayor Pro Tem Gatt said his boss, in Oakland County, had threatened over the last seven or eight years to build a water line all the way from Lake Huron to serve this part of Oakland County. He said if that came through before the contract expired, would there be out clauses. Mr. Pearson said if someone started that now, it would probably be thirty years before it was available. Mr. Schultz said there was no good out clause and it was a 30 year deal unless they paid their way out. He said the only option was to keep it at a year by year extension, which left them more at their mercy than this forum did.

Mayor Landry said, as a lawyer, the only reason someone would enter a 30 year contract was either the terms were really in their favor or there was no choice. He said it appeared to him that they didn't have any choice; no one wanted to enter a 30 year contract. He asked Mr. Schultz how many communities were involved in this. Mr. Schultz responded there were 87 first year customers and many who have already signed. Mayor Landry said a bunch of them caved already, so now DWSD was saying there was no choice. Mr. Schultz said there was a good struggle for over a year and there were some concessions in the language. However, in the end, it remained largely the model contract with a few added terms and the ability to argue about some of the rates as they went forward. He said without an 87 member team it was tough to negotiate a contract like that. Mayor Landry said, realistically, there was no other choice. Mr. Schultz agreed that DWSD was their only water source right now.

**CM-09-06-079 Moved by Margolis, seconded by Gatt; CARRIED UNANIMOUSLY:
To approve Water Service Contract with the Detroit Water and
Sewerage Department for the purpose of purchasing bulk water
covering a 30-year term from July 1, 2009 through June 30, 2039.**

DISCUSSION

Mayor Pro Tem Gatt said over the last few weeks in the news they had heard many times over that the Detroit City Council, when talking about the North America Auto Show, didn't like having a gun to their head when they compared themselves to Novi. Mayor Pro Tem Gatt thought Council had a gun to their head now and he didn't like it. He said he would support the motion because the City had to have water.

Member Mutch said the City didn't normally enter contracts of this duration and asked if they had looked into that, regarding limitations from a Charter viewpoint. Mr. Schultz thought cities entered into contracts for this kind of service for the duration of similar time periods. He said the initial contract was of a similar kind of duration possibly in this City and certainly in other communities. He said everyone else was also signing on for the full 30 years; DWSD had the ability to request, the City had the ability to agree to whether there was a practical ability to say no or not.

Member Staudt asked if there was a provision that this would revert to a regional authority, in the event that the City of Detroit went into some type of financial failure such as receivership. Mr. Schultz said, for a general answer, the contract didn't talk about that other than to say that they had some obligations to provide pressures, etc. Ms. Kudla said there was nothing specific regarding whether the City of Detroit went into receivership but they did have obligations to provide water and if they fail to provide it, they would be in breach of the contract and the City would be able to get out of it, at that point. Member Staudt said he wasn't looking at what happened with the contract. He said he was more concerned about whether their water authority would continue to exist in that forum and whether that was a separate body from the government. Ms. Kudla said their water authority was set up through their Charter and they had a Board of Water Commissioners that controlled how they operated. She said the Board of Water Commissioners had four members from the City of Detroit, a member from Oakland County, Wayne County and one other. She said there was no provision for that to change in the event there was financial trouble. Member Staudt shared the comments of previous

6. **Approval to award a construction contract for the Vista Hills Subdivision Resurfacing project to Nagle Paving, the low bidder, in the amount of \$190,000.**

CM-09-06-082 Moved by Mutch, seconded by Margolis; CARRIED UNANIMOUSLY: To approve award of a construction contract for the Vista Hills Subdivision Resurfacing project to Nagle Paving, the low bidder, in the amount of \$190,000.

**Roll call vote on CM-09-06-082 Yeas: Landry, Gatt, Burke, Crawford, Margolis, Mutch, Staudt
Nays: None**

7. **Approval to award the City's Property and Liability Insurance coverage to The Stevenson Company/Municipal Insurance Alliance in the amount of \$324,800.**

Mayor Landry asked to be recused from this item as he worked for this company. He said he would not see any dollars as they would never ask him to defend the City as he was the Mayor. However, he wanted to avoid the appearance of any impropriety and asked that he be recused.

CM-09-06-083 Moved by Gatt, seconded by Margolis; CARRIED UNANIMOUSLY: To allow Mayor Landry to recuse himself.

Voice vote

Mayor Landry left Council Chambers

CM-09-06-084 Moved by Margolis, seconded by Burke; MOTION CARRIED: To approve award of the City's Property and Liability Insurance coverage to The Stevenson Company/Municipal Insurance Alliance in the amount of \$324,800.

Mr. Pearson said under Mayor Pro Tem Gatt's guidance they had saved 4 ½% from last year's costs; so they were in budget and had saved some money.

**Roll call vote on CM-09-06-084 Yeas: Gatt, Burke, Crawford, Margolis, Mutch, Staudt
Nays: None
Abstain: Landry**

Mayor Landry returned to Council Chambers.

COMMITTEE REPORTS

MAYOR AND COUNCIL ISSUES

1. **Discussions with Novi Community School District about increasing use of Facilities and coordinating community recreation programs – Member Staudt**

Member Staudt proposed to Council that in addition to the Novi Community School District, he would like Council to consider creating some informal ad hoc type task force made up of small groups of Council members to sit down with the Novi Community School District and the adjoining districts, Northville, South Lyon and Walled Lake. He commented this would allow them to look at opportunities to increase the use of their facilities and to have general discussions about the way to collaborate with the school districts and see where they could go with this. He said he knew there was a lot of difficulty coming forward with these school districts and their financing; it was always better to start proactively and get out ahead of this and throw some ideas around. He said nothing formal, at this time, just small groups talking and looking at opportunities. He asked for Council's support to move forward with this and invite the various school districts to participate.

Member Margolis said she didn't have any objection to it but didn't understand the details of how that would be implemented. She asked for more information.

Member Staudt suggested they send an offer out to the various districts, Council could have informal discussions and bring back some of the ideas to Council. If there were things they thought they would like to pursue, they could ask staff to look at what opportunities there were. He said, for an example, there were new gymnasiums at the elementary schools and they had not been used or made available. He said he sat through a good part of the school districts planning sessions on reducing their budget costs, etc. and they had talked about collaborating with the City on a lot of things. He thought it was worthwhile to see where they were coming from and maybe give them an idea of what Council was looking at from a planning perspective. He said if anything came out of it, then they'd have a more formalized group and get together. He wanted to see if there were any common areas of interest, and if there were, then they would make it a more formal process for Council.

Member Crawford asked if he had discussed this with school board members. He said he had discussed it with three or four members and they were willing to sit down and talk. She said she would definitely be in favor of this and thought they were probably looking for ways to coordinate some kinds of programming. She said she had always thought since the City, the schools and residents owned the buildings together, she didn't like to see buildings they owned not being used, especially in the summer. She said she would definitely be in favor of it.

Mayor Pro Tem Gatt said he was in favor of talking as long as all parties agreed they couldn't come to any conclusions that would move into action without bringing it back to the Administration and Council. He said they already had a friendly relationship with the school board and had made some great progress in the last few months and it would be a shame to stop that. He said he would be in favor of that.

Mayor Landry said he liked the idea and certainly liked the idea of exploring all ways they could share services, as they all represented the same people. He said he wanted to be very careful on how they proceed with this. Mayor Landry said they had a great relationship with the Novi School Board and was hearing that Member Staudt suggested they approach other school districts as well, which he thought was a fine idea. However, when one governmental entity wanted to speak to another governmental entity he thought they had to be careful how the feelers were put out and how the request was made. Mayor Landry said they would want to ask if this was coming as a mandate from City Council or the Administration, who were they

speaking to and did people they spoke with have authority. He said he liked the idea but he wanted to suggest that Member Staudt meet with Mr. Auler and come back to Council with something a little more specific that Council could look at. He said the City already shared a number of facilities with the school district and he wouldn't want the Administration making one communication and Council making another. He said they had to speak with one voice. He wanted to know if it was a committee, who was on it, if it was informal, if it was step one, etc., or if it was just exploratory. He asked Member Staudt if he would be willing to come back with something a little more specific. Member Staudt said he would. Mayor Landry thought it was a great idea and he would support it.

2. Fiscal Transparency (Federal Stimulus Dollars) – Member Mutch

Member Mutch said one of the Council goals was to be as transparent as possible with financial information, as well as all the information provided to the public. He said recently the Novi School District was recognized for providing a regularly posted listing of the check register for the school district, which showed people all the expenditures made. He said it reminded him that the City provided that information through the warrant in Council packets. However, for residents who were interested in reviewing those warrants there was no single location on the City's web site where they could access those. He said the school districts web site was a very simple page with each months check run. He asked that the City provide a single location for the residents to view the City warrants.

Member Mutch said, regarding Federal Stimulus Dollars, the City had been very fortunate when looking at the number of road projects that would be funded within the City of Novi. Additionally, the City would have about \$500,000 in the Energy Efficiency Block Grant programs. He said they were looking at multi millions of dollars of Federal spending within the City, but there had been a lot of concern and questions about how those dollars were spent. He thought it would be a positive example for the City to highlight how those dollars would be spent and what would be accomplished. He provided Council with a number of cities, Grand Rapids, Philadelphia and San Diego, across the U.S. as examples of communities that created specific pages to highlight how they were spending their stimulus dollars. He said that was consistent with what the Federal government was doing with their recovery.gov web site. Member Mutch requested Council's support to direct Administration to accomplish his suggestions.

Member Crawford said while she appreciated Member Mutch's information, she didn't feel like they could compare themselves to Grand Rapids, Philadelphia and San Diego. She thought Novi was considerably smaller and would not be receiving the kind of stimulus dollars that they would be receiving. She agreed that they should provide information to residents and felt they already did that. Member Crawford said she didn't feel comfortable directing Administration to take the staff time, limited staff, away from something else they were already working on to set up a special web site, etc. She didn't know what kind of time this would take but thought the Administration really did provide a lot of information and that information was already available in some way, shape of form. She said they could look at the budget and see how the money was being spent. Member Crawford said she wasn't sure this was worth the staff time. She said she would want more information before she would consider it.

Member Burke said they already do this but it was a little difficult for the average person to get on the web site and find out exactly where the warrants were located. He suggested they could accomplish Member Mutch's request if they made it simpler to locate the information on the City web site, by providing a link that would take them to the page they were looking for.

Member Staudt said he didn't have a problem with this and the amount of time was incredibly minimal and would probably be done by the web company taking only a few minutes a month. He said it probably was not necessary but he thought it was worthwhile that the stimulus dollars were available for review. He said he had no problems with it.

Mayor Pro Tem Gatt said one thing Novi could be proud of was they didn't hide anything. He said everything they do was written down, in the open, on the web site and on the front page of the local news and other web sites. He said he had never had one person call him and say they couldn't find where they were spending their money. Mayor Pro Tem Gatt said he wouldn't have any problem putting a link or tab but he wouldn't want to spend a lot of time, effort or money on it.

Member Margolis said they already provided the warrants and if they could provide a link that got people there a little easier that made sense. She thought they needed to be very proud of how the projects come in under budget and on time. She said if they wanted to do that in regard to the stimulus, she thought it was a great idea.

Mayor Landry requested the administration come back with a proposal as to how to make the warrants easily located and how the Administration would propose to highlight the use of stimulus dollars. He agreed that it was information that they already provided but Member Mutch suggested making it easier and he didn't have a problem with that as long as it didn't take too much staff time or too much money. He suggested the Administration come back to Council with a suggestion they believed would be responsive to Member Staudt's request and send it in an off week packet and if anyone disagreed, they would ask for more.

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION

G. Approval to award bid for towing contract to Keford Novi Towing, Hadley's Towing and Varsity Lincoln Mercury for one year with option of two, renewals based on acceptance of City terms and conditions to function on a rotating basis with an effective date of June 10, 2009 – Mayor Pro Tem Gatt

Mayor Pro Tem Gatt stated he removed this item because he had a lot of problems with the proposal. He asked that the Administration explain how this proposal was brought to Council.

Mr. Pearson said the towing contract was something they had to administer. These were primarily traffic accidents or stalled cars, etc., the police were called and the City dispatched for a wrecker. He said they go off of a list, through the contract, to have a response made. He said it was a fixed fee that was established; so they send out an RFP for that service. He said last year they had two firms, which were rotated back and forth. Mr. Pearson said this year they received six and it would be a challenge to have much more than two firms to keep track of. He said they had suggested three originally and required the lots be lawful within Novi or within three miles of the City limits. He said they had suggested three firms that had done

work for the City in the past, Varsity, Hadley and Keford and any of the three or a combination of those would be sufficient to perform the work.

Mayor Pro Tem Gatt asked if he was correct that Varsity didn't own tow trucks, they just bid and then subcontract their calls to another firm. Mr. Pearson said he couldn't say they didn't have any but they would primarily be using a subcontractor for the hauling of the equipment to their yard. Mayor Pro Tem Gatt said the subcontracting company they chose was the second person on the list. So, company A would be called and get the business and then company B would be called and they would get the business. He said when company C was called they would give their business to company A so company A would be getting two thirds of the actual hauls. Mr. Pearson said he was correct. Mayor Pro Tem Gatt thought they wanted to be fair, balanced and honest. He said he thought this was inherently unfair that one company got two thirds of the business. He said the big money was not so much in the tow but in the repair of the vehicle. So, there's Varsity Lincoln Mercury, a car dealership and he noted he had done business with Keford and Varsity but not Hadley but he knew and liked them all and didn't have any favoritism. However, what he didn't like was the fact that one of the Novi businesses would get two thirds of the tow business that came from the City of Novi. He said it was a very lucrative business. He said they had expressed an interest in supporting local businesses and in this case Keford and Varsity were both Novi businesses but Hadley was located outside of the City. He said he didn't think they needed more than two tow companies. In his whole career at the Police Department he never had more than two and he didn't know why they would move to three.

**CM-09-06-085 Moved by Gatt, seconded by Staudt; MOTION CARRIED:
To award a one year towing contract to Keford Collision and Varsity
Lincoln Mercury with the caveat that they could subcontract their
tows out for this year with the understanding that next year if they
were not in the tow business themselves, they would not be eligible.**

Mayor Pro Tem Gatt stated next year he would not support any tow company or contract that subcontracted their business. He believed they had to be in business to tow and wanted to tow to be part of the City of Novi tow contract.

Mayor Landry said for clarification, Item G stated there were two one year renewal options, correct. Mr. Pearson responded that was the way it was set up. Mayor Landry asked Mayor Pro Tem Gatt if he was suggesting that it be amended only for one year with no option for renewal; or at the end of this it would come back and Mayor Pro Tem Gatt would not support it.

Mayor Pro Tem Gatt said no, his motion was for a one year contract and next year they would bid it on two companies and both would have to be in the tow business.

DISCUSSION

Member Crawford said they had a Novi company that could provide all of the services so she was not in favor of splitting the contract at all. She said she didn't see why they needed two as they never had two, they just put it out for bid and one company was awarded the contract. She said if the person couldn't do the work then that was another thing and they could go outside. She said Varsity couldn't provide all the required services, so they subcontract and

the company they subcontract with couldn't even provide all the towing that was required. So, they subcontract to another company and neither of those companies were in Novi. She said she was a real Novi business supporter and they had a Novi business that could provide the service and she didn't feel it should be split out at all.

Mr. Pearson thought there was an advantage of having two companies just as backup. He said both firms responded, including Varsity, appropriately to what was issued and had been the game in the past. He said if they wanted to amend that for next years it would be legit but he would hesitate to lock in with one. He said the rotation had worked last year.

Member Mutch said the justification for having multiple firms was to insure that whenever a tow was needed there would be someone available. He said that was accomplished by having more than one firm. In this situation, where one of the three bidders was subcontracting that out, they were not accomplishing that at all. He thought the point that Mayor Pro Tem Gatt made, reducing it to the two, had not eliminated any capacity from their ability to tow. He said he could support that. Member Mutch said obviously each of the firms was in business to make money and when there's a firm subcontracting it out, that subcontracting firm would be doing it for less. He said perhaps they were able to accomplish that for less and provide the same level of service as the firm that was charging the full price. However, that was a potential concern that the City would get lower quality service through the subcontracting. He thought Mayor Pro Tem Gatt's suggestion to do it for one year would give them a chance to see how that worked. He thought it was fair in terms of allocating the services equally, which he thought was correct. He thought it also met Council's goal to have multiple firms and provide capacity whenever needed but not locking them into a situation where they were technically meeting that standard but not really getting it with the three firms. He said he was willing to support the motion.

Mayor Pro Tem Gatt agreed with Member Crawford that they should be supporting local businesses. He said Varsity didn't own or operate tow trucks anymore and his motion was that next year they would either be a true towing company or they wouldn't be eligible for the towing contract.

Roll call vote on CM-09-06-085

**Yeas: Landry, Gatt, Burke, Margolis, Mutch,
Staudt**

Nays: Crawford

AUDIENCE COMMENT

Rudy Walsh, from Varsity Lincoln Mercury, stated he appreciated the support of City Council and promised not to let them down with regard to the towing contract.

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 8:02 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: June 15, 2009