

City of South Lyon  
Regular City Council Meeting  
January 13, 2020

Mayor Pelchat called the meeting to order at 7:30 p.m.  
Mayor Pelchat led those present in the Pledge of Allegiance.

Present: Mayor Pelchat, Councilmembers Dilg, Kennedy, Kivell, Kurtzweil, Richards and Walton  
Also, present: City Manager Zelenak, Chief Sovik, Superintendent Varney, Fire Chief Vogel, Attorney Hamameh and Deputy Clerk/Treasurer Pieper  
Absent: Clerk/Treasurer Deaton

MINUTES- December 9, 2019

Councilmember Kivell stated on page 8 the word improving should be placed in the sentence which includes continue improving our circumstances.

CM 1-1-20 MOTION TO APPROVE MINUTES

Motion by Walton, supported by Kurtzweil  
Motion to approve minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS

Councilmember Kivell stated he would like Council to be that aware that his brother-in-law did some work for the DPW but he played no role in it.

CM 1-2-20 MOTION TO APPROVE THE BILLS

Motion by Kennedy, supported by Walton  
Motion to approve the bills as presented

VOTE: MOTION CARRIED UNANIMOUSLY

AGENDA

CM 1-3-20 MOTION TO MOVE NEW BUSINESS #1 TO BE MOVED AFTER THE PRESENTAION BY SLARA

Motion by Kivell, supported by Dilg  
Motion to move new business #1 to just after the SLARA presentation

VOTE: MOTION CARRIED UNANIMOUSLY

CM 1-4-20 MOTION TO APPROVE THE AGENDA AS AMENDED

Motion by Kivell, supported by Dilg  
Motion to approve the agenda as amended

VOTE: MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

1. 2020 City Council Meeting schedule
2. Board of Review Re-appointment

CM 1-5-20 MOTION TO APPROVE THE CONSENT AGENDA

Motion by Kennedy, supported by Dilg

Motion to approve the consent agenda as presented

1. 2020 City Council meeting dates
2. Reappointment of Gary Beasley to the Board of Review

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT

Mindy Fernandez stated she is here to represent Kathy Crawford's office and stated there is a house bill 5229 which is a regional transit tax and it is a large tax increase. She stated it is very egregious. She wanted to make sure everyone knew about this. Kathy has been working excessively to ensure our communities in our districts are not harmed by this. She has been working to ensure it doesn't get to the floor. This bill takes a lot of money from communities and we don't know where it all goes. She stated they want to put in a train from Ann Arbor to the airport. She stated they are doing all they can to ensure this tax doesn't hit our communities.

DISCUSSION- Downtown

Mr. Donohue stated we are looking at the final bills and budget information for the Cool Yule and he will supply Council with that at a later date and then they will have a critique meeting. He then stated the DDA Board retreat is at 6:00 p.m. instead of 8:00 a.m. on February 13<sup>th</sup>. We will begin the board meeting with a short agenda, which will follow with the retreat. It usually lasts 3 hours and we do have public comment as well. Mr. Donohue stated the 2020 guide will be finished by February and the downtown business guide is going to the printer this week. Councilmember Kurtzweil asked if we charge people fees if the businesses want outdoor seating. Mr. Donohue stated not that he knows of, but you have to make sure the liquor control and the police department are aware of it. Councilmember Kurtzweil asked if there is a fee for piping music outside. Mr. Donohue stated we need to get that information clarified because some business members think there are fees. Councilmember Dilg stated the Christmas Eve event was a great event. There were families out there at midnight, but she asked if it will be expanded in the future if we can make it more family friendly. She stated she is always asked about the old Draft Street building. Mr. Donohue stated he was told there was purchase offer that will be signed in the next week, but he doesn't have any details on it except it is an unrelated party to the owner. Councilmember Walton stated the Cool Yule and the New Year's Eve event were great events. Councilmember Richards stated the lighting downtown is very beautiful and he hopes we keep them on for a while. Mr. Donohue stated they will be turning them off this week, but will probably have them back on for Valentine's Day and possibly some other holidays, but that will be up to the DDA. Attorney Hamameh stated that the Michigan Liquor Control Commission does charge fees for outside seating and often times outdoor seating areas can infringe on City sidewalks and could require insurance requirements. Councilmember Kurtzweil stated the point of the question was that we want to do everything for our business owners and provide favorable climate for customers to come to their business and many people would like to sit outside and she would like to find a way around charging fees. Attorney Hamameh stated the Liquor Control Commission is at the state level and we have no control over that. Councilmember Kennedy

stated in the past, when the outdoor seating was approved, there were times when the area expanded and it was taking up part of the sidewalk taking up walking space.

### FIRE CHIEF REPORT

Chief Vogel stated they finished the year with 933 runs which is over 200 more than last year and they are researching why. Chief Vogel stated we ended the year with the death of former Fire Chief Kaska and the Lyon Cantina burning down. That was an expensive day between South Lyon Eve, personnel hours and damage, we went out twice within 7-8 hours and the truck broke and the 3<sup>rd</sup> time we told them we couldn't keep coming back, it became unsafe so they dozed it. He stated there were no issues with New Year's Eve. Chief Vogel stated the committees to buy the SCVA has grown and Milford has joined the City and Lyon Township and the larger the group, the likelier we will get the grant. He stated we have hired 2 new employees. Councilmember Richards stated there was a nice write up about Chief Vogel in the Lyon township magazine. Councilmember Kurtzweil stated many people have told her what a wonderful job the City did for the former Fire Chief Kaska, he was well liked. Chief Vogel stated we had the fire the next day and the holiday and the community helped out a lot. The motorcycle club helped out a lot as well as Phillips Funeral Home. There was a lot of work done with the family as well. Councilmember Kurtzweil thanked him and the Fire Department for all they did. Councilmember Walton stated she liked the added touch adding the Lions. Chief Vogel stated the superintendent gave them permission and we added them to the fire trucks. Councilmember Kivell congratulated Vogel for his recruiting efforts. Chief Vogel stated it is the committee that did all the work, they have been going to the schools along with a video that a past firefighter made and they keep trying. He stated the trick is keeping them.

### POLICE CHIEF REPORT

Chief Sovik stated we have a new officer that will be starting this week, his name is Mark Mostek. He has 25 years' experience with Farmington Hills. He will eventually be working the midnight shift. Chief Sovik stated he met with the IT Company regarding our software needs and it was a good meeting to see what our immediate needs are as well as looking toward the next few years. Chief Sovik stated the South Lyon Eve event went great and there were no issues. Everyone was having a good time. Chief Sovik is currently working on the yearly report as well as the budget. Chief Sovik stated our new police officer will be at the next Council meeting as well as our new cadets.

### SLARA PRESENTATION

Amy Allen, along with Kristi Hoskins gave a brief PowerPoint presentation which the full presentation can be found in the Council packet online. Ms. Allen gave a brief history of how the South Lyon Recreation Authority came about. She stated it was formed in 2007, before that in 1999 they were considered South Lyon Recreation Council. She stated they were originally at 318 W. Lake, but they moved to a new location on Griswold Road because they wanted to expand their programs. Ms. Allen stated the board meets monthly and it is available to anyone that wants to attend. They are overseen by a board of directors which consist of one member from each of the governing bodies that participate. She stated she has been with SLARA since 2010. She then introduced the staff. Carrie Hill, Matt Stanley, Kristi Hoskins, Katy Fitzpatrick, Margaret Pierce and Mary Schur. Ms. Allen stated they are excited they hired a full-time marketing/social media manager. Since that time SLARA has increased their online presence and it continues to grow. Ms. Allen stated they came up with a Mission Statement, Vision

Statement as well as what their core values are. She stated some of the programs we offer is aquatics, family swim nights, aquatic fitness programs and others. She stated they work with other businesses to offer more specialized classes for the residents. She stated we also offer sports clinics with local businesses, as well as soccer, volleyball and football. She stated we have special events each year and they continue to grow. One of the most popular is the Island Lake Kids Kamp, it is a 10-week program and we don't require they have to be there the entire week. It is certified by the State of Michigan. Ms. Allen then explained the number of employees and volunteers they have. She then stated they work and partner with over 75 local businesses. She further explained it is important for everyone to know they are a very fiscally sound organization. On average, the residents of South Lyon, Lyon Township and Green Oak pay much less than non-members. Ms. Allen stated they are being fiscally sound as well and her latest audit showed their total expenses were \$756,006 and their revenue was \$773,087. Ms. Allen stated one of their best-known marketing tools is their program guides. She stated they send out 3 a year and they reflect all the programs they offer. She then thanked the City of South Lyon for all they do. Councilmember Kurtzweil stated she represents their landlord so she will have a conflict when it comes to their lease, although this is just approving a form so this isn't a conflict.

### NEW BUSINESS

#### 1. SLARA- athletic field/court use application and permit policy & procedure

City Manager Zelenak stated this issue is being brought before Council because Parks and Recreation is recommending to approve the new athletic field/court use application and permit policy and fees. The request is being made due to increased use of the fields/courts and multiple date usage is causing damage to our fields and resident groups and the city are paying for this.

Councilmember Dilg stated as she was reading through this, it mentioned there are concerns about multiple requests for the same dates. Would it be a good idea if that is changed that residents can make the requests at a certain time, then others can make requests at a later date. Ms. Allen stated we can look into that. This has been a learning process and this is the first time we are bringing up the issues to Council. Councilmember Dilg questioned the 75% for South Lyon residents. Ms. Allen stated the City owns the fields, but SLARA handles the scheduling but we don't make the determinations.

Councilmember Kivell likes the idea of our residents getting priority for using the fields since the City owns them. Councilmember Walton stated she has been on the field for another organization who also had paid to use the field and the track and there were issues of ownership of who had the use of the field at that time. She would hope we can have a procedure put in place so that everyone can share the space if multiple groups are there. Ms. Allen asked her to reach out to her about that tomorrow, we maintain the calendar at the office and we only book it to one organization. The City sometimes will reserve the pavilion. She stated they have a great relationship with the Junior League and they are very willing to open up a night if someone is asking to use the area for a family reunion or such. Councilmember Richards stated he recently found out that if someone reserves the pavilion for a family reunion, they don't automatically have access to the fields. Ms. Allen stated yes, that is completely separate.

Councilmember Kennedy complimented Ms. Allen on being proactive with this and stepping forward to handle this. Councilmember Walton stated this shows the City needs to have an interactive calendar that holds all of this information for all the parks and fields.

1-6-20 MOTION TO APPROVE APPLICATION AND PERMIT POLICY

Motion by Kennedy, supported by Kivell

Motion to approve the new Athletic Field/Court Use Application and Permit Policy and Procedure

VOTE:

MOTION CARRIED UNANIMOUSLY

OLD BUSINESS

1. Commercial Rehabilitation Act, 210 of 2005, Tax Abatement Policy and Guidelines

Robert Donohue explained we have updated our past research and draft documents and are proposing a new updated commercial tax abatement program. He stated there is also a redevelopment law. Mr. Donohue stated the only item to discuss is the generic procedure of guidelines. It isn't appropriate to discuss any detailed of the proposed request. He further stated we had considerable research and discussion regarding this. He stated we were considering two projects, but those two projects have now declined. Councilmember Kennedy asked if the total investment includes real and personal. Mr. Donohue stated he believes it is just the real property. Councilmember Kennedy stated we would need to know what it is which seems to require more research. Attorney Hamameh stated it is the real property. Councilmember Richards stated the incentive to improve someone's building is already there from the County. He stated their building increases in value which would allow them to borrow more money to fix their building. Mr. Donohue stated there will always be a gap, so they are always looking at a realistic way to finance the development. He further stated the County offers small business administration financing. He stated a tax abatement creates a district, property by property. He stated then there would be a public hearing and look at all the criteria to see if that person's request is deserving of the abatement. He stated there is a need for this regardless of the economy. We put a premium on our historic buildings. He stated there is more cost involved in a historic building. He further stated if we put a premium on historic preservation of our buildings, it is one criterion, they must meet all the criteria. Councilmember Richards asked how many inquiries have you had. Mr. Donohue stated 3 in the past few years. Councilmember Richards stated sometimes the building owner isn't always the same as the property owner. Mr. Donohue stated he has never heard such a thing. The building owner owns the building and the property. Councilmember Kurtzweil stated sometimes what happens with the tax abatements, the lending institution sets up a debt ratio that the applicant must reach and sometimes the only way they can get the ratio down is by using an abatement. She stated she will scrutinize the requests because that could show weakness in their ability to pay for their loan. She further stated another issue she will scrutinize will be their cash flow. She stated many times when you are rehabbing you have a specific purpose, but sometimes they don't have a plan in place and if they have a new business come in so they are attempting to ensure they have a tax flow for tax liabilities. If the tax liabilities are high and you get a tax abatement that lowers their risk. Councilmember Kennedy asked if the requests were all commercial properties. Mr. Donohue stated they were all commercial. Councilmember Kivell stated he would like to see a menu of targets that we want to see of assets that would be imported into the building. Things that would be the product as the result of the building fulfilling whatever the rehab ended up being. He stated it would only be deserving if it meets our desires and Council will need to form ideas of what we want to see as assets that would be imported into the project. He further stated each one would be different. He stated he doesn't agree with Maggie's comment regarding the financial aspects of it, it is possible but we shouldn't

necessarily see all the applicants that way. Further discussion was held regarding the criteria. Councilmember Kennedy stated he understands what Councilmember Kurtzweil is saying. He further stated they are basically asking the City to cover the shortage. Mr. Donohue stated he doesn't agree. Councilmember Kurtzweil stated she recalls where there was a tax abatement given and it is done with the understanding, they will be open for 10 years or so, is that non-binding. Attorney Hamameh stated we added one of the requirements that they enter into an agreement with the City, such as failure to build. Councilmember Kurtzweil stated we need to find out if those agreements are enforceable. City Manager Zelenak stated the City does have the ability to revoke the abatement if they don't complete the building or things fail on the agreement. Councilmember Kurtzweil stated that is a different issue. She further stated revoking the certificate is a different issue than giving a tax abatement but then they leave the town. Councilmember Walton stated she would like to table this to make sure we have all our questions answered. Mr. Donohue stated he understands it is important to take our time on this. City Manager Zelenak stated there is a 6-month time frame from the date they apply and depending on how all this proceeds, first Council establishes guidelines for the commercial rehabilitation, then the City can form a district, then after that an individual can apply for the certificate. Discussion was held regarding the guidelines and policy. City Manager stated we can establish a district and it can be amended as well. It is specific properties. Attorney Hamameh stated we spent a lot of time looking at other communities. She further stated we are showing what the law requires, then we put in the City's criteria, we didn't use a point system because whatever you establish, you are bound by and wouldn't have the flexibility to judge a case by case criteria. She further stated there are multiple steps in this. After Council decides to establish a district, there has to be a public meeting, then after you have an applicant, there has to be a public hearing. There will be many meetings. She further stated these are really two separate issues. Ideally you want to have the policies in place so it can be applied to the district. City Manager Zelenak stated we need to realize South Lyon is different than Lyon Township. We could potentially have different areas for districts. He stated originally in 2017 Bob Donohue brought this up and discussed some properties that people were asking to establish a district but that didn't materialize. Now someone has acquired about this, we decided to look into it again. He further stated a downtown historic building is completely different than what someone may be doing on Grand River. He stated Council has to analyze what that property would do for the revitalization or the redevelopment of that specific property. The owner is already paying taxes, now you are talking about an influx of investment. He further stated the criteria should be are they maintaining their building, what are they bringing to the City. He stated we listed 20-25 items for Council to consider. He further stated we are looking at several public hearings. You can establish a district and you can have many people apply, but they could all be denied if they don't meet the criteria. He stated this draws business into our City. Mayor Pelchat asked what the concern is with the point system. Attorney Hamameh stated you want to be able to look at everything by a case by case bases, not just based on a point system. Mr. Donohue stated the Lyon Township does not have many historical buildings. City Manager Zelenak stated they can always bring different plans from different communities for examples. Councilmember Kennedy stated there was a million dollars of renovations in the downtown and we didn't have to sacrifice any tax dollars. He also stated there was millions spent at the Brookdale Shopping Center and we still didn't lose tax dollars. He further stated he doesn't think we need to give away tax dollars. Councilmember Dilg stated we shouldn't wait until the market crashes before we get the guidelines in place. Everyone that ran for Council discussed the downtown and she doesn't think we should wait to have the guidelines in place. Mayor Pelchat stated he thinks we had a good discussion tonight and he agrees with Councilmember Dilg we need to have this in place for future use. City Manager Zelenak will gather some examples from other communities. Further discussion was held regarding the guidelines and policy and the Pole Town issue that happened.

1-7-20 MOTION TO TABLE TO FEBRUARY 10, 2020 MEETING

Motion by Kivell, supported by Walton

Motion to table until the February 10<sup>th</sup> meeting

VOTE: MOTION CARRIED UNANIMOUSLY

2. Purchase and installation of a unit heater for the maintenance garage at the clean water plant

City Manager Zelenak stated this for a heater for the maintenance garage has a crack exchanger and it needs to be replaced and we have three bids for review. The suggestion is to purchase of \$5,310.00 under line item 592-557-931. Councilmember Kennedy thanked him for taking the time to answer his questions.

1-8-20 MOTION TO APPROVE THE PURCHASE OF NEW HEATER

Motion by Kurtzweil, supported by Walton

Motion to approve purchase and installation of a new heater for maintenance garage at the clean water plant for the amount of \$5,310.00 under line item 592-557-931

VOTE: MOTION CARRIED UNANIMOUSLY

3. Purchase and installation of a new Flygt explosion proof submersible pump for Eagle Heights lift station

Superintendent Varney stated we had a pump failure at the Eagle Heights pump station. He were able to replace it with one we had in the shop. We have two pumps at each lift station.

CM 1-9-20 MOTION TO PURCHASE FLYGT SUBMERSIBLE PUMP

Motion by Kennedy, supported by Richards

Motion to purchase a new Flygt Submersible Pump for the lift station at Eagle Heights for \$8,700.00 under line item 592-557-977

VOTE: MOTION CARRIED UNANIMOUSLY

BUDGET

Councilmember Kurtzweil asked if City Manager Zelenak regarding meeting with Andy Meisner. City Manager Zelenak stated he spoke with the Treasurer's Office regarding the investment policy and we are meeting with our auditors regarding the pension liability and afterwards we will move forward with a meeting with Andy Meisner. Councilmember Dilg spoke with him and he said he is willing to come to any of our meetings. Councilmember Kurtzweil stated she has a list of things she will be taking into the 2020 budget season. She stated she hasn't seen the budget and doesn't know if the City will be asking for an increase in the mileage. She further stated, we have things that will be coming like the RTA tax which could be up to 5 mills. She then stated we will never see that money. She has met with seniors regarding the tax issues that are coming on in 2020 and they are very concerned. There is the DIA renewal which is 2 years early. She said there could be a school bond and a new tax called the Oakland County Enhancement mill which will supposedly go to schools in need which won't come to South Lyon. She then asked where will be find room in the budget for .05 mills to work on the roads. She wants Andy Meisner here to explain where we can find the money for our OPEB. The new taxes are chasing people out of their homes. These are her concerns.

## MANAGER'S REPORT

City Manager Zelenak stated he supplied copies of the information he compiled from Council suggestions for the next budget year. He stated he has had preliminary meetings with Department Heads. He stated they will be meeting with the auditors regarding the water and sewer rate study as well as the OPEB and unfunded liability. He wants to meet with them to gather information before meeting with Andy Meisner so we will have information for him to see where we stand. City Manager Zelenak stated he is gathering the suggestions Councilmembers gave to him regarding the Council rules and procedures. City Manager Zelenak stated Thomasville will be submitting new plans for a PUD on that property. City Manager Zelenak stated we will be having presentations from the Police Department and the Fire Department.

PUBLIC COMMENT- None

## COUNCIL COMMENTS

Councilmember Richards stated there are a few topics he wants to mention. He stated Peoples Express may not have legally violated the contract, the spirit of the deal has been broken and he thinks it should be looked at. It cost him \$16.00 for a round trip to Walmart and back.

Councilmember Richards stated he would like to set aside some money to improve 110 Detroit Street. He stated we should make them an offer and buy it. It can be turned into a nice business office.

Councilmember Richards stated somewhere down the line we need to find out what we will do with the Tube Mill pollution.

Councilmember Richards stated he inspected the DPW property and he spoke with Ron. We have budgeted a lot of money regarding improvements to the property. It is moving along nicely.

Councilmember Richards stated he thinks we will have an increase of requests for annexation, especially after the Cantina burned down.

Councilmember Kivell congratulated everyone for all their work during Cool Yule and the New Year's Eve event.

Councilmember Walton stated there are so many great events in this City. She stated the First United Methodist Church had an event where people painted 113 bowls and it is used to serve soup in an empty bowls event later on where the proceeds are used to feed the hungry in Detroit.

Councilmember Walton stated the South Lyon Youth Assistance worked with many groups that took 72 children shopping for the holidays.

Councilmember Walton stated there is a high school student named McKenzie that is part of Peers.

Which is when students are partnered with special needs students so they always have a friend in school.

She stated she noticed she had a peer that needed clothing. She was able to collect clothing from South Lyon Swap and now she is opening a clothing closet at the South Lyon High School. It is awesome we have a high school student that recognized this need and she found a way to fix this situation.

Councilmember Walton wished Pastor Horlocker luck in Cadillac and thanked him for all his years of service.

Councilmember Dilg stated she went to The Lemon Tree grand opening and it was great and that whole block of powerhouse women attended as well. The building is beautiful.



Councilmember Dilg stated she met the new business owner that took over the Lafayette Middle Eastern restaurant and they are going to turn that into a Mancini Mediterranean.

Councilmember Dilg stated she spent some time at the Corner Social with her book club and she has spent a lot of time downtown and it's great.

Councilmember Kurtzweil stated she spent time focusing on the budget. She spent some time with Eric Mays who spent time with her in December and they discussed public service and public safety. He was a phenomenal individual and very inspiring. He is very involved with the Flint water crisis and the lack of funds. He told her to always remember the responsibility of public safety and health. She stated he is on the city council for the city of Flint. She will be going up to Flint to thank them for the inspiring conversation and they are willing to talk to anyone regarding what happened in Flint. The public is trusting us with an important commodity and she then thanked him again.

Councilmember Kurtzweil thanked the DPW for all their hard work Saturday night keeping the roads cleared and salted. They work extremely hard in the winter time and she is thrilled they have the work ethic they have.

Councilmember Kurtzweil stated she had a Girl Scout come to her door, and she bought some Girl Scout cookies and if anyone wants to buy any, let her know.

Councilmember Kurtzweil stated the Lyon Theatre will be showing Dr. Doolittle and it is always nice to go downtown and have dinner and see a movie. It gets you away from your phone and video games and Facebook rants. Then after the movie you can visit the new wine bar downtown.

Councilmember Kennedy stated this past week Ann Arbor Firefighter Amy Pennywitt died when she was struck by a pickup truck driving too fast for the icy road conditions. Firefighters were responding to multiple crashes on I-94 when the pickup truck came up on them and lost control on the icy surface. The vehicle struck Pennywitt and another firefighter as they tried to get out of the way. The other firefighter was not seriously injured while Pennywitt suffered critical head and chest injuries. She passed away a few days later. She was 34 and had been in the department for 7 years. She left behind a husband, a child, other family members and friends. While our thoughts and prayers go out to her family and the City of Ann Arbor Fire Department, this is an important reminder for everyone to take weather conditions into consideration and drive appropriately. He further stated people need to move over when you see the lights flashing on the side of the road and they need to slow down. So please, help keep those safe who are working to keep you safe!

#### ADJOURNMENT

#### 1-10-20 MOTION TO ADJOURN

Motion by Kurtzweil, supported by Walton

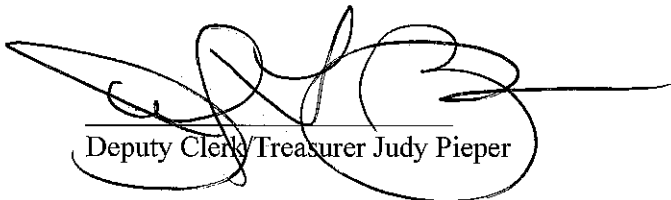
Motion to adjourn meeting at 9:44 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

  
Mayor Dan Felchat

  
Deputy Clerk/Treasurer Judy Pieper