

CITY OF SOUTH LYON
REGULAR CITY COUNCIL MEETING
JANUARY 8, 2018

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; Kivell, Kurtzweil, Parisien, Richards and Walton
Also present: Chief Collins, Chief Kennedy, Attorney Wilhelm, Deputy Clerk Pieper
Councilmember Parisien stated she is not feeling well and will be leaving early.

MINUTES- 12-11-17

Councilmember Kivell stated on page 1 after the CR for the closure work, it should have been report.
Councilmember Kivell further stated it should state Chuck Harmon was a Navy Seabee, not C.B.
Councilmember Kivell stated on page 10 after he stated there is nothing pressing, he added we could get a meeting going if something came up.

CM 1-1-18 MOTION TO APPROVE MINUTES AS AMENDED

Motion by Kivell, supported by Parisien
Motion to approve the minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

MINUTES- 12-21-17

Attorney Wilhelm stated on page 3 there was a motion by Councilmember Parisien to accept the resignation of Councilmember Rzyzi, which was tabled. He further stated the motion doesn't show the vote. He further stated the next paragraph should be clarified that once the motion was back on the table Councilmember Parisien withdrew her motions, therefore no action was taken.

CM 1-2-18 MOTION TO APPROVE MINUTES AS AMENDED

Motion by Parisien, supported by Kivell
Motion to approve the minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS

Councilmember Parisien stated she has asked for a liaison from Water and Sewer and DPW to attend Council meetings to answer questions that only they are qualified to answer. She asked Ron Beason to be here to answer questions about the HRC bills. Ron Beason from the Water and Sewer Department introduced himself, he stated he has been serving this City for 29 years and as Chief Operator for the last 3 years. He further stated for the last few months since Bob Martins retirement, he and Ron Brock have taken over some of his duties. Councilmember Parisien stated she has a question regarding the bill for \$1,300.00 from Paragon Laboratories. Mr. Beason stated that this was for a past due bill that was paid. They do our water testing. There will be a small increase in this line item in the future because the DEQ is requiring additional water monitoring. He further stated this is for things we aren't qualified to do in our lab under our permit. Councilmember Kurtzweil stated it is her understanding that the DEQ has increased some of it's reporting requirements. Mr. Beason stated they have. They are now requiring testing twice a month for different things. He further stated we are looking for inconsistencies. Councilmember Kurtzweil stated her understanding is there were some inconsistencies which is now why

they are requiring this. Mr. Beason stated that is true, we take different samples from different businesses as well as our distribution plant.

Councilmember Richards asked about the payment for Chemtrade Chemicals for \$5,500. How is this handled and stored here in the City. Mr. Beason stated we have a fiberglass tank. He stated it normally lasts 30-40 days. Councilmember Richards stated for the benefit of the public, he is ok with the salt, but he has never heard of Cargill Incorporated. Mr. Beason stated he would need to ask Ron Brock from DPW about that. Councilmember Richards stated on line 2 of the general fund, he understands what Bader & Sons is, shaft, sprocket, bearings, but he worked in machine shops and he assumes the shaft is about 4-foot. He wanted to bring this to the communities' attention that there are many local shops that could make that shaft.

Councilmember Parisien asked about the bill from HRC for \$8,298.00 and asked if this was something that could have been done in house, or if this is customary. Mr. Beason stated that bill originated from 2 separate bills, one was because they put a bid package together for the VFD as well as the asset management program. He further stated the asset management program was important, we needed it for our permit and they had the knowledge and the program that was necessary for them to do it. Mr. Beason stated there is some confusion on the VFD's. He further stated the VFD's are for our high service pumps, and it coincides with the painting of the tower. He stated Dixon Engineering was hired to paint the tower. The VFD's are separate; the idea was to have them installed prior to the painting of the tower. He said without this, there would be no pressure when it is emptied. Mr. Beason further explained it is a 30-40-day process to paint the inside of the tower. He stated this will give us the water pressure. He stated he had discussions with Bob Martin about this before he retired, and it was their intention to do as much of the bid package in house. He stated from now on we should look at our resources we have in-house before outsourcing. Councilmember Parisien asked about the bill for \$1,217.00 for Cummins Bridgeway. Mr. Beason stated that is for our generators that are at the water and wastewater plant, they are huge and old. That company comes out and does a load test to ensure that generator will work properly for the plants. They look at the fluids and battery. Councilmember Parisien stated there is also a bill for Cummins Bridgeway for \$1,447.00, and she asked if that is that for the same. Mr. Beason stated that is for the same except that is under the wastewater plant. Councilmember Parisien then asked about the charges for Badger Meter. Mr. Beason stated that is for meter heads. We are having to start replacing the old heads, they are beginning to fail. Most of the bodies are still good. He further stated there were some larger meters that we purchased for the schools to keep in stock. He stated sometimes the time frame is 4-6 weeks, and they like to keep them in stock. Councilmember Parisien stated she appreciates him coming to the meeting and explaining the bills. Mr. Beason stated he is always available to answer any questions Council will have.

Councilmember Kivell stated the idea that HRC had done the spec on the bid for the water tower painting when Dixon does that in-house didn't make sense. Mr. Beason stated the bid packet was very specific and it was 180 pages long. Dixon Engineering was contracted to do that, they are now waiting for the VFD's to get installed. The deadline is July 1st. We will either do it in the spring or the fall. Councilmember Kivell stated his point is with HRC doing a specific bid package, if anything isn't up to snuff we will have leverage to make sure it gets done. He then asked about Bridgeway coming in for the generators, they are old but every time we have needed them they have worked. He then asked about the meter reading issue that has turned into a water billing issue. Chief Collins stated there was an issue with a limited number of residences on the September reading. He then stated the telemetry failed to properly register into the electronic meter reading system which resulted in some bills being higher than they

should have been in October because that bill includes a discount for the sewer rate for people that are using water for watering and pools. Phyllis is dealing with the individual homeowners that received estimated bills.

Councilmember Kivell stated we need to reach out to anyone that was affected by this without the customer having to notice it to call. Chief Collins stated he will make sure that is done.

Councilmember Richards asked what kind of paint will be used on the water tower. Mr. Beason stated he doesn't know, but it is specifically for water towers.

Councilmember Kurtzweil asked about the attorney invoice for Alexanders. Attorney Wilhelm stated that he has been receiving phone calls from the attorney for Alexanders inquiring about an appeal to the planning commission's decision or filing for a variance. Councilmember Kurtzweil stated that is the same issue from when she was on Planning, he wants to use more space in the restaurant than what our ordinance allows for parking. She then asked if the deed was ever recorded. Attorney Wilhelm stated he isn't aware. Councilmember Kurtzweil asked about the invoice for the proposed contract for downtown banner. Attorney Wilhelm stated he was asked to prepare a contract by Director Donohue.

Councilmember Kurtzweil stated she isn't opposed to it, but she thought it wasn't going to be done until spring. Mr. Donohue stated the request was from the contractor and they felt they had enough information, they then said they didn't need a contract. He stated we had everything we initially needed from them, and they performed the work and they provided the insurance as well. Councilmember Kurtzweil asked about the charge for a phone conversation with the City Manager that lasted over 2 hours regarding Councilmembers attending other boards and meetings. Attorney Wilhelm stated that was more than just a conversation with the City Manager it was follow up about the conversation held during the Council meeting about members attending other boards and meetings. Councilmember Kurtzweil stated there are numerous billings for human resource issues, she then asked if the City is ready for a part time human resource person. Attorney Wilhelm stated yes.

Councilmember Richards stated he dittos what Maggie said, but on page 9 there was research done on comments at council meetings, and it is a free country and for people that don't know 2.2 hours translates into \$320.00 for a phone conversation he thinks should have taken 20 minutes, although he wasn't there. He stated for all the citizens of this community he wants it noted he brought this up and this is all he will say about it.

1-3-18 MOTION TO APPROVE THE BILLS AS PRESENTED

Motion by Kivell, supported by Parisien

Motion to approve the bills as presented

VOTE: MOTION CARRIED UNANIMOUSLY

AGENDA

Chief Collins stated he has one addition he would like to make to the agenda. He would like to add #3 under old business to consider interim Manager pay.

1-4-18 MOTION TO APPROVE AGENDA AS AMENDED

Motion by Parisien, supported by Kurtzweil

Motion to approve agenda as amended

VOTE: MOTION CARRIED UNANIMOUSLY

1-8-18

SWEARING IN CEREMONY- FIRE CHIEF VOGEL

Former Fire Chief Mike Kennedy stated this is an honor to introduce the next Fire Chief for the South Lyon Fire Department. He stated Rob Vogel stood above the other four candidates. He stated he goes back many years with Rob and he gets the sense of community and he knows he will do a fantastic job leading the South Lyon Fire Department. Deputy Clerk Pieper then swore Chief Vogel in.

Chief Vogel stated he is very honored to be here and he is thankful to Chief Kennedy, Chief Collins and his family, and he promises to do his best for everyone.

PUBLIC COMMENT

Judy Keeling of 6180 Arlington Circle stated she wanted to thank Chief Kennedy for all of his service to our community, especially from Colonial Acres.

OLD BUSINESS

1. Downtown

Mr. Donohue stated A Good Day Café is open, but they unfortunately had a water break, but the DPW are working on it. Chief Collins stated he spoke with Ron Brock from DPW and they were still working on it at 6 tonight but they were wrapping it up for the night. They were not getting very far, but they did find blockages in both directions, but they will be back first thing in the morning to get the business opened as soon as possible, he has also been in contact with Gary Fagin. Mr. Donohue stated 99% of the people love the food and most everyone is leaving happy. He stated they are a breakfast and lunch deli, and we wish them all the luck in the world. Mr. Donohue stated the 2nd annual DDA Board retreat will be on February 15th and he will provide to Council the bench marks for the statistics of the investment and job creation from July 2017 to December 2017 at the next meeting. He further stated it will include a projection of projects he expects to see this month. Mr. Donohue stated he will be meeting with Tim Wilhelm, and Chief Collins regarding the 4 buildings downtown that need to be taken care of. He stated he is expecting a reasonable discussion with a time frame set up to get the work done. Mr. Donohue stated he is still finding good information for platform dining and he will be discussing this with our City Attorney as well. He is hoping to have something for next season. Mr. Donohue stated the owner of the property south and west of the veterans parking lot has asked him to work with Council and Planning for the 6-7-million-dollar development he wants to move forward with. He stated Gene Carroll's intent is to trade a 20-space parking lot, to then later add a 50+ parking lot in the future. He stated the building that is proposed is absolutely in line with our master plan. He hopes to see some presentations and to move forward in 2018. Mr. Donohue stated Superb Fabricating is considering a major expansion and are asking for a tax abatement, and it will be presented at another time. He stated he is looking forward to 2018 and we have 5 buildings and some new businesses and he thinks everyone will be pleased in 2018.

Councilmember Richards stated he agrees with Bob Donohue but he would like to be involved in the meetings, he is familiar with all of them. Mr. Donohue stated he will take his lead from the City Attorney and City Manager. Councilmember Richards stated he has valuable information to the projects.

Councilmember Kurtzweil stated she agrees, the potential of 2018 to be absolutely unbelievable for the City and downtown. She stated she is looking at this from the business and economic point of view. With the recent passing of the 2017 tax cut that is geared toward businesses, she suggests you get moving on the blighted properties because right now the better off you will be because you are in a potentially historic economic environment that most people haven't been through, if we get the money and job

growth we have no idea what it will do to the growth of our downtown. We have to be ready for every business opportunity that comes by. These tax cuts can potentially reform and change the downtown overnight. She further stated she received 4 phone calls from people that want to invest in our downtown. She further stated the potential is there. Councilmember Kurtzweil stated additionally with respect to tax abatements, they are generally used to convince a business to come into a town, not normally for current business owners. She wasn't in favor of the MST tax abatements, but she wasn't on Council at that time. She stated she will not be in favor of the Gene Carroll project or for Superb Fabricating tax abatements because the new tax cuts along with tax incentives for improving their property is basically a tax abatement. She further stated, she will not be in favor of giving tax abatements because there is already a federal program in place for them to do what they want to do. She then asked if it will be a conflict of interest if Gene Carroll is on DDA and developing part of the downtown. Councilmember Kurtzweil stated this is a year we have to be ready, this could be unbelievable. She stated there is so much money that will be coming into the consumer's pocket, the demand in this area for the downtown will be huge. She stated interest rates will be rising, not high but we will see increases. She stated the housing market down 10 Mile will remain strong, and just in case people want to know, key realtors have a listing of houses that doesn't even hit the market. Mr. Donohue stated he appreciates the support and instituting the Mainstreet program and the community being involved is exciting, we are seeing citizens step up for designing issues. He further stated it is all coming together.

2. Consider adopting revised Code of Ethics

Attorney Wilhelm stated he didn't draft this but his recommendation is to postpone this until the next meeting so he has more time to read through this. Councilmember Kurtzweil asked why this came up. Attorney Wilhelm stated Mr. Muskovitz's report had bullet points recommending policy or ordinance changes regarding a code of ethics. Councilmember Kurtzweil asked if the employees at the water department had been given an opportunity to read through this ordinance. This is a human resource issue. There are several items that employees should be well versed on regarding their service to the City of South Lyon. She then asked about political activity and does this limit peoples after work activity? She doesn't understand how we regulate after work activity, but it seems to state that you cannot do that. Attorney Wilhelm stated that is an existing policy. He stated he can look into the legality of the ordinance. Councilmember Kurtzweil stated she is not comfortable approving an ordinance without all of us reviewing this and then make changes. Attorney Wilhelm stated that is why he suggested we postpone this. Councilmember Kurtzweil stated there is another section in there about a conflict of interest by someone being a lobbyist, or if she took a vocal opinion on something in Lansing that it could affect the standing of the City. She then asked about representing private interest before city agency's or courts. She stated it seems to be consistent with a case provided in a prior discussion. She stated she discussed the relevance of that case that allows Councilmembers to go before other boards and commissions and advocate a position. Attorney Wilhelm stated he doesn't recommend you do that as a best practice and if you want to attend those, just know you are running a risk. Mr. Donohue stated he is a member of different associations, and he is not a lobbyist, he knows public officials can educate and advocate but you can't lobby. He further stated he is involved in legislative issues and he wants to make sure this isn't against City policy. Attorney Wilhelm stated the analysis is different because you aren't a decision maker. Councilmember Kurtzweil stated the ordinance is broad, so she doesn't know if the ordinance is talking about legislation at the planning commission level, or state or federal level. Councilmember Richards stated it says if we adopt this, we have to create a board of ethical review, we have never had such a thing, but if it is vague, the general public may not be interested. Attorney Wilhelm stated the current ordinance provides for a board of ethics, but it has never been populated. That is one of the

questions Mr. Muskovitz has raised, so we want to populate it. Councilmember Kivell stated we will have more time to read and understand this if we add this to the agenda for the 22nd.

CM 1-5-18 MOTION TO PLACE PROPOSED ETHICS ORDINANCE AMENDMENT ON THE AGENDA FOR THE JANUARY 22 2018 MEETING

Motion by Parisien, supported by Kivell

Motion that the proposed amendment to the City's ethics ordinance presented by Dykema be placed on the agenda for the 1/22/18 Council meeting

VOTE: MOTION CARRIED UNANIMOUSLY

3. Interim City Manager Pay

Councilmember Kivell stated he enjoys seeing the item number on the agenda notes.

CM 1-6-18 MOTION TO AUTHORIZE 25% INCREASE IN CHIEF COLLINS SALARY WHILE ACTING AS INTERIM CITY MANAGER

Motion by Kurtzweil

Motion withdrawn

CM 1-7-18 MOTION TO AUTHORIZE 25% INCREASE IN CHIEF COLLINS SALARY EFFECTIVE JANUARY 2, 2018 UNTIL FURTHER ACTION BY CITY COUNCIL FOR HIS SERVICES AS INTERIM CITY MANAGER

Motion by Kurtzweil

Motion withdrawn

Attorney Wilhelm stated he recalls seeing this issue in the Charter related to contracts for services that have already been provided. Councilmember Kurtzweil stated we can provide him pay for services provided as of tomorrow. She thinks the issue was having people go out and provide services, then back track and try to enter into a contract.

CM 1-8-18 MOTION TO TABLE INTERIM MANAGERS PAY REQUEST TO ITEM #10 UNDER NEW BUSINESS

Motion by Kurtzweil, supported by Kivell

Motion to table interim managers pay request to #10 under New Business

VOTE: MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Set time for special meeting on January 18, 2018

CM 1-9-18 MOTION TO SET TIME FOR SPECIAL MEETING TO 7:30 P.M. ON JANUARY 18, 2018

Motion by Walton, supported by Kurtzweil

Motion to set time for special meeting to 7:30 p.m. on January 18, 2018

VOTE: MOTION CARRIED UNANIMOUSLY

2. Consider approving 2018 City Council meeting schedule

Councilmember Parisien asked if we are going to cancel the 2nd meeting in December. Mayor Pelchat stated that can be discussed in December.

CM 1-10-18 MOTION TO APPROVE CITY COUNCIL MEETING SCHEDULE AS PRESENTED

Motion by Parisien, supported by Walton

Motion to approve City Council Meeting schedule as presented

VOTE: MOTION CARRIED UNANIMOUSLY

3. Proposed restrictive covenant for 128 S Lafayette

Mayor Pelchat stated this was postponed from a previous meeting, but the recommendation is to postpone to the February 12, 2018 meeting. Attorney Wilhelm stated Arcadis submitted documents to be reviewed and he has not had time to review it. He stated he looked at the cost itemization but he hasn't looked to see if there were any changes to the restrictive covenant. Councilmember Kivell asked if the breakdown appear to be they were demonstrating what the \$15,000 was for.

CM 1-11-18 MOTION TO POSTPONE THE ARCADIS REQUEST FOR RESTRICTIVE COVENANT TO THE FEBRUARY 12, 2018 MEETING

Motion by Kivell, supported by Parisien

Motion to postpone the Arcadis request for restrictive covenant to the February 12, 2018 council meeting

VOTE: MOTION CARRIED UNANIMOUSLY

4. Designate Council contact for MERS labor negotiations

Attorney Wilhelm stated Council approved the change in MERS for non-union new hires and directed the staff to pursue that with remaining employees and because they are unionized, some details need to be bargained. He stated this is in lieu of the City Manager because of her leave. Pat Azeltine asked for someone to be in place for any questions that come up. Councilmember Richards stated he lives close to City Hall and he is willing to do so. Attorney Wilhelm stated he can participate, but he believes a Councilmember with more experience would be helpful. He stated he is looking for a day to day contact. Councilmember Kivell stated he thinks it would be difficult for any single Councilmember to answer on behalf on the entire body, and any question that does come up, he believes Pat should have an idea of what direction Council would want. Attorney Wilhelm stated this is no different than Pat working with the City Manager, we are looking for someone from Council because they will be voting on it. Councilmember Kivell stated he would be willing to do so.

CM 1-12-18 MOTION TO DESIGNATE COUNCILMEMBER KIVELL AS THE CONTACT FOR UNION NEGOTIATIONS FOR RELATING TO MERS RETIREMENT PLAN

Motion by Parisien, supported by Richards

Motion to appoint Councilmember Kivell as the contact for union negotiations relating to changes to the MERS retirement plan for new hires in the union employee groups

VOTE: MOTION CARRIED UNANIMOUSLY

5. Discussion regarding GFL contract and request decision regarding extension or bid process

Attorney Wilhelm stated we have Mike Csapo from RRRASOC and Sam Caramagno from GFL. He stated GFL is asking if we want to extend the contract or go out for bid. He stated the contract is currently good through June 30, 2018. Mike Csapo from RRRASOC stated he helps the City secure and manage solid waste. He stated you currently have a contract that expires in June of this year. It typically takes 6-7 months for the bid process. Mr. Csapo further stated the context should be 3 questions, is it allowable, are you comfortable with current services, and what is being proposed competitively. He stated routinely they go through dozens of communities and get an average on the expenditures for refuse collection. He stated every year he has done this; South Lyon has been near the bottom of the list. The City has a very good program performance and a good contract. He stated when GFL took over, they have continued to maintain the contract cost, as well as the good service. He further stated GFL is offering an extended contract with options of enhancing with new practices. He further stated if the contract is extended for 4 years, there is an option for the residents to opt in for a recycling cart, if a shorter extension there would be a limited number of people that could opt in without cost to the City. Another change in the proposal is to limit the increase in cost based on the CPI. He further stated it limits the exposure to a higher cost. He looked at the pricing and recent bids and he would be shocked if the City could get a lower bid. Councilmember Richards stated he thinks it is a good idea to continue with this contract but he thinks a 64-gallon cart for recycling is too much for residents. Mr. Csapo stated he begs to differ, he found most people in a 4-5 people household can fill up a 64-gallon cart, but if they want to stick with the 18-gallon bin, they can. This isn't an obligation. Councilmember Richards stated we should give them the option to pay for it, why charge the whole community for the option of having a 64-gallon cart. Mayor Pelchat stated it is an option for the resident. Mr. Csapo stated the primary cost of the rate change is there will be a 3% raise in CPI. He further stated our current price is under market primarily because the City had a great deal with Duncan and they gave the city pricing below what anyone else would give. Mayor Pelchat stated he thinks this is a good option, it will encourage recycling and the problem with the buckets is when the wind picks up some of the recycling ends up blowing around and a lot of it ends up in the garbage. Mr. Csapo stated we tend to see a 40-60% increase in recycling with the carts. Councilmember Kivell stated when he got involved with this, Duncan was already the provider, and they had a contract that included things other providers weren't offering such as anything being put out they will pick up, such as appliances and such. He stated he is grateful GFL carried that over to their contract. Mr. Csapo stated there will be no change in the services, but it will cap the price increases and add the option of the recycling cart. Councilmember Kivell stated at the onset when he got involved, tipping fees were supposed to go through the roof, and everyone was going to be paying a lot of money for trash hauling, and capacity must have been enhanced by allowing dumps to grow, we dodged a bullet. We could have been suffering by enormous amounts if that hadn't taken place. He further stated he likes the idea of the 2% escalator being the maximum.

Councilmember Kurtzweil stated a lot of the bins don't fit inside the garages of the homes that were built 15-20 years ago, and most have homeowner associations that have rules that they cannot be left outside so there is a growing contention with the size of the containers that are being provided to our community.

Councilmember Kurtzweil stated in respect to cost containment and having a sweetheart deal with Duncan, she thinks the Duncan family was very astute at business practices and they were locally located, and their trucks didn't have to travel too far, and a lot of their workers were in this area. She stated GFL has the same opportunity to move closer to this area and cut their costs. She is hesitant to let that comment go, without commenting that GFL should look at incurring cost constraints that would be favorable to the communities they serve and move a little closer. There is plenty of space that could be rented so they wouldn't have to travel their trucks too far and they would save some money. Mr. Csapo

stated that is a business decision and he doesn't think GFL will do that for a contract for 3700 units. He further stated the pricing that is before Council remains one of the lowest in the RRRASOC communities.

Sam Caramagno of GFL stated the size of the 64-gallon cart footprint is basically the same as the bin, but it is taller. Councilmember Walton asked if the contract they are asking for is for a 3 or 4-year contract. Mr. Caramagno stated they are asking for a 4-year contract, but they were asked to also propose a 3-year contract. Mr. Csapo stated the cost for the 3-year contract is slightly higher than the 4-year contract. The costs difference basically is a .40 cent increase versus a .50 cent increase. He stated in either case, the pricing is at or below average and it keeps the City of South Lyon overall cost at the bottom of cost compared to other communities. Councilmember Richards stated it is good they provide the service for people to drop off old paint and batteries. Councilmember Parisien stated she is comfortable with the 4-year agreement.

CM 1-13-18 MOTION TO AUTHORIZE THE CITY TO PURSUE THE 4-YEAR EXTENSION OF SOLID WASTE CONTRACT WITH GFL USA

Motion by Kivell, supported by Parisien

Motion to authorize the City to pursue the 4-year extension of Solid Waste contract with GFL USA

VOTE: MOTION CARRIED UNANIMOUSLY

6. Evidentiary blood draw agreement with Huron Valley Ambulance

Attorney Wilhelm stated we had an earlier agreement and we didn't know how it would go, therefore we put an expiration date on it. They are continuing the arrangement and some slight changes were made. There is a small price adjustment. It is a service we like and the relationship is working well. Chief Collins stated the reason for the agreement is the HVA comes to the Police Department to do blood draws for instances when a suspect refuses a breath test for driving under the influence or search warrant issues for a case of operating under the influence of drugs. He stated it saves them a lot of time and it is very convenient so the officer doesn't have to transfer the suspect to a hospital for the blood draw. He stated HVA asked for an increase of \$15.00 per draw. He further stated it is a very low number of blood draws. Councilmember Kivell asked if this affects the chain of control for the sample being conducted at the PD instead of the hospital. Chief Collins stated that is not affected, the blood sample is sealed back in the box the kit came in and submitted back to the Police Department. Councilmember Parisien asked if we are reimbursed by the individual for the blood draw cost. Chief Collins stated we are not, unless there is a crash involved. Councilmember Parisien stated it seems we should be reimbursed from the person that refuses the breath test. Councilmember Richards asked if someone from the police department personally supervises the blood draw. Chief Collins stated the arresting officer witnesses the blood draw.

CM 1-14-18 MOTION TO APPROVE THE EVIDENTIARY BLOOD DRAW AGREEMENT BETWEEN THE CITY OF SOUTH LYON AND HVA

Motion by Richards, supported by Kivell

Motion to approve the evidentiary blood draw agreement between the City of South Lyon and HVA and authorize the Mayor and Clerk to execute the agreement on behalf of the City

VOTE: MOTION CARRIED UNANIMOUSLY

7. Liquor Licensing Ordinance

Attorney Wilhelm stated the sub committee has met several times and there have been several revisions and to ensure anyone else that wants to look at this, it is available on the City's website, and because of the amount of time, we should move this to the next Council agenda for a first reading. Councilmember Parisien stated our City Attorney has worked hard on this, and she is happy with how this looks. She further asked if we could email this to all the stakeholders that attended the meeting. Chief Collins stated we can make sure that happens from City Hall tomorrow.

CM 1-15-18 MOTION TO POSTPONE THE FIRST READING OF THE LIQUOR LICENSE ORDINANCE TO THE JANUARY 22, 2018 MEETING

Motion by Kivell, supported by Parisien

Motion to postpone the first reading of the Liquor License Ordinance to the January 22, 2018 meeting

VOTE: MOTION CARRIED UNANIMOUSLY

8. Review proposed Fund Balance policy

Attorney Wilhelm stated this sets a policy to target the level you want the Fund Balance to remain at. Councilmember Parisien asked who directs the officials in the methods to be used for increasing or decreasing fund balance. Attorney Wilhelm stated this policy sets who that is. This state we are trying to set the millage and budget and to maintain the fund balance. He stated he thinks the idea is how to increase the fund balance such as keeping expenses under revenues, or cut expenses. Also, what are the reasons we may want to use fund balance and to what level. Councilmember Parisien stated this is a guideline, she was looking for numbers we are bringing forth and how that would benefit us as a City. Attorney Wilhelm stated the City has had their expenditures over revenues in the past few years. This is a high-level concept. Councilmember Kivell stated budgets can't be written in stone, this is trying to establish guidelines and best practices. He likes the idea and we have been operating on austerity mode for the last 3 years, and clearly identifying anything beneficial to maintain our fund balance is legitimate. He further stated we could try to benchmark with other communities to see what they are holding in their rainy-day fund would be a good first step. The rest can be tailored around that as well as the budget to ensure we retain that number. Councilmember Kurtzweil stated she has spent a lot of time on this issue. A lot of communities have a general fund balance policy that City Council tries to adhere to and it is goal directed. It sets standards of what we would like to achieve. It is meant to set a standard to make sure we have a level of fund balance. Many communities have these policies, South Lyon did not. She further stated it is also a requirement of the GASB 54 of general accounting standards. Councilmember Kurtzweil stated the policy is a good one, the language is basically out of GASB. She stated we can discuss this during the budget season. She further stated we have other financial issues compared to other communities so we have to be careful to compare what their fund balance is compared to ours. Our tax revenues are flatlined, unlike Novi or some other communities. We will need a more restricted use of our fund balance because we need it to get through tough years. She further stated we are expecting some good economic years, which could raise our fund balance, but if something happens and there is a downturn for whatever reason, we don't have enough money in the fund balance to get through. We do not have enough money to pay salary and benefits for our Police Department for one year in our fund balance. That may be acceptable in some communities, but it is not acceptable to her. She further stated this is a critical piece to get the budget back where it should be. She would like this to be discussed and possibly postponed until we begin the budget workshops. Councilmember Richards stated she is right, if we have one major disaster such as the tube mill being sold and closing, it could bankrupt the town. He

further stated we are vulnerable; we have to set up a tight bottom line. Councilmember Kurtzweil stated the policy provides for some direction to City Council on how to deal with problems when the fund balance is meeting the minimum threshold. The reason is to get out of the politics of deciding what you're going to cut, the policy does it for you. She further stated the policy states you cut capital improvements and you bring the fund balance back up, and if that doesn't do it, you cut general operating expenses. She stated it alleviates the battles and politics and makes a straight-out decision.

1-16-18 MOTION TO POSTPONE REVIEW OF FUND BALANCE POLICY UNTIL LAST MEETING IN FEBRUARY

Motion by Kurtzweil, supported by Walton

Motion to postpone review of fund balance policy until last meeting in February

VOTE: MOTION CARRIED UNANIMOUSLY

9. Consider potential candidates for appointment as interim City Manager during the approved leave of the City Manager

Councilmember Kivell stated he doesn't get a good feeling about this. Mayor Pelchat stated his concern is none of the possibilities are in the local area. Councilmember Parisien stated she would like to see more candidates and take our time. Councilmember Richards stated we should contact the top 2 or 3 candidates from when Lynne was hired. He recommends we reach out to them and see if they are available. Councilmember Kivell stated this was just consequential, but he knows someone that used to be the City Manager of Rochester, and now he is a professor and he is a consultant and he is a budget savant, and we could definitely take advantage of that. He stated he normally doesn't do interim stuff except for the summer when school isn't in session, but he is also the vice president of Hgov which is essentially a privatized version of the MML candidate search. He is spoken very highly of, and at least there are some other sources we could rely on besides the MML. He further stated he just got this email today and he will send it to everyone tomorrow. Councilmember Kurtzweil stated she agrees that some of the ones Lynne suggested are out of state. She did find it interesting to see what other City Managers are doing. One of them wrote an ordinance aimed at cost recovery, another one developed a rolling 3-year budget for their Downtown Development Authority, one of them developed a retirement succession plan, and another created a street repair and construction plan. It is interesting that they are in populations that are similar to ours in the City. She is concerned about the budget season, we cannot go through another budget season as we have the last 2 years. Councilmember Richards stated we need a real person and the one was a City Manager of Allen Park and that is a big place. They all had good qualities, but will they agree to be here for 3 months, what will we offer them. He doesn't have an answer. Councilmember Kivell stated he will send everyone the email about the person he was speaking of. Councilmember Kurtzweil asked if he is available now. Councilmember Kivell stated he is available for emergency circumstance and the budget aspect. He is known for creating 5-year budgets as he just did with Northville. Councilmember Kivell stated it was suggested possibly Jim Graham, or Plante Moran to assist us with the budget. Councilmember Kurtzweil stated she would prioritize what is most important. She stated the budget is most important to her. It is critical and if we solve the budget component the City Manager issue could be put aside for another day. She asked if Jim Graham is available. Chief Collins stated he believes he may be available but we need to have a conversation with our City bookkeeper. Councilmember Kurtzweil stated the issues she brought up at the last meeting is we need someone that is highly trained, highly experienced in the area of budgeting which includes someone that can delve into municipal finances. She stated the bookkeeper is very competent with many things in the City, but she isn't confident about her dealing with enterprise funds or other complicated issues. She

stated the City needs to get serious about the budget and begin making changes that are needed. She further stated she spoke with Jim Graham, he has a background in finance, as well as balance a 60-million-dollar school budget. This is what he does for a living, and he has a superb reputation. She further stated whoever starts on this budget, should be there when it is adopted as well. She further stated she spent some time speaking with Marlene Beech, she is from UHYLLP which is an entity from Southfield. They were recommended to her from the MML. She stated they are a company that specializes in government budgeting and accounting. She stated they have a division that will come in and do the budget, do the planning, provide guidance and consulting. They have 30 years' experience. They can also perform process optimization which is how things are done and how to improve on them and provide policy and procedures. She further stated no offense to the bookkeeper but when she spoke with Marlene Beech, the act 51 monies came up and you need someone with experience with state statutes and budgetary issues and these are issues the bookkeeper isn't that well versed in but this company is. She further stated this is a far different level of experience in terms of budget experience in terms of what we have now. She suggested we listen to Jim Graham, and also ask for a presentation by Marlene. Councilmember Richards stated he has had many conversations with Jim Graham, he is very understandable and level headed. He is a tremendous resource. When he leaves the school and if he could work for us for 6 months to a year, it would save the City half a million dollars. Mayor Pelchat stated Mr. Graham is a wonderful professional, and he has had a candid conversation with him but he can't speak to his availability. He believes Mr. Graham should come in and speak with Council or just Chief Collins. Chief Collins stated he will arrange whatever Council prefers. Mayor Pelchat stated the bookkeeper should be involved with the meeting as well. Councilmember Kivell stated he would like Chief Collins to reach out to Mr. Vettraino as well as Jim Graham. Chief Collins stated he will do that and advise Council of the result of the conversation. Councilmember Kurtzweil stated we should be ready to make a decision at the next meeting. Jim Graham has a lot of experience and he knows the City, the players, the stakeholders and he has a great background in balancing a budget. That is a great opportunity. Mayor Pelchat stated if Mr. Graham is available, his ability to put together a 5-year plan for the City would be incredible. Councilmember Kurtzweil stated she would like Council to begin looking at hiring a part time human resource person, as well as putting someone in charge as a financial director. Many cities have financial directors and it is time to take the next step to professionalize our administrative services. It is incomprehensible that we are operating in 2018 without anyone being able to do a budget. She stated she has looked at credentials of City Manager's and financial budgeting is not in their skillset. Every time you change a City Manager you are a year and half behind for budgeting. She further stated the opportunity is there for the City to improve on what it is doing. The Charter provides for a financial director. Councilmember Kivell stated Mr. Vettraino was a city manager and he is highly skilled at budgeting.

Councilmember Parisien left the meeting at 9:45

All votes after this note was voted on by the 5 remaining members of Council

10. Interim City Manager Pay

Attorney Wilhelm stated section 5.8 of the City Charter states Council shall not grant or authorize extra compensation to any City officer, elective or appointive, or to any employee, agent or contractor, after the service has been rendered or the contract is entered into. Councilmember Kurtzweil stated we aren't raising his salary as Chief of Police, this is a separate position and we are deciding what the pay is for that position.

CM 1-17-18 MOTION TO BRING FROM THE TABLE THE MOTION RELATING TO THE INTERIM CITY MANAGER'S PROPOSED COMPENSATION

Motion by Kurtzweil, supported by Richards

Motion to bring from the table the motion relating to the interim city manager's proposed compensation

VOTE: MOTION CARRIED UNANIMOUSLY

CM 1-18-18 MOTION TO AUTHORIZE COMPENSATION FOR CHIEF COLLINS FOR HIS SERVICES AS INTERIM CITY MANAGER EQUAL TO 25% OF HIS BASE PAY COMMENCING ON JANUARY 4TH UNTIL FURTHER ACTION IS TAKEN BY CITY COUNCIL

Motion by Kurtzweil, supported by Kivell

Motion to authorize compensation for Chief Collins for his services as interim City Manager equal to 25% of his base pay commencing on January 4th until further action by City Council

VOTE: MOTION CARRIED UNANIMOUSLY

BUDGET- No comments

MANAGER'S REPORT

Chief Collins read part of the weekly report that was given to Council. He stated Chief Collins assumed the duties of the Interim City Manager at 5:00 p.m. on Wednesday January 3rd. With delivery of Council packets on Thursday afternoon, this left less than 24 hours to prepare the agenda and packets for the meeting of January 8, 2018. He stated he is mentioning this because he wanted to extend a special thanks to Joan Ciarelli and Lisa Deaton for their assistance in accomplishing that task.

Chief Collins stated he will read through other items in the report that may be of interest to the public. He stated Councilmember Kurtzweil has arranged for Plante Moran to conduct a seminar about Understanding Municipal Finance on Saturday, January 20th at 9:00 a.m. The seminar will be held at City Hall, and is expected to last until noon. Councilmembers, department heads, and interested city employees are invited to attend. He then asked anyone interested in attending to notify Clerk Deaton if you plan to attend so that sufficient handout materials will be available. He further stated Attorney Wilhelm recommends that the seminar is posted as a public meeting. That is open to Council for discussion.

Chief Collins stated DTE Energy work planners will be coming to South Lyon to inspect tree/vegetation proximity to their distribution system, primarily power lines. Once assessments are complete, DTE will contact homeowners directly if trimming or removal is anticipated. He stressed that DTE will not mark any trees for removal without a signed Tree Removal Agreement card. They are trying to be proactive.

Chief Collins stated the Water Department is working to correct billing issues for a limited number of residents whose October water bills were estimated. Some October bills were unusually high because the summer sewer discount was not applied to the estimated bills. Phyllis is working directly with affected residents and will adjust any incorrect bills. He further stated any concerned residents may call her at 248-437-2326.

Chief Collins stated the public may be interested to know the Michigan Municipal League, (MML), Capital Conference is scheduled for March 20-21, 2018 in Lansing. Registration is now open for Councilmembers interested in attending. Further information is available on the MML website: www.mml.org/home.html. Please contact City Clerk Lisa Deaton if you plan to attend.

Chief Collins stated he addressed some Council inquiries and he will include that as a standing item in his weekly report. He stated if it is not confidential, he will share the information with all Councilmembers. Councilmember Walton asked Chief Collins if there is an update on the rental house or if we have received any bids for the roof. Chief Collins stated he has not as of yet, but he will do so and keep Council posted.

COUNCIL COMMENTS

Councilmember Walton thanked the DPW for filling in the ice rink and they have done a phenomenal job on the roads and trails. They are doing a fantastic job. She then thanked Chief Collins for helping the City out and she is looking forward to 2018.

Councilmember Richards stated he had a wonderful Holiday season. He stated he is pleased to see Chief Collins and all his experience in the position we have thrust upon him. Councilmember Richards stated there are many good things for us to see in this town. He stated he went through Hidden Creek and the lights were spectacular and he has never seen anything like that. He stated you wonder who organized that. It will rival anything else in the County. Councilmember Richards stated he enjoyed his life and he encourages everyone to do the same and do the best we can.

Councilmember Kivell stated we received a note from the Thompsons, and they were thanking Officer Raap for assisting them with getting their car seat in in the blistering cold last week, they were very appreciative.

Councilmember Kivell stated he is hoping with the weather moderating some of the issues we have had such as the Good Day Café frozen water pipe will be abated. He stated he also noticed the DPW was on the north side of town working on the west side of the street with a curb stop key and he hopes they were able to solve the issue.

Councilmember Kurtzweil stated she is still in Christmas mode and she had a great time with her family and she traveled out of state with her tailgating friends at the parking lot at Lambeau Field and the only thing that will keep you warm in 30-degree weather is a pocket full of Viking jokes which she has a ton of. She then thanked everyone in the state of Wisconsin for a great holiday, and she misses her tailgating friends. She stated what do you call a Viking player with a super bowl ring? A thief. She stated she went to the Great Day Café and it is a place to go for a good day, she had the #1 and it was fabulous. She stated that is going to be a great business in our community.

Councilmember Kurtzweil thanked Lori Mosier for all her assistance with her questions and for being so good at delivering services to our residents including Councilmembers.

Councilmember Kurtzweil stated she wants to recognize a new photographer in the area. Her name is Katie Wind and a lot of people love her work. She further stated she has a great picture of South Lyon post card and it is fabulous. She then thanked her for a positive picture of South Lyon.

Councilmember Kurtzweil stated she wants to pound the economic news you may not hear in the mainstream media is that we are in a fabulous time period in the history of our economy. She stated as a result of the tax cut, we could see a 4% quarterly GDP which we haven't seen since the 1980's or 1990's. She stated some people don't have a clue what a good economy is when things are moving as they should. She stated she can't wait to see some of the economic data that will be coming. She is hoping the tax cuts will do good for businesses but she hopes it will trickle down to South Lyon. We need to be in the right place at the right time, this has the potential of being incredible. It is important to know the unemployment rate is lower than it has been in 17 years. She further stated home creation of the family unit is the highest in 10 years. For anyone that is not reporting this economic news, shame on them. She stated she is excited about 2018 and the downtown, this is the year the City will break through and solve their issues. This could be the year and you need problem solvers, we need to embrace change, and innovative in our problem solving and demand and expect professional competency in the delivery of services to our community.

Mayor Pelchat welcomed Chief Vogel to the City. Mayor Pelchat stated the potential for 2018 to be a huge year for us. He then thanked Chief Collins and all of the staff. He stated with people leaving, or going on a medical, no one bats an eye, they just keep going. He thanked Chief Collins and all the City employees.

ADJOURNMENT

CM 1-19-18 MOTION TO ADJOURN

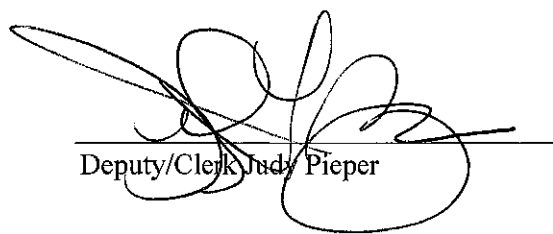
Motion by Kivell, supported by Richards
Motion to adjourn meeting at 10:25 p.m.

VOTE: MOTION CARRIED UNANIMOUSLY

Respectfully submitted



Mayor Dan Pelchat



Deputy/Clerk Judy Pieper