

City of South Lyon
Regular City Council Meeting
October 10, 2022

Mayor Pelchat called the meeting to order at 7:30 p.m.

Mayor Pelchat led those present in the Pledge of Allegiance

Roll Call: Mayor Pro Tem Kennedy and Councilmembers: Dilg, Kurtzweil, Kivell, and Mosier

Also present: City Manager Zelenak, Fire Chief Thorington, Chief Sovik, Finance and Benefit Administrator Tiernan, and Clerk/Treasurer Deaton

Absent: Councilmember Hansen

CM 10-1-22 MOTION TO EXCUSE ABSENCE

Motion by Kennedy, supported by Dilg

Motion to excuse absence of Councilmember Hansen

VOTE: MOTION CARRIED UNANIMOUSLY

CM 10-2-22 MOTION TO APPROVE MINUTES

Motion by Kivell, supported by Dilg

Motion to approve minutes as presented

VOTE: MOTION CARRIED UNANIMOUSLY

10-3-22 MOTION TO APPROVE BILLS

Motion by Mosier, supported by Kennedy

Motion to approve bills as presented

VOTE: MOTION CARRIED UNANIMOUSLY

10-4-22 MOTION TO APPROVE AGENDA

Motion by Dilg, supported by Kurtzweil

Motion to approve agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

10-5-22 MOTION TO APPROVE CONSENT AGENDA

Motion by Kurtzweil, supported by Kennedy

Motion to approve consent agenda

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT- N/A

Discussion- Downtown

Downtown Director Nate Mack stated they planned to have a food truck rally at the last Farmers Market, but they ended up with only 4, because some of the other vendors went elsewhere. They will be discussing the winter farmers market at the next DDA meeting and meet with the VFW. He then stated the Wixom DDA Director contacted him about working together on a trolley between Wixom and South Lyon during certain downtown events. They have had a preliminary meeting to look at event schedules. He stated 135 E Lake Street passed their elevator inspection and are now waiting on final building inspection, which they are hoping the restaurant will open by the end of the year. He has also spoken with different people that are interested in opening restaurants in the downtown and outside of the downtown and they are doing their due diligence.

Councilmember Kivell asked if Wixom has the same kind of events that we do and if he has heard anything about the theatre. Mr. Mack stated they are looking at similar events and he hasn't heard anything new about the theater, except they are looking for someone to lease it as a theatre, or buy it and run it as a theater. Councilmember Kennedy asked if there are any updates on the electric vehicle charging stations. Mr. Mack stated they are hoping to have them installed by the end of the year.

FIRE CHIEF REPORT

Fire Chief Thorington stated they have had 7,841 calls year to date. It seems they are increasing every year. He then stated the ladder truck is in the final build. He then stated since most of the COVID restrictions have been removed, they will be having open houses again beginning in the spring. He further stated they have hired a new firefighter, Nelson Schilk. He further stated it is hard to find new firefighters right now. He also stated Brad Moynihan has been promoted from Fire Inspector to Fire Marshall. He then stated they are working on the floors and making good progress. Councilmember Dilg asked if the increase of incidents have been local, or assisting other communities. Chief Thorington stated they are mostly in the city.

POLICE CHIEF REPORT

Chief Sovik first stated that Nate is doing a good job and he has enjoyed working with him. He then stated Officer Raap completed the Chicago Marathon. He then updated Council on the shooting that occurred in the mobile home park in July. He stated Sargent Sederlund and Detective Barbor did a great job as well as the Oakland County Sheriff's office, and the Oakland County Prosecutors' office, and they have made two felony arrests. He then read the following letter. "They came to South Lyon 27 years ago to discover a wonderful community and serve an amazing congregation as co-pastors. Later we retired to live on Wellington. On September 16th, just after midnight, my wife of 56 years passed away. As I am writing thank you notes to family and friends, I realized I never thanked the officer who first woke up my son to come to the house and later confirm Pauline's death. It was a most difficult time but the care and compassion of the two officers helped us through the two hours. South Lyon has grown in ways we could not imagine 27 years ago- but we still have those in public service who make it a community to be proud of." He then recognized Officer Czapski and Officer Schneemann, they go above and beyond and he expects nothing less.

PRESENTATION- Plante Moran Audit 2021-2022

Full presentation can be found on the city's website

Tim St Andrew of Plante Moran thanked City Manager Zelenak and Finance and Benefit Coordinator Tiernan for all their assistance. He stated they began their work in May and the field work in mid-August. He stated everyone was very helpful. He then stated their auditors report reflects an unmodified opinion which is the highest you can have. He stated GASB 87 is new and is related to leases, which the city's leases are small enough to not factor into that. Philip Femminineo of Plante Moran stated the general fund increased to 7.8 million from 7.4 million due to property taxes increasing with increased taxable value as well as more state shared revenue. There was also a little more in building permits. He further stated the expenditures increased from 6.6 million last year to 7.1 million this year, the main increase was from public safety costs and the purchase of some fire equipment as well as general government such as with the building permits going up, so did the Safebuilt bills. He then stated 5.4 million of unassigned fund balance. He stated there is 1.25 million debts for the capital improvement item of the ladder truck due to it not being ready in 2021. There was 1.1 million in debt that was paid. He then explained the city collected 17.8 million in taxes, but of that only 37% stays with the city. The rest is distributed to other taxing authorities. He also discussed the major and local road funds, the water and sewer funds and the operating revenue for the water and sewer. He stated the unfunded liability of pensions is 72% funded, and the OPEB is funded at 30.16%. He stated the debt service requirements are the State of Michigan debt and the ladder truck. The revolving fund bond was paid off. Spencer Tawas of Plante Moran then discussed the audit standards and the opinion letter. He stated there were no

significant discrepancies and the communication with the governing body was good. Councilmember Kurtzweil thanked them for their presentation. She asked about the water and sewer fund having an operating loss. She is concerned about it. She stated according to the graph, there seems to be a shift between 2020 and 2021, but it dropped in 2022. Mr. Tawas explained the cash flow in the water and sewer is different because of the significant expenses are due to the capital improvements of the water plant, there wasn't as much done in 2020. He doesn't find it unusual. Councilmember Kurtzweil stated she would like to revisit the water and sewer rate study because its concerning. Finance and Benefit Administrator Tiernan stated the water and sewer rate study that council approved was based on a 10-year plan and it was built into the capital improvements that we have been seeing, we are at the peak of expenses and maybe a little higher the next year or two, but at the end of the 10 years, we will begin building funds up because the capital improvements will have been completed. Councilmember Kurtzweil stated we need to pay attention to make sure it doesn't get out of control. She then asked how grants are approved for, but not received can be counted as revenue. Mr. Tawas stated once the grant is approved, it reflects because your eligible to receive the grants. Councilmember Kurtzweil asked what is the difference between committed funds, and unassigned funds. Mr. Tawas stated the unassigned funds are funds that council can decide what to spend it on. The committed, council will have to approve a resolution to use the funds on projects. 73% of the general fund is unassigned and 28% are committed with restrictions. Councilmember Kurtzweil asked why does it say taxes are considered delinquent as of March 1st, when they are due on September 30th, and then interest and penalty are due. Mr. Tawas stated March 1st is the date the tax year is over and everything is turned over to the County for collection, but he stated that language can be changed in future audits. Councilmember Kurtzweil then asked about compensation of absences. It is the city's policy to permit employees to accumulate earned unused sick, vacation and benefits. She further stated we allow some, but there is a cap, so it doesn't seem completely true. Councilmember Kivell stated we knew there were going to be capital improvements in water and we knew would take a lot of funds; but he is not opposed to looking at rates in the future. These are our assets that will be used for a long time without having to have much money thrown at them. City Manager Zelenak stated there are still expenditures, but they won't be as high and in 10 years we should be back to where we started. Councilmember Kurtzweil stated she thinks they should look at increasing the limit of funds that are allowed to be spent without Council approval higher than \$5,000. Mr. Tawas stated that is on the lower end of what they see with other communities. He stated the federal threshold was raised to \$10,000 for micro purchases.

NEW BUSINESS

1. City Council Rules of Procedure *see attached rules and procedures*

City Manager Zelenak explained at a council meeting in April of 2020, city council adopted the Council Rules of Procedures. The rules are to contribute to an efficient operation of the city and our meetings. He then asked council to review specifically page 12 as it relates to Council Member relationships, which relates to Council's relationship with the public, staff, consultants and other boards and commissions. He stated the main discussion on this pertains to council refraining from argument with a member of the public or staff at Council meetings since the arguments, seldom resolve concerns and many times inflames feelings at a public meeting. Any concerns by a member of Council of a behavior of an employee should be directed to the City Manager to ensure the concern is addressed. As it relates to staff and consultants there should be mutual respect by both staff and councilmembers their respective roles and responsibilities during a public meeting. He further explained requests for information or questions by council should be directed to the City Manager as well as requests for information and complaints. Council will not direct staff or consultants to initiate any action or prepare report significant in nature, nor a project or study without the approval of the majority of Council. Again, all requests should be submitted to the City Manager. At prior meetings we've had councilmembers intimidate staff members and consultants and he doesn't want it to happen again. There have been conversations about this 6 months ago, a year and a half ago and unfortunately, it still continues. City Council only has to hire, compensate and evaluate and motivate one employee and its him. It is his job to be there for the 70+

employees and part time employees here at the city. With what happened at a previous meeting makes that job much more difficult. Staff members are worried that they will be the next one that's going to get talked to in that manner at a council meeting. He stated he cares about the city and its employees and as their manager he doesn't want them to be treated that way again. We have to constantly work to retain and attract good people. Unfortunately, Council acting in that way at a council meeting will not allow us to do so. Councilmember Dilg stated one of the reasons she ran for city council was because she saw some previous council meetings and she was shocked by some of the conduct, and she thought she could be an even keeled calm person who listened to other people and she was hoping that's what council would do. One of the things she's been most pleased with is for the most part we have done that, despite being very different people with different views. She stated for the most part, we have conducted ourselves in a respective manner, listening to each other and making decisions based on what we think is best for the city, not on ourselves personally avoiding attacks and giving support to the city. She is glad this has been brought up because she feels like this has been slipping a little lately and she has been concerned. This was brought up because a few meetings ago where Councilmember Kennedy was what she considered unnecessarily directive or disrespectful to city staff and consultants. She stated she spoke with him about the situation and she let her feelings be known to the city manager and the mayor. But it isn't just his issue. It is on all of us because when these things occur, someone should have stepped in and stopped it. When you're in a conversation or a situation where something is happening you don't agree with, and you do nothing, it makes you complicit. She then personally apologizes to the city manager, staff, residents and consultants for not speaking up when she should've. And in the future, if we don't step in, she's going to ask the mayor to hold council to a higher standard. And she has to step in and protect the integrity our meetings and our staff. She stated that goes for public comment as well, and she doesn't want to discourage anyone from speaking and she would never infringe on anyone's first amendment rights. She wants to apologize for not speaking up when our employees were disrespected at the last meeting during public comment. She feels like she should have stepped in, and asked the mayor to remind people address council and not other staff members that may or not be in the audience. She stated she feels good about the board and thinks they're doing good work for the city and she hopes we can use this issue as a reminder and not carry this on as in the past. Councilmember Mosier stated she apologized to the staff and the City Manager after that meeting, and as a previous employee of 25 years, it is intimidating to stand and speak and be grilled before Council. She then stated Council is to make policies not the day-to-day operations, that is why we have a City Manager. And she has always told people, if you have a complaint or a problem with an employee, you go to the city manager and let him do his job. One of the first things you're told in the elective officials training, is council is here to make policies, the city manager runs the day-to-day business. Mayor Pelchat stated he will take some of the blame. He stated Council met via zoom for nearly 2 years and there is no excuse, we have worked hard to not let that happen again and he appreciates everyone's feedback. He thinks we can all learn from this and move forward. Councilmember Kennedy stated he appreciates all the comments that were made and he has apologized that the situation occurred. He will take all the comments to heart and modify his behavior accordingly. As a note, he has spoken with Nate and apologized for that behavior and being a little intense in the discussion. And he promises not to repeat it moving forward. He and Nate came to an agreement on it and we have a good relationship he hopes it will continue moving forward. Councilmember Kivell stated he thinks it is incumbent to understand that when they have a concern about something that is going on within realm of the city, going to the city manager, he needs to end up actually taking the comments that they are bringing to him, and if they are actionable, he needs to actually engage in that. This can't simply be they are the only ones that don't have the ability to have some kind of comment where it falls off into the vapor. That has happened quite often, something has been brought to the city manager and then it's danced around, then disappears. Our role is to try to identify things that need to be looked into, and come to some kind of conclusion whether there is a better way to go, or is someone mis-reading something. It's important that is the attitude when we go to the city manager, and you get a serious engagement about what the issue is or the city manager makes a cogent argument to say it's inappropriate or that can't be done. It is very frustrating and we have had some good conversations,

but some have been ignored. She went in the following week and chatted with the young man. Councilmember Kurtzweil stated that it was not a single incident. There was also an incident with HRC, and she apologized to them for how they were treated in July. She was shocked to hear Councilmember Kennedy called a city employee during a public emergency; it is outrageous for any councilmember would do that. We hire professionals who know how to do their job. The city attorney could appoint on whether or not a city council member has employment liability for how they conduct themselves with the employees. The city attorney could opine if a union employee can file a grievance against a councilmember that is with their job. Employees come to work every day to do their job, and they report to the manager who evaluates them and provides feedback, and assists them on performing their job. If a councilmember interferes with that process, it is a serious problem. Some people on council think they know everything and have all the answers. Well, some members have been on council for a long time and we are still wiping up your messes. The city's employees have far more experience at their jobs than councilmember. She further stated at the last meeting, she feels Steve Kennedy created a hostile work environment. It is a problem when city council think they know more than the employees. If that was her, that potentially sets up employment issues. When you go into an employee's office and you have a fight with them, and you argue with them, has it occurred to you that you are making employees that are on the other side of the wall uncomfortable. If she was an employee and heard a councilmember walk into the city manager's office, and rant and rave, I would be afraid it would happen to me next time. She was told the neighbor across from city hall said they could hear an argument a month ago. Steve Kennedy and someone in the parking lot. She stated this isn't an isolated incident. It is a problem and saying sorry isn't solving the problem. That's what is important to understand, there is something going on and somewhere along the line this train has to be stopped. And Council has to step in and begin taking whatever measures are needed to ensure our employees that they are not going to be intimidated and they can come to work. This has to stop, and she doesn't know if the gentleman wants to leave. Maybe there is somebody else that would be a better individual to support the mayor.

BUDGET- N/A

PUBLIC COMMENT-

Ryan Lare of 716 Grand Court stated he supports the city manager and other councilmembers that encountered. He was appalled at the meeting that has been discussed. He stated there should be an anti-bullying policy in place. He is out every day and he sees the city employees doing a great job. Council should model themselves after the Police Department. When are we going to stop the bullying and protect the employees, they all do an amazing job.

MANAGERS REPORT

City Manager Zelenak stated work continues to be done at city hall and they have begun removal and replacement of concrete sidewalk specifically near the entrance of the building. He further stated this will require those entering the building to use the back entrance. He then stated the city/school offices will be closed on Thursday of this week because they will be putting the new heating and cooling units on the building and we are required to be out of the building. Some staff will be working off site. Next week they are going to begin the parking lot and windows. He then stated the DPW paving project will begin this week as well. He then stated he is working with the schools regarding the cross-access agreement at the Whipple Street parking lot and the schools parking lot. He then stated he has met with the department heads for possible uses of the ARPA funds and that will be on one of the next agendas. City Manager Zelenak then updated Council on 110 Detroit Street, they have until November 25th to meet the judge's order. If not, they can be held in contempt and sanctions can be applied. He then stated they are working on the water leak at the new water tank. Councilmember Kivell asked about sanctions for 110 Detroit, and why they haven't been applied. City Manager Zelenak stated during the first week of September, the court gave them a list of things to do. The judge hasn't issued a letter of opinion yet. November 25th they are supposed to have the roof, windows and doors completed. Councilmember Kivell stated he doesn't understand how the city is being held hostage when it is a dangerous building. Courts don't seem to want

to have anything to do with it. Councilmember Kivell asked if anyone has reached out to the people that purchased that iron services property. City Manager Zelenak stated he has not. Councilmember Kivell stated we need to lean all over them, it's a big place and there's got to be people in there that would end up having some interest in knowing what is going on here and he thinks we should end up having an interest on what's going on over there. Councilmember Kurtzweil stated she would like to have a discussion about raising the minimum purchase level. She then asked about the 150th anniversary of the city and if there are any plans being made. City Manager Zelenak stated the city have not made plans, but he has spoken with the Cultural Arts and some other groups. Councilmember Kurtzweil then asked if the city is planning to have a headliner for the last concert of the year next year, as we did this year with Anita Cochran. There was 500+ people that attended. She hopes we take into consideration when budgeting for next year. City Manager Zelenak stated we are working on that and we plan on spending a little more money for bigger acts and that everyone enjoyed. It was a good event for the city.

COUNCIL COMMENTS

Councilmember Dilg congratulated the Twisted Cork on their one-year anniversary in the city, they are a wonderful business.

Councilmember Kurtzweil states she is disturbed this had to be on an agenda. We may need to consider removing councilmember Kennedy as Mayor Pro Tem if this continues. She further stated there needs to be a serious change. She then thanked Patriot Concrete for their donation. She also thanked everyone for visiting the Farmers Market. She also reminded everyone to get their flu shot.

Councilmember Kennedy congratulated the South Lyon High School Varsity Equestrian Team for finishing in 1st place in the regional's competition last weekend. He then wished the team the very best as they move on to compete at the State Championship that takes place this week from October 13-16 at the Midland County Fairgrounds. I know that the South Lyon Community is certainly hoping you'll go all the way. He then reminded everyone that on Saturday, October 15th from 10am to 1pm, the Salem-South Lyon District Library, in partnership with the Lyon Township Public Library, will be holding a document shredding event. This event will be held at the Lyon Township Public Library location on S. Milford Road, just north of 11 Mile Rd. To, protect your personal information and destroy your confidential documents at a paper shredding event at Lyon Township Public Library. All documents will be destroyed on site. He then reminded everyone on Thursday, October 20th at 6pm at the South Lyon Hotel, there will be a dinner and Comedy event to benefit the Active Faith Food Pantry. You can contact Active Faith at 248.437.9790 for details and to purchase tickets. Make plans now to come out for a great time and a worthwhile cause.

Councilmember Kivell stated the last car show was well attended and it was nice for the donation of \$2,500 to the First Responders Monument.

Mayor Pelchat thanked everyone that helped pick him back up after having COVID. He stated the family are now all good and they tried to make the best of family time. He missed out on all the events, Pumpkifest, announcing the games and he is glad to be back.

CM 10-6-22 MOTION TO ENTER INTO CLOSED SESSION

Motion by Kurtzweil, supported by Dilg

Motion to enter into closed session at 8:54 p.m.

ROLL CALL VOTE:

Kivell- Yes
 Mosier- Yes
 Dilg- Yes
 Kurtzweil- Yes
 Kennedy- Yes

Pelchat- Yes
MOTION CARRIED

Council reconvened the open session at 9:38 pm

CM 10-6-22 MOTION TO APPROVE INCREASE OF 3%

MOTION TO AWARD CITY MANAGER 3% ANNUAL RAISE AS OF OCTOBER 1ST

Motion by Kurtzweil, supported by Mosier

ROLL CALL VOTE:

Kivell- Yes
Mosier- Yes
Dilg- Yes
Kurtzweil- Yes
Kennedy- Yes
Pelchat- Yes
MOTION CARRIED

CM 10-7-22 MOTION TO ADJOURN

Motion by Kurtzweil

Motion to adjourn meeting at 9:39 p.m.

VOTE: MOTION CARRIED UNANIMOUSLY

Respectfully submitted,



Mayor Dan Pelchat



City Clerk/Treasurer Deaton