

Regular City Council Meeting

October 14, 2019

Agenda

7:30 pm

Call to Order

Pledge of Allegiance

Roll Call

Approval of Minutes: September 23, 2019

Approval of Bills:

Attorney Bills:

Approval of Agenda

Consent Agenda

1. McHattie Park & Volunteer Park Master Plan Update

2. Street Closure – Trick or Treat

3. Police Department In-Car Cameras

Public Comment

Discussion – Downtown

Fire Chief Report

Police Chief Report

Plante Moran Audit Presentation

I. New Business

1. Corrective Action Plan

II. Budget

III. Manager's Report

IV. Public Comment

V. Council Comments

VI. Adjournment

Please see reverse side for rules of conduct for public comment at City Council meetings

City of South Lyon
Regular City Council Meeting
September 23, 2019

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 Kennedy, Kivell, Kurtzweil, Richards, Walton and Parisien
Also, present: City Manager Zelenak, Chief Sovik, Superintendent Varney, Attorney Hamameh, DDA
Director Donahue and Deputy Clerk/Treasurer Pieper
Absent- Clerk/Treasurer Deaton

Fire Chief Vogel stepped out for a run

MINUTES – 9-9-2019

CM 10-1-19 MOTION TO APPROVE MINUTES

Motion by Kivell, supported by Kennedy
Motion to approve minutes as presented

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

Councilmember Kivell requests the Agenda to be amended to add guest from the 52-1 (52nd District Court
– 1st Division)

CM 10-2-19 MOTION TO APPROVE AGENDA AS AMENDED

Motion by Kivell, supported by Kennedy
Motion to approve agenda as amended

VOTE: MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

Councilmember Parisien requests that item #2 on the consent agenda be removed and added to the end of
new business for discussion

CM 10-3-19 MOTION TO APPROVE CONSENT AGENDA AS AMENDED

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

VOTE: MOTION CARRIED UNANIMOUSLY

9-23-2019

PUBLIC COMMENT

Ryan Lare, 716 Grand Court, South Lyon, Michigan

Lare advises that he had the pleasure of accompanying Councilmember Richards to Richards's 1964 High School reunion held at the Riverbank Golf Course. He goes on to thank the people at Riverbank Golf Course for having such a wonderful reunion. It was also great to see the High School that is now Bartlett, and seeing the difference and how time flies but is never forgotten. He states that it was nice meeting the people from 1964 and what an impact they made in South Lyon. He goes on to thank Richards for the invitation, adding he and Carl both won a Mum.

Jim Hamade, 1189 Horseshoe Drive, South Lyon, Michigan

Hamade advises that he will be holding a City Council Meet and Greet at Lucas Coney Island at 6:00 p.m., 22689 Pontiac Trail. He also states that tomorrow, the Salem-South Lyon Library will be holding a Meet the Candidates at 7:00 p.m. He goes on to say that it would be wonderful if everyone in South Lyon could attend. He also states that this meeting will be taped and shown on Channel 19, as well as the website. He states that he has launched his social media sites - Jim4SouthLyon (Twitter) and his email address is Jim4SouthLyon@hotmail.com, and follow him on Facebook where he will be announcing his positions, policies and vision for the future. He goes on to thank Paul Zelenak for spending the 24 hours, especially the grueling overnight and the entire community that came out to support him for the American Cancer Society, Men Who Wear Pink.

DISCUSSION – DOWNTOWN

DDA Director Donahue reviews downtown events which include: Downtown Trick or Treating on October 24th, this event has been expanded, a pet parade and more music at the four corners has been added. He goes on to thank S.L.A.R.A. for their involvement this year to really expand this event. Norm Fultz will be the chair for this event. We have a Downtown Ladies Night Out, November 15th, not to be confused with a Ladies Night at the Hotel.

Plans moving forward, after a committee meeting today for Cool Yule, December 6th & 7th, and a new event, South Lyon Eve, December 31st.

He goes on to say that this weekend is Pumpkinfest, good luck to everyone involved, hoping for good weather. The Business Survey responses are due September 30th, we have approximately 17 that have been turned in.

Donahue goes on to say that they are looking forward to having Gary Fagin on the DDA Board. Gary brings a wealth of experience back from earlier years. He goes on to thank Jennifer Dunigan for her years of service on the DDA Board. Very thoughtful and a good person.

Donahue goes on to personally thank prior city attorney, Tim Wilhelm, for all his support and advice and wished him luck.

He has given a timeline for the new Veterans Memorial, it will be fast and furious from now until November. Very exciting.

Councilmember Kurtzweil commends Donahue for getting Gary to agree to come back on the DDA. She goes on to say that he is one of her favorites, and he is so committed. Gary is one to work behind the scenes and gets things done. Just look at what he's done with a Good Day Café. He has a good sense of trend.

She states that while visiting a client in the downtown, she had to drive around quite a few times just to find a parking spot. This is a good thing, four years ago, this would not be a problem. She adds that while she was downtown she noticed quite a bit of things going on, which include...new windows going in to the Artcraft Building, Dayna Johnston painting phenomenal Halloween scenes on the windows for

Grande Trunk, 104 Salon getting a new paint job and the strip mall by South Lyon Woods getting a new parking lot, so that's a ton of money being dumped in to the city. Incredible the investment going in to this town in just a small period of time. Kurtzweil congratulates Donahue and the DDA for their hard work.

FIRE CHIEF REPORT

Chief Vogel unavailable due to responding to a call.

POLICE CHIEF REPORT

Chief Sovik states that just a reminder Pumpkinfest is this weekend, the PD will be updating their Facebook with road closers and detour routes. No parking signs have also been posted. He goes on to say that tomorrow, Lake Street Cruising will be at 6:00 p.m. instead of 6:30 and this will be the last one of the season. Re-striping is being done at some of the crosswalks. DRW has been out working hard. Tomorrow Doug (Varney) and his crew will start at 4:30 a.m. to mark off seven handicap spaces in the downtown area. Sovik thanks them for working so hard.

NEW BUSINESS

1. 52nd District Court, 1st Division

Guest Speakers: Judge Travis Reeds and Judge David Law

Judge Law addresses the Council and thanks them for being added in to the agenda. He states they are here to go over what they do, how they do and why they do it, and see if you have any questions. Law advises that the Court covers the following communities: South Lyon, Lyon Township, Novi, Walled Lake, Wixom, Commerce Township, Highland Township, Village of Wolverine Lake and the Village of Milford. He goes on to say, that we Judges feel very fortunate that the city of South Lyon is part of the umbrella that we cover.

South Lyon is a wonderful community to work with from the residents, to the administration and the Police Department. The Police Department does a fabulous job with the testimonials that they provide. They are professional and well trained. They treat people well and we see that every day that they are in there. He goes on to commend our Attorney's, Prosecutor Chuck Snell does a nice job and he knows Lisa (Hamameh) will do a tremendous job as well.

Judge Reeds also thanked the Council for having them there. He states that South Lyon is a great town and that they both live here. Reeds continues by saying that he would also like to commend Chief Sovik on the terrific job that he and his Officers do for the city. It's a pleasure to work with them in court.

Judge Reeds states that he would like to talk a bit about what they do. The 52nd District Court is a statutory court so they handle certain types of cases, along with Civil and Criminal cases. All the criminal cases in the state of Michigan start in the criminal courts. They will then either stop in our court, or they will go on to Pontiac to be finished by the Circuit Court Judges. He goes on to explain that the 52nd Court is a high volume court, one of the highest in the state, and they do about 50,000 cases a year. Which is a lot for 3 guys, but we get it done. A lot of the cases are very quick, things like Civil Infractions, speeding tickets, moving violations and things of that nature. Misdemeanors and more complex civil cases do take a little more time.

Judge Law adds that the City Prosecutor does a fair job and people leave feeling that they've been heard, even if they didn't get the result that they were hoping for. Reed goes on to say that South Lyon is a very

safe community to live in. He goes on to share the statistics of the city. He states that last year South Lyon had, 29 drunk driving cases, 100 traffic misdemeanors and 49 non-traffic misdemeanors. Reeds states if you want to see your City Attorney's in action, these cases are tried on Tuesday, come on in for a tour and a cup of coffee.

Law goes on to explain that they sincerely mean this, and if a resident has a child that they may want to bring in, they can be extra grumpy on those days to give them the ramifications on what it is like if you make a poor choice. He states that they do participate in a number of school programs, including a Court in School program. Where they actually bring real cases in to the schools. Some of the cases include pre-trials and sentencing. He goes on to say that they will actually include one or two cases where they know that someone is going to be cuffed and taken away so that the students again can see the ramifications of a poor choice and the consequences. This program will hopefully help us to see these students before they come to us as a defendant. Law states that he thinks this is a great program and they are hoping to extend it in to the Middle Schools. It sounded a bit young at first, but things like vaping and some of the more modern problems are in the Middle Schools too. Law adds that the decisions that these young people are facing now a days are nothing like what he had to face at their age.

Judge Law states that two of the things that he is most asked is how do you sentence someone? And what is his favorite part of being a Judge? He begins by discussing sentencing and how they first send them down to the probation department for an interview to get a report back. This report will give us additional information about the defendant. He goes on to say that they look for what they can do as Judges to try and prevent them from committing another offense. He states that his favorite thing, and he believes he speaks for Judge Reeds too, is participating in the Sobriety Courts. All three judges in the building participate in the Sobriety Court, overseeing the cases. We also have Drug Court and Veteran Court. Judge Reeds oversees the Veterans. Those are specialized dockets where we will see those defendants much more often. In these particular cases, we may see them twice a month. They are working with the probation department. So to see the transformation over an 18 month period of intensive counseling, services, probation, meeting with judges it's very gratifying to see the success that we have. Reeds states that one of the best parts of the job is going to their graduation ceremonies, to listen to their remarks and see their transformations. Judge Law adds that they deal with 100's of cases all week and it can be a bit of a treadmill sometimes, but sitting through the graduations in the specialty courts really re-charges his battery. Reeds states that they have a graduation ceremony this Wednesday and again, they invite everyone to come to the Wixom Community Center to see this event and they will make sure that from now on the Mayor and Council will receive emails inviting them to these types of events.

Mayor Pelchat thanks the Judges for coming.

Councilmember Kurtzweil states that she has two questions. The first, on the Specialty Courts, what is the rate of recidivism, when they graduate, do they really graduate or is there a period where they come back? Second, how attentive are you doing with respect to providing mental health counselling as a component with respect to substance abuse? Kurtzweil states it's the Mental Health component she is interested in.

Judge Reeds states that the recidivism rate is half or less. He goes on to say that they track the data 2 years out from graduation and 4 years out from graduation. In a recent development at the State level, in order to have a Sobriety Court, a Veteran's Court, a Drug Court you have to be certified by the state. He advises that they were the first court in the state to get that certification. Recidivism is never perfect, but it's definitely better then not having Specialty Court and the numbers do show that. Judge Law states that when someone is being monitored for 18 months, they generally do well. Law goes on to explain that they are looking to put something in place for when the 18 months is over. Judge Law goes on to

Kurtzweil's second question about Mental Health and how often do they look at that. Kurtzweil questions how sensitive are the courts to mental health issues? Judge Law states that they are hypervigilant to it, and goes on to say that this is why they send a defendant to get the reports that they need for sentencing. Mental health issues is not something that they necessarily can pick up on by just having a conversation with somebody while in court. We send them to an expert that can interview somebody, go through their records, do a background check, everything that they need to do and that's where these things show up. Councilmember Parisien states with drugs and alcohol being an issue in our community she thinks that any step that is taken to be proactive about stopping unwanted behavior is important. Thank you so much for everything that you are doing to be proactive and to try and stop the issue before it happens. Councilmember Kivell states that he agrees, and if you create an environment they will recognize just how jammed up they can get. They are much more likely to stay away from that. He goes on to add that speaking to the addictive aspect of those other issues, he is delighted to hear that the courts are acting the way they are. He states that if you are sending someone out without any kind of help at all and expecting a different result, seems ridiculous. Councilmember Walton states that it is wonderful that you have the tool belt that you have, but it does sound like you have a magic wand for some of these kids and adults. She states that the Judges mentioned Wednesday's graduation but wants to confirm the time. Judge Reeds confirms 6:00 p.m. Councilmember Kennedy states that his wife had an opportunity to participate down there and she was in Judge Reeds' court room. He goes on to say that she was impressed by the efficiency and the fairness that was displayed in the trial that she was a juror for. She told him it was a good experience.

Judge Reeds goes on to commend working with colleagues like Judge Law and Judge Bondy. He adds that he is very lucky and that they are his friends.

Councilmember Richards questions that in civil matters, what is the point that it will be kicked up to Circuit Court? Reeds states that it is \$25,000.00. Once it's over that it must be sent on to Circuit Court. Reeds states that it's been that way for quite such time and this \$25,000.00 is for total damages.

2. Air Handle Unit replacement for the entrance works at the Wastewater Treatment Plant

City Manager Zelenak states that the Waste Water plant had an inspection performed by E.G.L.E. of the state of Michigan in June, 2019. They informed us that we will need to replace the air handle unit for the wet well. The ice air handle unit that services entrance works was abandoned and beyond repair. This item was budgeted and planned for in this year's budget. Zelenak goes on to say that we've obtained five bids for this project and direct replacement with the explosion proof model as engineered by HRC is determined to be the most logical course. Four of the five bids elected to go with an ICE unit replacement. We have a quote from Covenant Environmental for your review as well as the direct replacement unit and bid sheets detailing all the quotes. Doug is here to answer any questions that you may have. The possible course of action is to approve or deny the purchase and installation of the air handler unit that provides ventilation and heat for the entrance works by Covenant Environmental in the amount of \$50,210.00.

CM 10-4-19 MOTION TO APPROVE THE PURCHASE OF A NEW AIR HANDLER UNIT

Motion by Kennedy, supported by Kivell

Motion to approve the purchase of the new Air Handler Unit for the entrance works at the Waste Water Treatment Plant to be installed by Covenant Environmental for the amount of \$50,210.00, as outlined in the current budget under line item 592.557.970

VOTE:

MOTION CARRIED UNANIMOUSLY

3. Purchase and installation of a new 1050-gallon double wall diesel storage tank that supplies fuel to the generator set at the Wastewater Treatment Plant

City Manager Zelenak states that the diesel storage tank at the Wastewater Treatment Plant is well passed its use and in danger of failure. This can cause potential catastrophic problems and should be replaced as soon as possible. We received three quotes and although Corrigan is not the lowest, they provided the service for the switching of the tanks. This unplanned expenditure can be purchased out of the building and equipment maintenance account under 592.557.931 and all quotes are attached for your review. Possible course of action, is to approve or deny the purchase of the installation of the new double wall diesel tank for the generator at the Wastewater Treatment Plant for \$5,012.42, plus fuel transferring fees by Corrigan Oil Company. The lowest bid, STAFCO estimated a delivery charges of \$350.00, but their quote did not include installation or the ability to transfer the diesel fuel. They do not offer service to remove the current tank and place the new tank on the existing concrete pad. The attached motion is for your review and Doug is here to answer any questions you may have.

Councilmember Kivell states that this is pretty straight forward but asks if this Staff Co typically does new installs or sell to utility. Doug states that this is correct and when he questioned Staff Co about what else they offer, he was told that they pretty much drop the tank and leave.

CM 10-5-19 MOTION TO APPROVE THE PURCHASE AND INSTALLATION OF A DOUBLE WALL DIESEL STORAGE TANK UNIT FROM CORRIGAN OIL

Motion by Kivell, supported by Walton

Motion to approve the purchase from Corrigan Oil of a double wall diesel storage tank for the generator at the Wastewater Treatment Plant for \$5,012.42, plus fees to transfer the diesel fuel and charge the corresponding line item 592.557.931 as it is the building and equipment maintenance.

VOTE:

MOTION CARRIED UNANIMOUSLY

Councilmember Kennedy states that he would like to compliment Doug on looking at the big picture on this and not basing his decision on the initial purchase price. You got what you needed to do the job and do it in its entirety. You didn't base your decision on the lowest price and then finding out that all these add-ons were going to occur later. He states that he appreciates Doug doing his due diligence to come with what the full picture is going to look like. Kennedy questions if they are still looking at upgrading the controls for that generating unit. Doug advises that as of right now, they will be keeping the same controls. The generator itself is working fine.

Councilmember Richards questions what will happen with the old tank. Doug advised that he questioned that himself, he did not want to get stuck with it, but it will be our responsibility to deal with that tank. Richards ask if they would be able to re-sell it. Doug confirms that they would have that option.

Councilmember Kurtzweil would like to compliment Doug on being at the right place at the right time in order to discover that it was in danger of failure. She goes on to say that this speaks to Doug's credentials and his great management decision that the City Manager made in hiring you. You've got the training and the ability to jump on something. We have the right guy in the right place, thank you for the skill set that you bring to the city.

4. Purchase and installation of a new security fence for the water tower located at Mill Street

City Manager Zelenak states that the newly refurbished water tower currently has no fencing. As was discussed with the budget process, we have obtained three quotes and would like to move forward and have the vinyl-coated 8' high security fence installed around the perimeter of the base of the tower. This is an item that we have budgeted for in the current budget year under line item, 592.556.970. All quotes are attached for your review. He states that additional decorative fence will be added to this project at a later date. The three quotes are included in your packet. Possible courses of action approve or deny the purchase of the installation of the new eight foot vinyl coated commercial grade security fence for the Mill Street water tower for \$9,500.00 by DeBord Brother's Fence Company.

CM 10-6-19 MOTION TO APPROVE THE PURCHASE AND INSTALLATION OF A NEW SECURITY FENCE FOR THE WATER TOWER LOCATED AT MILL STREET

Motion by Kivell, supported by Kennedy

Motion to approve the purchase and installation of the fencing from DeBord Brother's Fence Company of an 8' vinyl coated commercial grade security fence for \$9,500.00, for the Mill Street water tower as outlined in the current budget under line item 592.556.970.

VOTE:

MOTION CARRIED UNANIMOUSLY

Councilmember Richards states that he has had contact with DeBord Fencing in the past and they are highly recommended. He goes on to say that he has observed their work that they have done at the cemetery and other places. They are an excellent company and highly respected in this area.

Councilmember Kennedy asks what the estimated deadline once this is approved. Doug advises that we should be on the books within the next three or four weeks.

5. South Lyon Educational Foundation Charitable Gaming License

City Manager Zelenak states that the South Lyon Educational Foundation is a non-profit group established to benefit the South Lyon Community Schools by promoting the educational mission of the South Lyon Community Schools. They are attempting to get a charitable gaming license from the State of Michigan for an event they will be holding. They are asking for the attached resolution to be passed by the local government stating that they are recognized as a non-profit organization in the community. The attached documents includes an IRS exemption letter from the State of Michigan and by-laws of the South Lyon Educational Foundation. Possible course of action is to approve or not approve their request.

Councilmember Parisien states that she would like the body to know that she participates on this foundation or this non-profit as a board member and she would like excuse herself from discussion as well as voting even though she does not have a direct interest financially.

Attorney Hamameh states that there should be a motion for Councilmember Parisien to abstain from voting and participating in this matter.

CM 10-7-19 MOTION TO APPROVE THAT SHE, MARY PARISIEN, REMOVE HERSELF FROM DISCUSSION, AS WELL AS ABSTAINING FROM VOTING

Motion by Parisien, supported by Walton

Motion to approve that she, Mary Parisien, remove herself from discussion, as well as abstaining from voting

VOTE:

MOTION CARRIED UNANIMOUSLY

CM 10-8-19 MOTION TO APPROVE THE REQUEST FROM THE SOUTH LYON EDUCATIONAL FOUNDATION TO BE RECOGNIZED AS A NON-PROFIT ORGANIZATION

Motion by Kurtzweil, support by Walton

Motion to approve the request from the South Lyon Educational Foundation, South Lyon, Michigan, County of Oakland, to be recognized as a non-profit organization operating in the community for the purpose of obtaining charitable gaming licenses.

BUDGET

MANAGER'S REPORT

City Manager Zelenak advises that the Business Survey has gone out, as mentioned earlier, we did receive 17 responses. We still have another week for the surveys and once we get all the information compiled, it will be forwarded on to Council as well as providing the information on the city website. Zelenak goes on to thank everyone that came out for the Real Men Wear Pink event he had last Friday night. The warm reception from the public, people came out at various hours of the evening. Thanks for not coming out between 1:30 a.m. and 4:00 a.m., He goes on to say that he appreciates that. Zelenak also appreciated being able to participate and have this at the Farmer's Market event. This event will continue all the way through the month of October. The next City Council member will be having the police in car camera purchase coming before City Council. Just to update everyone on traffic counts, we still have the traffic improvement association devices on Pontiac Trail. Those will be picked up and removed. We may have additional ones coming out to check speeds because we are checking traffic numbers as well as speeds all along Pontiac Trail to assist us with reviewing traffic patterns as it affects businesses and residents within the community. He goes on to say that he did provide some information in the Council packets regarding attorney bills rather than including them within the city packets and also that we are reviewing the athletic field uses for S.L.A.R.A. We are discussing charging outside entities who are not part of the Junior League or other South Lyon Community group's fee to use those fields. We want to make sure that the fields are accessible to South Lyon teams and we are discussing that and we will be bringing something back before City Council at a later date and he will be happy to answer any questions.

Councilmember Kivell states that he is curious if we have ample data storage for the police car cameras. Police Chief Sovik advises that we do.

Zelenak adds that we included in the packet information regarding the 8 Mile to 9 Mile Dixboro Road construction, he goes on to say that the road is just closed for through traffic and you will still be able to access for residents as well as access to Volunteer Park.

Councilmember Kennedy states that we have 17 responses to the business survey at this point. What is the target population, what percentage does that represent at this point, out of all the businesses that received the survey do we know? This initially started with taking the inventory to see how many businesses we actually had out there and then this was pushed out to those businesses. Zelenak states that it is still less than 10%.

Councilmember Richards questions that in McHattie Park, what is the completion time for Peerless Midwest.

Doug advises that according to Ron Beason, who spoke directly with them, they are going to be at the park tomorrow to finish the install of the meter, once that component is put into place, we then have to be able to communicate with the meter so we have to have UIS come in to do their end of it, which has already started which would be the communication with SCADA back at the Wastewater Treatment plant. They should be out of the way shortly, picking up all the pipe that was there that they had used temporarily to flush. Then the meter is going to go in. They should be out of there tomorrow or the next day.

Richards states that he walked down the bank and looked at that latest flushing operation and it was much less than the previous one which was up to 1,400 gallons a minute, this was lower volume but it lasted for a week, why? Doug advises that it was because we needed to pass a Bacti's test. He advises that we are not actually allowed to have the well until they pass the Bacti's test, which it had to pass two in a row. Doug advised that they went above and beyond and did four in a row. The recommendation was to run it for 24 hours, but we ran it for a couple more days longer than that at a lower volume than what we were pushing initially. Richards states that he has noticed that the grading has been done around the site where the new well is in the ground. He asks if they are preparing for floating to be put in there before the building is erected or is that going to have just a fence around it. Doug advises that it will have concrete foundation and we are prepping that right now. We are building a temporary structure of some sort, a pretty solid structure over that number 4 offset well. Richards ask if Peerless Midwest is the contractor for the construction of the building. Doug advises that they are not, that will be up to us.

Councilmember Kennedy advises that he would like to get back to the Business Survey. He goes on to say that we are showing a less than 10% response rate at this particular point. He states he is looking over the project plan for the Business Survey and he doesn't see an activity listed. Are there any plans to go back to the businesses and see if there is any way to increase the response rate? Just a follow up, whatever way that we can generate an interest in it. City Manager Zelenak states that we had not planned that. We had no idea of what type of response that we were going to get. Usually if we get a 20% response, that is very good for any type of survey. He states that they can certainly do that. This would be sending out another 250 to 300 letters to all the businesses, basically the exact same letter.

Councilmember Parisien states, what about just a quick email, reminder to the businesses, because we do have an email list. Zelenak advises that he would have to see if we have emails for every single business owner or for the person that would be potentially opening those up. He states that we can certainly look at that if that's what Council wants to do. Parisien states that she cannot speak for the whole body, but this could be a good use of time, if we just send out a quick email that we have addresses for and for those businesses that we don't, we can personally go and see them. Zelenak states that we can certainly do that, it will take quite a bit of time. He advises that we will have to look and see how we can handle the staffing levels with elections and other things coming up. Parisien adds that the whole point of the survey was communication to understand where the businesses stand and how they feel about the city of South Lyon and what we are doing for them. We need to take a proactive measure to send out an email, a friendly reminder that the due date for the Business Survey is September 30th. It doesn't have to be elaborate. Zelenak states that he will take a look at it and advises that someone will have to enter every one of the email addresses, and he will talk with the staff about that and see what time frame it will take.

Councilmember Kivell states that he knows that the addresses were on some documents from early on in this whole thing, so it's just a copy and paste to a general blast to everybody. If we got 20 more, we would be better off than where we are now. He states that he thinks it will be worth it.

PUBLIC COMMENT

Judy Keeling, 62180 Arlington Circle, #5

Keeling states that she went to the park with her Grand Children and she was surprised that the wheel chair swing is not up yet. She states that she knows that Council doesn't control that, but she is hoping that it will be up by next spring. She also states that if there is anything else that needs to be done, she would be happy to help with it.

Chief Vogel

Chief apologizes for being late, they were at a fire on Norchester, it was a small basement fire. He goes on to advise that they had a fire Saturday at Michigan Seamless Tube. It was in pickle #2 house, the staff was great. They were assisted by Lyon Township, Green Oak Township and Salem and finally he wants to thank the schools for allowing him to have a gator for Pumpkinfest. Chief Sovik got it for him. The plan is to have staff on all weekend and the football game. The plan is to have fire extinguishers and medical supplies in the gator. We learned last year that we had a lot of medical runs and a small fire and trying to get a truck through there is impossible and trying to run from the station is too far. The schools really helped.

COUNCIL COMMENTS

Councilmember Kurtzweil

Kurtzweil states that her comments are going to be focusing on memories of Tedd Wallace, politics can wait. First she went on to thank Ken Mihalik, South Lyon Police Officer Timothy Rapp, and Sean from Peter's True Value for assisting in the removal of the huge tree branch that snapped off of a tree in Paul Baker Park during the storm on September 13th. Sean said, this is what you do for your community, you help. Kurtzweil goes on to talk about Tedd Wallace, she states that he was a character, she agreed on Ted for somethings and I disagreed with him on most things but whatever he did, he did it with conviction and he did it with passion. She goes on to tell of how Tedd wanted to meet her Dad, so she and her Dad and Tedd had lunch at Brown's Root Beer and it was a great two hours. Kurtzweil tells of how her Dad was so excited to be able to have lunch with the Mayor of South Lyon. He and Tedd chatted endlessly about careers, schooling, politics and life in a small town. Actually, they had a lot in common. She states that she is ever so thankful to Tedd Wallace for giving her a great memory of a wonderful lunch with her Dad. She adds, and as I recall, my Dad and I paid for the lunch. Kurtzweil stated that when her father past several years ago, it was Tedd Wallace that could not have been nicer to her, you really don't forget what people do in your time of grief. So I wanted to thank Ted and his family for that. Kurtzweil states that many of you may not know, that she volunteers in one capacity or another in helping to keep Paul Baker Park in good condition for the last 15 years. It was actual her first volunteer project that she took on when Former Mayor, Jeff Potter, appointed her to the Park and Rec Commission. Over the years the landscaping has changed, but one thing did not change, Tedd Wallace always thanked me for helping to maintain the park, every, every year. This year was no different, but the conversation that they had went beyond a simple thank you. This spring, when she was working in the Park with DPW and Rose, getting it ready for the Memorial Day Parade. Tedd stopped, he and I had a great conversation and he thanked her

for working in the park. He then spoke of this days on the Cable Commission and he's right, he raised a whole generation of South Lyon residents on Tedd TV. Tedd TV was clean and wholesome, it was about sports, Pumpkinfest Parade, Christmas Lights and the sub-divisions, making parents proud when they saw their young athletes on TV. Tedd than said to her, if I am unable to keep an eye on the tree that was planted for the man that saved my life in St. Croix, could she do it for him. Little did she know, 5 months later, the torch would be passed to her and that she would be keeping her eye on that tree. She states that tonight she wants to talk of the good things about Tedd Wallace, they may have bantered a bit, but at the end of the day, I always respected him. At his funeral mass, Father Stan spoke of that tragic event in St. Croix. But as she sat there in church all she could hear was keep an eye on that tree. She goes on to say that whatever memory that the city has for Tedd Wallace, that there is some recognition for his commitment to the Cable Commission, his commitment to Sports, and for those that were not at his funeral, Tedd was buried in a shirt that had South Lyon Cable TV on it, with his name and if that doesn't say something about his commitment and his love for the city. Kurtzweil goes on to say to Tedd's children and Ellen, to his soon-to-be first grand-daughter, prayers, comfort, love and support are extended to you from me and my husband Ken. Thank you.

Councilmember Walton

Walton states that she would like to thank Judge Law and Judge Reeds for coming here tonight. Your speech was very interesting and very informative. Walton goes on to thank Heinanen Engineering for their open house over the weekend, it was a great time. She said that she found it very interesting that they have a press in there from 1887. It came from one of the Ford Plants, and it is used to stamp the Heinanen Engineering logo in to all their equipment. She adds that Witch's Hat and their special Martin's Hardware Brew, it's very interesting and a very neat thing and just the way that our businesses support each other here in this town. She talks about how we support each other and how our residents support each other, but look at the businesses supporting each other. Walton adds that her thought and prayers are with the Wallace Family, she cannot say anything more than what Councilmember Kurtzweil has said, it was a very heartfelt message. She says she grew up on Tedd TV herself as a lifetime resident of South Lyon. There's not a memory that goes back to childhood to elementary school without Tedd Wallace in it. Thank you.

Councilmember Richards

Richards states that there is stuff going on that doesn't get mentioned very often. Up at Brookdale Plaza, the beat goes on. Those people are out there redoing the front of those buildings. Nobody has told them that they had to do it, and they are doing it with sandstone and fine decorative stuff. Whether a business occupies the building or not, they are putting all new frontage on them. He goes on to say thank you and thank you for improving the quality of the plaza. He goes on to talk about 113 North Lafayette. He has gone over there and taken pictures. He goes on to say that he is absolutely flabbergasted, they are doing a beautiful job and it has been architecturally approved. Richards then goes on to praise our City Manager for his endeavor at the Farmers Market Location with the pink chair. It was beyond the call of duty for this event for our city. He did stop by to say Okay and best wishes, be safe and good luck. He goes on to talk about the Historic Tour in Northville that is going on tomorrow. This is an annual affair. He goes on to talk about Tedd Wallace, he states that after the last Council meeting we all left here. He goes on to say that he was probably the last person to see Tedd alive. Richards had gone up to the Gas Station, Wallace was up there getting a lottery ticket. His voice seemed a little weak, but he appeared to be in good spirits. We had a nice discussion talking about Tedd TV and South Lyon Politics. Tedd was a lifetime member of the Historical Society, along with his wife, Ellen. At the Historical Society meeting last week, we discussed mortality and that old saying, here today and gone tomorrow. We discussed our obligation to

our stewardship and to our historic duty to preserve the records of the City of South Lyon. Anyway, Tedd was a friend to all and we will all miss his spirit, his sincerity, his leadership and his grasp of the big picture and the bigger issue at hand. And finally, Richards goes on to say that when he was injured, it was Tedd that was at my house and knocking on the door to see what he could do. Tedd was one in a million.

Councilmember Kennedy

On a sad note, almost 2 weeks ago we lost a life-long resident of South Lyon, Tedd Wallace. A husband, father, grandfather and former teacher, council member and mayor for this city who will be missed by many. It was impressive to see the number of folks who attended Tedd's funeral and just as impressive was the number of businesses and individuals from our community that contributed food and other items for the gathering afterwards. What a great community we live in. On another note Kennedy wanted to congratulate our City Manager, Paul Zelenak, for his 24 hour event highlighting breast cancer awareness and raising funds for the American Cancer Society. He says he managed to get a couple of hours of sleep overnight last Friday night but I think he may be overestimating that. It certainly wasn't an easy effort but it was certainly for a very worthwhile cause. He also wanted to recognize and congratulate Doug Buers for his 27 years of service to this community. During that time, Doug was responsible for keeping all of our equipment in a safe and reliable operating condition. Doug will be leaving us at the end of this week and while I don't believe he is planning to fully retire right now, he is going to pursue some other opportunities. We certainly wish him the very best as he does so, and thank him for his commitment and years of service to our city. All the best, Doug! Tomorrow, Tuesday September 24 the Salem-South Lyon District Library will hold their first Meet the Candidate event from 7:00pm to 9:00pm. This session will provide an opportunity to meet the 7 candidates who are running for the 3 open seats. Then on Thursday this week, the Salem-South Lyon District Library will host a second event where attendees can meet the candidates for Mayor. This event will also run from 7:00pm to 9:00pm. And finally, this Wednesday will be the last Lake Street Cruise-In. It will begin one half hour earlier at 6:00pm. It's always a great time, so come downtown and enjoy the cars and dining with your friends and neighbors. It's always a great time!

Councilmember Parisien

Parisien states she will echo Councilmember Kennedy to meet the candidates. It's her mantra every single meeting, do your homework, come prepared. Individuals in the audience will be allowed to write down their questions and be asked to the candidates. We have fantastic candidates in the audience and incumbents here at the table. Do your research, look at Facebook pages, what do they say, what are their platforms. Look at videos for the incumbents that currently sit on Council. Who are the individuals that are progressing the city forward, who are the obstructionist, who doesn't work well with department heads. How do they fit your needs and how do they fit community's needs. I won't tell you who to vote for, but I can point you in the direction of what video's to look at. Parisien states that we always need volunteers, and thank you Gary Pugin and welcome aboard. Pumpkinfest needs volunteers. Cultural Arts Commission is in need of volunteers, spread the work. She goes on to thank Tim, it's great to have you here to thank you for all your years of service. He has provided us with numerous municipal transactions that we have had and you have never failed us. You have been fantastic! Best of luck to you in Ann Arbor. Thoughts and prayers go out to Tedd Wallace's family.

Councilmember Kivell

Kivell states that he would like to thank Chief Vogel for the relationships that he's built with our neighbors. Saturday's fire at the Tube Mill, and the response time for Lyon Township and Green Oak Township were staggeringly good. Knowing people have our back like that speaks volumes of Rob. He

goes on to say that Tedd and his mother Norma were two of the people that he first came in contact with when he first went to City Hall, back in 1987. Not too terribly long after that Tedd had asked him to be on the Parks Commission as well. Tedd was always very proud of the cable show and that was remarkably valuable for a community of our size. People used to complain to City Council about getting another cable company, but we didn't have densities to justify all the costs of rewiring the city. He goes on to say how many people and their relationships with Tedd was because Tedd was their teacher. Just by the number of people that were at his funeral makes it pretty clear on how consequential his time in this community had been. Rest in Peace and thank you for all you have done. Kivell goes on to thank Tim for all he has done for us and he hopes that Ann Arbor realizes the gift that they are getting. He tells Lisa, that he is sure she will be just fine, but she does have some big shoes to fill.

Mayor Pelchat

Thank you to Gary Fagin, while he mostly operates in the background he is a major player here in town. It will be nice to have him back. Pelchat goes on to thank Doug Buers as well, and we wish him the best. He goes on to thank Tim for being here. We have some memories for sure and if we ever do that TV show, he will be in touch.

In regards to former Mayor Wallace, he was a friend and he thanks everyone for the kind words.

ADJOURNMENT

CM 10-9-19 MOTION TO ADJOURN MEETING

Motion by Kurtzweil, supported by Walton
Motion to adjourn meeting at 8:55 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Mayor Dan Pelchat

Deputy Clerk Judy Pieper

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CHECKS TO BE APPROVED OCTOBER 14, 2019

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 000.000					
101-000.000-035.000	ENGINEERING FEES	HUBBELL, ROTH, & CLARK,	PROFESSIONAL SERVICES FOR PERIOD ENDI	4,449.67	
		Total For Dept 000.000		4,449.67	
Dept 276.000 CEMETERY					
101-276.000-740.000	OPERATING EXPENSE	ATOMIC CLEANING SYSTEMS	REPAIR FOR PRESSURE WASHER FOR CITY V	20.20	
101-276.000-740.000	OPERATING EXPENSE	BADER & SONS CO.	BATTERY FOR CEM TRACTOR #4	49.95	
101-276.000-740.000	OPERATING EXPENSE	LAWSON PRODUCTS, INC.	AIR FITTINGS & RATCHET	27.30	
101-276.000-740.000	OPERATING EXPENSE	O'REILLY AUTO PARTS	AIR HOSE	15.39	
101-276.000-740.000	OPERATING EXPENSE	O'REILLY AUTO PARTS	QTY 1 - SHOP TOOL SOCKET	1.59	
101-276.000-740.000	OPERATING EXPENSE	O'REILLY AUTO PARTS	OIL FILTERS & SOCKET HOLDERS	1.98	
101-276.000-740.000	OPERATING EXPENSE	OLD GLORY FLAGS & FLAG P	QTY 6 - 4' X 6' US NYLON FLAGS	99.28	
101-276.000-740.000	OPERATING EXPENSE	STONE DEPOT LANDSCAPE SU	QTY 2 - 2.5 TOP SOIL FOR CEMETERY	85.00	
101-276.000-801.000	PROFESSIONAL SERVICE	HUBBELL, ROTH, & CLARK,	PROFESSIONAL SERVICES FOR PERIOD ENDI	3,158.60	
101-276.000-802.000	CONTRACTUAL SVCS	JOHN'S SANITATION	PORTA JOHNS-CEMETERY/PARKS/FARMERS MK	80.00	
101-276.000-930.000	REPAIR MAINTENANCE	DEBORD BROS. FENCE CO.	REPAIR OF FENCE AT VOLUNTEER PARK	250.00	
		Total For Dept 276.000 CEMETERY		3,789.29	
Dept 300.000 POLICE					
101-300.000-740.000	OPERATING EXPENSE	W4 SIGNS	QTY - 2 13 X 11 VEHICLE MAGNETIC	44.00	
101-300.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKES & ROTORS FOR PD 252	282.04	
101-300.000-863.000	VEHICLE MAINTENANCE	ALLIED INC.	HOIST REPAIRS	489.51	
101-300.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS, INC.	AIR FITTINGS & RATCHET	43.68	
101-300.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	AIR HOSE	15.40	
101-300.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	QTY 1 - SHOP TOOL SOCKET	1.60	
101-300.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	OIL FILTERS & SOCKET HOLDERS	3.20	
101-300.000-863.000	VEHICLE MAINTENANCE	VICTORY LANE	QTY 1 - FLEET OIL CHANGE	35.48	
101-300.000-977.000	EQUIPMENT	CMP DISTRIBUTORS, INC.	SIMUNITION TRAINING GEAR/EQUIPMENT	1,150.00	
		Total For Dept 300.000 POLICE		2,064.91	
Dept 335.000 FIRE					
101-335.000-721.000	UNIFORMS & CLEANING ALLOWANCE	FIRST DUE FIRE SUPPLY	3 SETS OF FIRE GEAR	6,905.06	
101-335.000-721.000	UNIFORMS & CLEANING ALLOWANCE	WITMER PUBLIC SAFETY GRO	QTY 3 - FIRE HELMETS	1,000.96	
101-335.000-740.000	OPERATING EXPENSE	BOUND TREE MEDICAL, LLC	QTY 3 - CURAPLEX NPA KIT	76.47	
101-335.000-740.000	OPERATING EXPENSE	LB OFFICE PRODUCTS	TOWELETTE/CLEANER/COOKIES/PAPER	449.93	
101-335.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	R 7-1 WIPERS	26.78	
101-335.000-863.000	VEHICLE MAINTENANCE	ALLIED INC.	HOIST REPAIRS	383.67	
101-335.000-863.000	VEHICLE MAINTENANCE	ATOMIC CLEANING SYSTEMS	REPAIR FOR PRESSURE WASHER FOR CITY V	24.24	
101-335.000-863.000	VEHICLE MAINTENANCE	FLEETPRIDE	PARTS FOR FD E2	154.96	
101-335.000-863.000	VEHICLE MAINTENANCE	FLEETPRIDE	SWITCH'S FOR FD E2	28.59	
101-335.000-863.000	VEHICLE MAINTENANCE	FLEETPRIDE	PARTS FOR FD L1/SHIFTER REBUILD FOR T	135.06	
101-335.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS, INC.	AIR FITTINGS & RATCHET	32.76	
101-335.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	AIR HOSE	15.40	
101-335.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	QTY 1 - SHOP TOOL SOCKET	1.60	
101-335.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	OIL FILTERS & SOCKET HOLDERS	2.40	
101-335.000-863.000	VEHICLE MAINTENANCE	PAYETTE SALES & SERVICE,	VALVE FOR FD L1	626.22	

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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND Dept 335.000 FIRE				9,864.10	
Dept 440.000 DEPT. OF PUBLIC WORKS					
101-440.000-740.000	OPERATING EXPENSE	ANN ARBOR WELDING SUPPLY	CYLINDER RENTAL	116.71	
101-440.000-740.000	OPERATING EXPENSE	BADER & SONS CO.	PARTS FOR DPW 5410 TRACTOR/CHAIN OIL	157.24	
101-440.000-740.000	OPERATING EXPENSE	O'REILLY AUTO PARTS	PARTS FOR DPW CHIPPER	75.09	
101-440.000-740.000	OPERATING EXPENSE	OLD GLORY FLAGS & FLAG P	QTY 6 - 4' X 6' US NYLON FLAGS	99.28	
101-440.000-740.000	OPERATING EXPENSE	QUALITY FIRST AID & SAFE	FIRST AID, PAPER, SAFETY SUPPLIES & G	258.83	
101-440.000-740.000	OPERATING EXPENSE	QUALITY FIRST AID & SAFE	FIRST AID, PAPER & SAFETY SUPPLIES, G	194.72	
101-440.000-740.000	OPERATING EXPENSE	STONE LANDSCAPE SUPPLY	COUPLING AND CLAMP	5.10	
101-440.000-740.000	OPERATING EXPENSE	STONE DEPOT LANDSCAPE SU	LIMESTONE & STRAW	23.38	
101-440.000-740.000	OPERATING EXPENSE	TUTHILL FARMS & COMPOSTI	TOP SOIL FOR LAWN REPAIR	50.00	
101-440.000-740.000	OPERATING EXPENSE	WEINGARTZ	PARTS FOR MOWER	331.06	
101-440.000-801.000	PROFESSIONAL SERVICE	HUBBELL, ROTH, & CLARK,	PROFESSIONAL SERVICES FOR PERIOD ENDI	1,867.60	
101-440.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BELT & WIPER BLADES FOR T3	50.89	
101-440.000-863.000	VEHICLE MAINTENANCE	AIS CONSTRUCTION EQUIPME	HYD FITTINGS FOR DPW LOADER	177.70	
101-440.000-863.000	VEHICLE MAINTENANCE	ALLIED INC.	HOLST REPAIRS	1,230.39	
101-440.000-863.000	VEHICLE MAINTENANCE	ATOMIC CLEANING SYSTEMS	REPAIR FOR PRESSURE WASHER FOR CITY V	89.20	
101-440.000-863.000	VEHICLE MAINTENANCE	CYNERGY PRODUCTS	RADIO FOR T12	391.76	
101-440.000-863.000	VEHICLE MAINTENANCE	FLEETPRIDE	PARTS FOR FD L1/SHIFTER REBUILD FOR T	129.99	
101-440.000-863.000	VEHICLE MAINTENANCE	INTERSTATE BILLING SERVI	HYD. FITTINGS FOR T12	3.40	
101-440.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS, INC.	AIR FITTINGS & RATCHET	120.36	
101-440.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	AIR HOSE	15.40	
101-440.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	QTY 1 - SHOP TOOL SOCKET	1.60	
101-440.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	WIPER BLADES FOR T3 & T6	75.96	
101-440.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	OIL FILTERS & SOCKET HOLDERS	54.19	
101-440.000-863.000	VEHICLE MAINTENANCE	TIRE WHOLESALERS COMPANY	TIRES FOR DPW TRUCKS	1,240.36	
101-440.000-863.000	VEHICLE MAINTENANCE	WOLVERINE TRUCK SALES, I	DPW T-8 TRUCK REPAIR	607.50	
101-440.000-935.000	NPDES PHASE 2 STORMWATER	HUBBELL, ROTH, & CLARK,	PROFESSIONAL SERVICES FOR PERIOD ENDI	4,576.69	
101-440.000-974.000	LAND IMPROVEMENTS	HORNET CONCRETE CO. INC.	SIDEWALK REPAIR - LIMESTONE	687.50	
101-440.000-974.000	LAND IMPROVEMENTS	NORMAN LANDSCAPERS, INC.	TREE TRIMMING AND REMOVAL	3,940.00	
101-440.000-974.000	LAND IMPROVEMENTS	NORMAN LANDSCAPERS, INC.	TREE TRIMMING & REMOVAL	1,670.00	
		Total For Dept 440.000 DEPT. OF PUBLIC WORKS		18,241.90	
Dept 690.000 PARKS AND RECREATION					
101-690.000-740.000	OPERATING EXPENSE	OLD GLORY FLAGS & FLAG P	QTY 6 - 4' X 6' US NYLON FLAGS	99.28	
101-690.000-801.000	PROFESSIONAL SERVICE	JOHN'S SANITATION	PORTA JOHNS-CEMETERY/PARKS/FARMERS MK	470.00	
101-690.000-801.000	PROFESSIONAL SERVICE	ROAD COMMISSION FOR OAKL	VOLUNTEER PARK - CHLORIDE SPREAD	904.00	
101-690.000-930.000	REPAIR MAINTENANCE	SNIDER RECREATION INC.	KIDFORCE SPINNER HARDWARE PKG & WRENC	54.77	
		Total For Dept 690.000 PARKS AND RECREATION		1,528.05	
		Total For Fund 101 GENERAL FUND		39,937.92	

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Fund 202 MAJOR STREETS					
Dept 463.000 STREET-ROUTINE MAINT.					
202-463.000-740.000	OPERATING EXPENSE	AJAX MATERIALS CORPORATI	COLD MIX FOR POT HOLE REPAIR	338.67	
		Total For Dept 463.000	STREET-ROUTINE MAINT.	338.67	
Dept 474.000 TRAFFIC SERVICES					
202-474.000-740.000	OPERATING EXPENSE	CARRIER & GABLE INC	BATTERY FOR 9 MILE CROSSWALK SIGNAL	122.00	
		Total For Dept 474.000	TRAFFIC SERVICES	122.00	
Dept 478.000 SNOW PLOWING					
202-478.000-740.000	OPERATING EXPENSE	WINTER EQUIPMENT CO. INC	QTY 4 - PLOW MARKERS	103.89	
		Total For Dept 478.000	SNOW PLOWING	103.89	
		Total For Fund 202	MAJOR STREETS	564.56	
Fund 203 LOCAL STREETS					
Dept 463.000 STREET-ROUTINE MAINT.					
203-463.000-740.000	OPERATING EXPENSE	AJAX MATERIALS CORPORATI	COLD MIX FOR POT HOLE REPAIR	338.68	
203-463.000-740.000	OPERATING EXPENSE	GRAINGER	MESH STAINER FOR STRIP MACHINE	35.82	
203-463.000-740.000	OPERATING EXPENSE	SHERWIN-WILLIAMS	PAINT FOR STREET STRIPING	751.60	
		Total For Dept 463.000	STREET-ROUTINE MAINT.	1,126.10	
Dept 478.000 SNOW PLOWING					
203-478.000-740.000	OPERATING EXPENSE	WINTER EQUIPMENT CO. INC	QTY 4 - PLOW MARKERS	103.89	
		Total For Dept 478.000	SNOW PLOWING	103.89	
Dept 491.000 STORM SEWER					
203-491.000-930.000	REPAIR MAINTENANCE	PLUMBERS SERVICE	COVINGTON/MAYFAIR DR - CABLE STORM LI	247.50	
		Total For Dept 491.000	STORM SEWER	247.50	
		Total For Fund 203	LOCAL STREETS	1,477.49	
Fund 280 DOWNTOWN DEVELOPMENT AUTHORITY					
Dept 000.000					
280-000.000-740.200	SEASONAL IMPROVEMENTS	JOHN'S SANITATION	PORTA JOHNS-CEMETERY/PARKS/FARMERS MK	98.00	
		Total For Dept 000.000		98.00	
		Total For Fund 280	DOWNTOWN DEVELOPMENT AUTHORITY	98.00	
Fund 592 WATER & SEWER					
Dept 540.000 WATER / REPAIR					
592-540.000-930.000	REPAIR MAINTENANCE	CORE & MAIN LP	CURBSTOP REPAIR	146.36	
		Total For Dept 540.000	WATER / REPAIR	146.36	
Dept 550.000 SEWER / REPAIR					
592-550.000-740.000	OPERATING EXPENSE	STONE DEPOT LANDSCAPE SU	TOP SOIL FOR SEWER/LAWN REPAIR	34.00	
592-550.000-930.000	REPAIR MAINTENANCE	PIPETEK INFRASTRUCTURE S	PIPE PATCH REPAIR BETWEEN HAGADORN &	2,500.00	

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Fund 592 WATER & SEWER					
Dept 550.000 SEWER / REPAIR					
Dept 556.000 WATER				2,534.00	
592-556.000-740.000	OPERATING EXPENSE	ADVANCED SAFE & LOCK	DOOR LOCK REPAIR @ DOROTHY WELL	178.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	WATER ANALYSIS-MULTIPLE LOCATIONS	1,000.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	WATER ANALYSIS	100.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	WATER ANALYSIS	691.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	101 SOUTH - WATER ANALYSIS	112.50	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	WATER ANALYSIS - 4 LEAD & COPPERS	112.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	WATER QUALITY PARAMETERS	175.00	
592-556.000-740.000	OPERATING EXPENSE	QUALITY FIRST AID & SAFE	FIRST AID, PAPER, SAFETY SUPPLIES & G	118.67	
592-556.000-740.000	OPERATING EXPENSE	STONE DEPOT LANDSCAPE SU	LIMESTONE & STRAW	133.20	
592-556.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	LAB SUPPLIES- FLUORIDE SOLUTION/BOTTL	493.40	
592-556.000-801.000	PROFESSIONAL SERVICE	HUBBELL, ROTH, & CLARK,	PROFESSIONAL SERVICES FOR PERIOD ENDI	7,245.94	
592-556.000-801.000	CONTRACTUAL SVCS	BADGER METER INC.	CELLULAR SRVS FOR SEPT. 2019	107.24	
592-556.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	PARTS & SUPPLIES FOR W TRUCKS	140.21	
592-556.000-863.000	VEHICLE MAINTENANCE	ALLIED INC.	HOIST REPAIRS	542.43	
592-556.000-863.000	VEHICLE MAINTENANCE	ATOMIC CLEANING SYSTEMS	REPAIR FOR PRESSURE WASHER FOR CITY V	36.36	
592-556.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS, INC.	AIR FITTINGS & RATCHET	49.14	
592-556.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	AIR HOSE	15.40	
592-556.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	QTY 1 - SHOP TOOL SOCKET	1.60	
592-556.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	OIL FILTERS & SOCKET HOLDERS	3.60	
592-556.000-863.000	VEHICLE MAINTENANCE	BADGER METER INC.	QTY 150 - 3/4" METER HEADS	14,025.00	
592-556.000-970.000	CAPITOL IMPROVEMENTS			25,280.69	
Total For Dept 556.000 WATER					
Dept 557.000 WASTEWATER					
592-557.000-740.000	OPERATING EXPENSE	ANN ARBOR WELDING SUPPLY	CYLINDER RENTAL	38.91	
592-557.000-740.000	OPERATING EXPENSE	BADER & SONS CO.	QTY 1 - PULLEY WW MOWER	168.66	
592-557.000-740.000	OPERATING EXPENSE	BADER & SONS CO.	PARTS FOR DPW 5410 TRACTOR/CHAIN OIL	10.49	
592-557.000-740.000	OPERATING EXPENSE	BADER & SONS CO.	SPARK PLUG FOR WW MOWER	4.80	
592-557.000-740.000	OPERATING EXPENSE	BRIGHTON ANALYTICAL, L.L	WW ANALYSIS	82.50	
592-557.000-740.000	OPERATING EXPENSE	CONTRACTORS STEEL COMPAN	ANGLE & PLATE FOR WWTP	307.27	
592-557.000-740.000	OPERATING EXPENSE	FERGUSON ENTERPRISES	PARTS FOR URINAL REPAIR	35.34	
592-557.000-740.000	OPERATING EXPENSE	GRAINGER	URNAL PARTS	147.15	
592-557.000-740.000	OPERATING EXPENSE	HACH COMPANY	QTY 1 - ITEM #6494 5.5 GAL CONTAINER	149.06	
592-557.000-740.000	OPERATING EXPENSE	HAVILAND PRODUCTS COMPAN	1 TRUCK LOAD OF ALUMINUM SULFATE	4,859.23	
592-557.000-740.000	OPERATING EXPENSE	NCL OF WISCONSIN, INC.	LAB SUPPLIES-QTY 1 R-895 DIG REMOTE C	56.91	
592-557.000-740.000	OPERATING EXPENSE	NCL OF WISCONSIN, INC.	LAB SUPPLIES - QTY 3 ROSALIC ACID	256.84	
592-557.000-740.000	OPERATING EXPENSE	QUALITY FIRST AID & SAFE	FIRST AID, PAPER, SAFETY SUPPLIES & G	118.67	
592-557.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	25/PK AMMONIA TESTS/ QTY 3 M-FC BROTH	315.19	
592-557.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	LAB SUPPLIES-AMONIA TEST/REAGENT/PHOS	962.50	
592-557.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	LAB SUPPLIES-QTY 8 TNT+AMMONIA TESTS	435.44	
592-557.000-801.000	PROFESSIONAL SERVICE	HUBBELL, ROTH, & CLARK,	PROFESSIONAL SERVICES FOR PERIOD ENDI	6,171.52	
592-557.000-801.000	PROFESSIONAL SERVICE	HUBBELL, ROTH, & CLARK,	PLAN REVIEW-WWTP HEADWORKS AIR HANDLI	1,265.01	
592-557.000-802.000	CONTRACTUAL SVCS	BADGER METER INC.	CELLULAR SRVS FOR SEPT. 2019	107.25	

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF SOUTH LYON
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CHECKS TO BE APPROVED OCTOBER 14, 2019

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 592 WATER & SEWER					
Dept 557.000 WASTEWATER					
592-557.000-931.000	BUILDING MAINTENANCE	ADVANCE AUTO PARTS	UNDER COATING FOR WW PLANT BLOWERS	19.08	
592-557.000-931.000	BUILDING MAINTENANCE	BADER & SONS CO.	RDT CHAIN REPAIR	78.48	
592-557.000-931.000	BUILDING MAINTENANCE	CARLSON-DIMOND & WRIGHT,	PARTS FOR WWTP BLOWERS	321.57	
592-557.000-931.000	BUILDING MAINTENANCE	DETROIT PUMP & MANUFACTU	NEPTUNE POLYMASTER PARTS	360.26	
592-557.000-931.000	BUILDING MAINTENANCE	SAFETY RAIL COMPANY	SAFETY RAIL WW ROOF	1,692.82	
592-557.000-931.000	BUILDING MAINTENANCE	STODDARD SILENCERS, INC.	QTY 3 - F8 134 FILTER ELEMENT	518.98	
592-557.000-931.000	BUILDING MAINTENANCE	USA BLUE BOOK	REFRIGERATED SAMPLER & STENNER DOUBLE	5,652.53	
592-557.000-931.000	CAPITOL IMPROVEMENTS	BADGER METER INC.	QTY 150 - 3/4" METER HEADS	14,025.00	
592-557.000-970.000	CAPITOL IMPROVEMENTS	PARKSON CORPORATION	FIELD SERVICE TO INSTALL BAR SCREEN	8,891.00	
592-557.000-970.000	CAPITOL IMPROVEMENTS	XYLEM WATER SOLUTIONS US	BALLAST FOR WEDECO UV	3,663.79	
592-557.000-970.000		Total For Dept 557.000 WASTEWATER		50,716.25	
		Total For Fund 592 WATER & SEWER		78,677.30	

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CHECKS TO BE APPROVED OCTOBER 14, 2019

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund Totals:					
			Fund 101 GENERAL FUND	39,937.92	
			Fund 202 MAJOR STREETS	564.56	
			Fund 203 LOCAL STREETS	1,477.49	
			Fund 280 DOWNTOWN DEVE	98.00	
			Fund 592 WATER & SEWER	78,677.30	
Total For All Funds:				120,755.27	

The above checks have been approved for payment.

Lisa Deaton, City Clerk/Treasurer

Daniel L. Pelchat, Mayor

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Check Date	Check	Vendor Name	Description	Amount	Status
Bank 01 GEN FUND CHECKING					
09/12/2019	77403	JANET FOSTER	WITNESS CASE #19SL 00327	6.00	Open
09/12/2019	77404	SUN STEEL TRAINING	REFUND FOR CASH BOND FOR 550 N MILL & 6	20,848.98	Open
09/12/2019	77405	A.F.S.C.M.E. COUNCIL 25	PAYROLL DEDUCTION UNION DUES SEPTEMBER	664.00	Open
09/12/2019	77406	AMAZON CAPITAL SERVICES	QTY - 200 OF 1 PLY FOLD PAPER TOWELS	43.10	Open
			QTY 1 -- ADAMS MONEY & RENT RECEIPT BOOK	13.82	Open
				56.92	
09/12/2019	77407	ARBOR DAY FOUNDATION	ANNUAL MEMBERSHIP 10/2019 TO 10/2019	15.00	Open
09/12/2019	77408	CORY ARMSTRONG	MILEAGE FOR CROSS CONNECTION CLASS	71.68	Open
09/12/2019	77409	AT&T	503 STRYKER ST FROM AUG 2 TO SEPT 1, 20	168.93	Open
09/12/2019	77410	BASIC	SEPTEMBER 2019 SEC. 125 FSA PLAN ADMIN	86.40	Open
09/12/2019	77411	BOUND TREE MEDICAL, LLC	NASOPHARYNGEAL AIRWAYS & CURAPLEXS NPA	11.76	Open
09/12/2019	77412	BUSCH'S	COFFEE SUPPLIES/CUTLERY/PLATES	39.42	Open
			SUPPLIES-DISH SOAP/CUTLERY/COFFEE/CREAM	67.67	Open
				107.09	
09/12/2019	77413	KRISTEN S. CARROLL	PAYROLL DEDUCTION CASE #17-57623-PJS FO	57.88	Open
09/12/2019	77414	CHRISTOPHER EHRESMAN	COUNCIL RECORDING	75.00	Open
09/12/2019	77415	CITY OF NOVI TREASURER	SOUTH LYON DISPATCH LOCKUP SERVICES 7/1	32,048.50	Open
09/12/2019	77416	CONSUMERS ENERGY	MULTIPLE LOCATIONS SERVICE FROM 8/1-8/2	328.52	Open
			335 S WARREN - SERVICE 8/2-8/30/19	15.17	Open
			318 LAKE ST SERVICE FROM 8/2-8/30/19	14.55	Open
			214 W LAKE ST SERVICE 8/2-8/30/19	14.55	Open
			219 WHIPPLE ST SERVICE 8/2 - 8/30/19	27.10	Open
			215 WHIPPLE ST GENERATOR SERVICE FROM 8	16.42	Open
			215 WHIPPLE ST SOUTH - SERVICE 8/2-8/30	100.50	Open
				516.81	
09/12/2019	77417	CORRIGAN TOWING	TOW T8 FROM WWTP TO WOLVERINE TRUCK	435.00	Open
09/12/2019	77418	CSX TRANSPORTATION, INC.	CROSSING SIGNAL MAINTENANCE	4,235.00	Open
09/12/2019	77419	DTE ENERGY	STREETLIGHTS FROM 8/1 TO 8/31/19	9,056.51	Open
09/12/2019	77420	DTE ENERGY	SHETLAND/LEXINGTON/11 MILE - SERVICE FR	415.49	Open
09/12/2019	77421	EMPLOYEE HEALTH INSURANCE MGMT	ADMIN & AGENT FEE/RX COPAY SHORTAGE JUL	832.50	Open
			AUGUST 2019 CLAIMS FUNDING	6,445.76	Open
				7,278.26	
09/12/2019	77422	GFL ENVIRONMENTAL USA	SINGLE/MULTI FAMILY SERVICE 9/1-9/30/19	43,730.88	Open
09/12/2019	77423	HURON VALLEY AMBULANCE. INC	BLOOD DRAW - SEARCH WARRANTS	195.00	Open
09/12/2019	77424	HURON VALLEY GUNS	STRYKE PANTS	74.99	Open
			QTY 1 - STRYKE PANTS	74.99	Open
				149.98	
09/12/2019	77425	KNAPHEIDE TRUCK EQUIPMENT	NEW PO# - EQUIPMENT & INSTALLATION DUMP	80,176.00	Open

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09/12/2019	77426	LB OFFICE PRODUCTS	HIGHLIGHTERS/PENS	11.99	Open
09/12/2019	77427	LEAVITT COMMUNICATIONS	KNOBS FOR RADIO	24.00	Open
09/12/2019	77428	MARTIN'S DO IT BEST	STIFF SCRAPER & ADHESIVE CAULK	12.71	Open
			AUGUST 2019 STATEMENT WORK BOOTS	2,583.00	Open
			AUGUST 2019 STATEMENT-WATER DEPT	741.58	Open
			DPW - AUGUST 2019 STATEMENT	209.33	Open
				3,546.62	
09/12/2019	77429	MGFOA	RENEWAL OF MEMBERSHIP - SEPT 2019 TO SE	120.00	Open
09/12/2019	77430	MICHIGAN STATE POLICE*	FINGERPRINTING - ELECTRONIC SUBMISSIONS	2,543.75	Open
09/12/2019	77431	MISDU	MICHAEL J MORTIZ-REMIT ID#912962522	322.07	Open
09/12/2019	77432	NEC FINANCIAL SERVICES, LLC	SEPT. BILLING WW & DPW PHONE SYSTEM	177.81	Open
09/12/2019	77433	OAKLAND COUNTY ANIMAL CONTROL	LICENSE SOLD JULY 1ST TO AUGUST 31, 201	818.75	Open
09/12/2019	77434	OAKLAND COUNTY TREASURER	SOUTH LYON WOODS AUGUST 2019 TAX	455.00	Open
09/12/2019	77435	PARKSIDE CLEANERS	QTY 1 - 4 X 10 RUG & QTY 6 - 3 X 10 RU	43.00	Open
09/12/2019	77436	PETER'S TRUE VALUE HARDWARE	AUGUST 2019 STATEMENT	1,773.13	Open
			QTY 1 - CEMENT WELD KIT & QTY 1 - ELBOW	13.18	Open
			QTY 12 - QT 4 CYC SUPER FUEL	101.88	Open
				1,888.19	
09/12/2019	77437	PITNEY BOWES*	POSTAGE METER SERVICE 6/30 - 9/29/19	682.62	Open
09/12/2019	77438	PLANTE & MORAN, PLLC	PROFESSIONAL SERVICE - AUDIT JUNE 30TH,	19,750.00	Open
09/12/2019	77439	POLICE OFFICERS ASSOCIATION OF	PAYROLL DEDUCTION UNION DUES SEPT. 2019	662.80	Open
09/12/2019	77440	POLICE OFFICERS LABOR COUNCIL	PAYROLL DEDUCTION UNION DUES SEPTEMBER	251.25	Open
09/12/2019	77441	ASCENSION MICHIGAN AT WORK	DOT PHYSICAL EXAMS - BROCK & PAVER	124.00	Open
09/12/2019	77442	R.R.A.S.O.C.	HAZARDOUS WASTE APPOINTMENTS	25.70	Open
09/12/2019	77443	JOHN RACE	REIMBURSEMENT FOR SAFETY BOOTS	333.88	Open
09/12/2019	77444	RICOH USA, INC.	COPYER MAINTENANCE - CUSTOMER #3285506	172.13	Open
09/12/2019	77445	SAFEBUILD, LLC	AUGUST PERMIT & TECH FEES	24,307.00	Open
09/12/2019	77446	THE BANK OF NEW YORK MELLON, NA	PROJECT #5206-01 & #7314-01/FINAL	1,038,779.74	Open
09/12/2019	77447	VANTAGEPOINT TRANSFERS	ICMA 457 PLAN #301149 PAYROLL DED. 9/13	3,103.40	Open
09/12/2019	77448	WINDSTREAM	MTHLY PHONE SERVICE FROM 8/29 TO 9/28/1	2,221.11	Open
09/12/2019	77449	WOLVERINE FREIGHTLINER EASTSIDE	2020 FREIGHTLINER 108SD CAB & CHASSIS	87,406.00	Open
09/12/2019	77450	WOW! BUSINESS	300 DOROTHY ST - CABLE & INTERNET 8/27-	144.19	Open
09/12/2019	77451	LLOYD COLLINS	REFUND OF RETIREE COBRA - DENTAL PREM.	434.90	Open
09/19/2019	77452	AMAZON CAPITAL SERVICES	QTY 2 - 50 CT OF COFFEE-MATE CREAMER	39.68	Open
			INK CARTRIDGES AND CHAIR MATS	493.33	Open
			CABLE COMMISSION EQUIPMENT	814.44	Open
			EPSON PRINTER REPLACEMENT INK	144.99	Open
				1,492.44	
09/19/2019	77453	BLUE CROSS BLUE SHIELD OF MICH	OCTOBER 2019 RETIREE INSURANCE PREMIUMS	3,554.20	Open
			HEALTH INSURANCE COVERAGE FROM 10/1-10/	36,085.63	Open
				39,639.83	
09/19/2019	77454	CIB PLANNING	ZONNING & PLANNING - MULTIPLE LOCATIONS	4,732.50	Open
09/19/2019	77455	COMMUNICATIONS TECHNOLOGIES, INC.	MTHLY PHONE MAINT. 9/20-10/19/19	85.00	Open

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09/19/2019	77456	COOK AUTOMOTIVE	REPAIR FOR PATROL VEHICLE 251	490.43	Open
09/19/2019	77457	CORELOGIC	TAX OVERPAYMENT-TAX REFUND	29,379.92	Open
09/19/2019	77458	CORRIGAN OIL CO.	GAS & DIESEL 8/22-9/3/19 & FILTERS	2,156.12	Open
09/19/2019	77459	LISA DEATON	REIMBURSEMENT LUNCH & MILEAGE	178.79	Open
09/19/2019	77460	HERITAGE-CRYSTAL CLEAN, LLC	WASTE OIL PICK UP	1,107.03	Open
09/19/2019	77461	LAKE MICHIGAN CREDIT UNION	OTAX 80-21-3-251-001 ROBERT LEMKE 22145	4,199.96	Open
09/19/2019	77462	LIFELOC TECHNOLOGIES, INC.	MOUTHPIECE, EASY TAB	35.00	Open
09/19/2019	77463	LOWE'S	1/4 CAT BC & 4 CT 3-1/2 IN 2N FLT CRB	45.18	Open
09/19/2019	77464	LYON MECHANICAL, INC	SERVICE - WATER LEAK	351.32	Open
09/19/2019	77465	MGFOA	REGISTRATION FOR BUDGET & FORECASTING CO	120.00	Open
09/19/2019	77466	OBSERVER & ECCENTRIC	AD FOR CEMETERY EMPLOYEE & PLANNING PUB	212.40	Open
09/19/2019	77467	PARKSIDE CLEANERS	QTY 1 - 4X10 RUG & QTY 6 - 3X10 RUG	43.00	Open
09/19/2019	77468	PEOPLE'S EXPRESS	AUGUST 2019 TRANSPORTATION	6,796.00	Open
09/19/2019	77469	PURCHASE POWER	POSTAGE REFILL	500.03	Open
09/19/2019	77470	PULLUM WINDOW CORPORATION	REFUND FOR CASH BOND	558.11	Open
09/19/2019	77471	QUALITY FIRST AID & SAFETY	HARD HAT & EAR MUFF MOUNT FOR HARD HAT	26.98	Open
09/19/2019	77472	QUICK SILVER MARKETING SOLUTIONS	RECEIPT BOOKS FOR FARMERS MKT	190.00	Open
			QTY 1000 VENDOR PURCHASE ORDERS	284.76	Open
				474.76	
09/19/2019	77473	ROSATI, SCHULTZ, JOPEICH	MICHIGAN TAX TRIBUNAL MATTERS -SERVICES	225.00	Open
			CITY ATTORNEY RETAINER WORK SERVICE THR	10,710.00	Open
				10,935.00	
09/19/2019	77474	SALEM-SOUTH LYON DISTRICT	TAXES DUE/TAX DISBURSEMENT	248,457.89	Open
09/19/2019	77475	SOUTH LYON COMMUNITY SCHOOLS	TAX DISBURSEMENT/TAXES DUE	1,547,187.48	Open
09/19/2019	77476	CHRISTOPHER SOVIK	PETTY CASH REIMBURSEMENT	41.74	Open
09/19/2019	77477	THE UPS STORE	10 PRINT COPIES FOR MTG/LG. FORMAT	35.00	Open
09/19/2019	77478	VISICOM SERVICES, INC.	TECHNICAL SERVICE ONSITE & REMOTE SUPPO	556.59	Open
09/19/2019	77479	WOW! BUSINESS	DPW PARK SECURITY 9/1-9/30/19	62.00	Open
			335 S WARREN CABLE SERVICE 9/6-10/05/19	46.97	Open
				108.97	
09/26/2019	77480	CORY & IRENE VOSS	UB refund for account: CARR-001020-0000	65.76	Open
09/26/2019	77481	DEANNE LUNDINE	POET FOR POETRY READING CULTURAL ARTS E	100.00	Open
09/26/2019	77482	KATHLEEN LEO	POET FOR POETRY WALK READING	100.00	Open
09/26/2019	77483	M.L. LIEBLER	POET FOR OCTOBER 2019 POETRY WALK READI	100.00	Open
09/26/2019	77484	PATRICK KARICKHOFF	POETRY WALK READING-CULTURAL ARTS EVENT	100.00	Open
09/26/2019	77485	SCOTT RUSSELL	POET FOR POETRY WALK READING-CULTURAL E	100.00	Open
09/26/2019	77486	MICHAEL SZAFIARSKI	TAX REFUND/OTAX -VETERANS EXEMPTION	2,010.16	Open
09/26/2019	77487	MANCIA GEISE	TAX REFUND DUE/OTAX 80-21-30-478-039	247.80	Open
09/26/2019	77488	NICOLE HOPKINS	EMT TEST	80.00	Open
09/26/2019	77489	DEANNA BLANKSTROM	REIMBURSEMENT FOR CLASS D LICENSE	70.00	Open
09/26/2019	77490	CARL RICHARDS	MONTHLY COUNCIL PAY - SEPTEMBER 2019	180.00	Open
09/26/2019	77491	KRISTEN S. CARROLL	PAYROLL DED. CASE #17-57623-RJS FOR 9/2	57.88	Open
09/26/2019	77492	CITY OF SOUTH LYON	TAXES - 464 LAFAYETTE/335 WARREN/501 MC	10,893.20	Open
09/26/2019	77493	COLONIAL ACRES DEV. CO.	TAX REFUND DUE/OTAX 80-21-19-276-005	560.15	Open

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09/26/2019	77494	CONSUMERS ENERGY	300 DOROTHY ST #B FROM 8/2 TO 8/30/19 300 DOROTHY ST SERVICE FROM 8/2-8/30/19 250 DOROTHY ST-SERVICE 8/2 TO 8/30/19	14.55 14.55 14.55 <u>43.65</u>	Open Open Open
09/26/2019	77495	DANIEL PELCHAT	MONTHLY COUNCIL PAY - SEPTEMBER 2019	220.00	Open
09/26/2019	77496	FIRE SERVICE MANAGEMENT*	GEAR REPAIR - WORK ORDER 17626	108.00	Open
09/26/2019	77497	INTL UNION OF OPERATING ENG	MONTHLY DUES-SEPTEMBER 2019	229.82	Open
09/26/2019	77498	GLENN KIVELL	MONTHLY COUNCIL PAY - SEPTEMBER 2019	180.00	Open
09/26/2019	77499	KROPF MECHANICAL SERVICE CO.	INSPECTION 3X YEARLY-CLEANED CONDENSER	504.00	Open
09/26/2019	77500	MARGARET KURTZWELL	MONTHLY COUNCIL PAY - SEPTEMBER 2019	180.00	Open
09/26/2019	77501	LB OFFICE PRODUCTS	DYERASE MARKER/TOWLETTES OFFICE SUPPLIES-POST-ITS/PAPER ROLLS/B	47.57 112.25 <u>159.82</u>	Open Open
09/26/2019	77502	MARTIN'S DO IT BEST	STRIPING AND MARKING PAINT/KEYS	55.45	Open
09/26/2019	77503	WOODROW MATNEY	CUSTODIAL SERVICE 7/15 TO 9/7/19	684.00	Open
09/26/2019	77504	MICHIGAN ASSOC OF FIRE CHIEFS	MEMBERSHIP RENEWAL	125.00	Open
09/26/2019	77505	MISDU	PAYROLL DEDUCTION-REMIT ID #912962522	322.07	Open
09/26/2019	77506	NICHOLAS L. KACZOR	REISSUE OF FIRE NET WAGES EARNED 5/8-5/	115.55	Open
09/26/2019	77507	MARY PARISIEN	MONTHLY COUNCIL PAY - SEPTEMBER 2019	180.00	Open
09/26/2019	77508	RICHARD PERRY	COUNCIL RECORDING - SEPTEMBER 2019	75.00	Open
09/26/2019	77509	PETER'S TRUE VALUE HARDWARE	QTY 2 - BOLTS QTY 1 - LOCKSET	1.34 52.99 <u>54.33</u>	Open Open
09/26/2019	77510	PLANTE & MORAN, PLLC	PROGRESS BILL /AUDIT - 6/30/19 FINANCIA	10,500.00	Open
09/26/2019	77511	PNC BANK	BUSINESS CARD CLOSING DATE OF 09/18/19	895.63	Open
09/26/2019	77512	POSTMASTER	OCTOBER 2019 UTILITY BILLING	1,176.35	Open
09/26/2019	77513	PRINCIPAL LIFE INSURANCE COMPANY	DENTAL/VISION COVERAGE FROM 10/1-10/31/	5,238.34	Open
09/26/2019	77514	RMC BUILDING COMPANY, LLC	TAX REFUND/TAX OVERPAYMENT - MULTIPLE	466.46	Open
09/26/2019	77515	ROSE WALTON	MONTHLY COUNCIL PAY - SEPTEMBER 2019	180.00	Open
09/26/2019	77516	SCHOOLCRAFT COLLEGE	EVO TRAINING-J.BAKER, J.JACOBS, T.SROUF	150.00	Open
09/26/2019	77517	STANDARD INSURANCE COMPANY	POLICY 643276 DUE OCTOBER 1, 2019	2,554.32	Open
09/26/2019	77518	STEPHEN KENNEDY	MONTHLY COUNCIL PAY - SEPTEMBER 2019	180.00	Open
09/26/2019	77519	TELSYSTEMS	CAMERA REPAIR IN AUDITORIUM	380.00	Open
09/26/2019	77520	VANTAGEPOINT TRANSFERS	ICMA 457 PLAN #301149 PAYROLL DEDUCTION	3,043.40	Open
09/26/2019	77521	VISICOM SERVICES, INC.	MONTHLY BILLING FOR OCTOBER 2019	2,736.67	Open
09/26/2019	77522	W4 SIGNS	QTY 5 - PVC SIGN	35.00	Open
09/26/2019	77523	WITMER PUBLIC SAFETY GROUP	QTY 1 - CINDY CONRAD FIRE BOOTS	436.45	Open
09/26/2019	77524	NOW! BUSINESS	520 ADA ST - SERVICE FROM 9/6-10/5/2019 217 WHIPPLE STREET SERVICE 9/16-10/15/1 335 S WARREN ST/DIA ACCOUNT 9/12 TO 10/	150.67 11.55 710.00 <u>872.22</u>	Open Open Open
09/26/2019	77525	X-TREME STEAM	CARPET CLEANING/MAIN BLDG & POLICE/FIRE 3 OFFICES & 1 TRAINING ROOM - CARPET CL	214.56 257.76	Open Open

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Check Date	Check	Vendor Name	Description	Amount	Status
				472.32	
09/26/2019	77526	LISA POWERS	POET FOR POETRY WALK READING EVENT	100.00	Open
09/26/2019	77527	SCOTT RUSSELL	POET FOR POETRY WALK READING	100.00	Open
09/27/2019	77528	FEDEX OFFICE #0475	(8) 24 X 36 CANVAS GLOSSY ENLARGEMENT O	863.92	Open
10/03/2019	77529	AMAZON CAPITAL SERVICES	OFFICE SUPPLIES-COFFEE/CREAMER/CLEANER/ QTY 4 - 180 CT FIREFIGHTER B-DAY STICKE	263.37 43.14	Open Open
				306.51	
10/03/2019	77530	ARBOR SPRINGS WATER CO., INC.	QTY 2 - 5 GAL. ARTESIAN WATER	12.50	Open
10/03/2019	77531	AT&T	335 S WARREN/MTLY STATEMENT 8/23-9/22/	364.51	Open
10/03/2019	77532	AT&T MOBILITY	MULTIPLE LOCATIONS/SERVICE FROM 8/20 TO	911.15	Open
10/03/2019	77533	BUSCH'S	GROCERY/PUMPKIN PUMPKIN FEST SUPPLIES	16.78 55.72	Open Open
				72.50	
10/03/2019	77534	CAROL BRANDON	MILEAGE REIMBURSEMENT - DDA REFRESH CLA	40.60	Open
10/03/2019	77535	CITY OF SOUTH LYON	219 WHIPPLE ST UTILITY BILL FROM 5/28 T 214 WEST LAKE UTILITY BILL FROM 5/28 TO 217 WHIPPLE UTILITY BILL FROM 5/28 TO 9	307.53 119.07 307.53	Open Open Open
				734.13	
10/03/2019	77536	CONSUMERS ENERGY	23500 N DIXBORO RD - 8/20 TO 9/19/19	115.15	Open
10/03/2019	77537	COVENANT ENVIRONMENTAL, LLC	AIR MAKE-UP UNIT REPLACEMENT	17,573.50	Open
10/03/2019	77538	DTE ENERGY	MULTIPLE LOCATIONS-FROM 8/23 TO 9/23/1 219 WHIPPLE ST-8/23 TO 9/23/19 214 W LAKE ST FROM 8/23 TO 9/23/2019 215 WHIPPLE ST SERVICE FROM 8/23-9/23/1 335 S WARREN - SERVICE FROM 8/23 TO 9/2 318 W LAKE ST/SERVICE 8/23-9/23/19	1,371.20 562.80 128.07 412.66 1,972.33 34.17	Open Open Open Open Open Open
				4,481.23	
10/03/2019	77539	ELECTRICAL CODE SERVICES LLC	SEPTEMBER 2019 ELECTRICAL INSPECTIONS	1,254.75	Open
10/03/2019	77540	FIRE STATION CHECKLIST	MONTHLY SUBSCRIPTION	100.00	Open
10/03/2019	77541	GREAT LAKES ACE HARDWARE	SUPPLIES/ECLOTH-PADS & WIPES	15.18	Open
10/03/2019	77542	HALT FURE INC.	ENGINE 2 - PUMP PARTS	444.97	Open
10/03/2019	77543	KENNINGTON VALLEY VARSITY	PINK T-SHIRTS	143.04	Open
10/03/2019	77544	MICHIGAN STATE UNIVERSITY	LODGING 10/7 -10/9/19 FOR D.VARNEY WATE	225.00	Open
10/03/2019	77545	OAKLAND CTY ASSOC CHIEFS OF POLICE	LT. DOUG BAAKI'S MEMBERSHIP FEE	30.00	Open
10/03/2019	77546	PARKSIDE CLEANERS	QTY 1-4X10 RUG & QTY 6-3/X10 RUG	43.00	Open
10/03/2019	77547	PETER'S TRUE VALUE HARDWARE	PUMPKIN FEST SUPPLIES/STRAPS	14.38	Open
10/03/2019	77548	JUDY PIEPER	MILEAGE REIMBURSEMENT TO COSTCO	10.44	Open
10/03/2019	77549	QUICK SILVER MARKETING SOLUTIONS	FARMER'S MARKET SIGNS	986.50	Open
10/03/2019	77550	ROAD COMMISSION FOR OAKLAND	TRAFFIC SIGNAL WAIT AUGUST 2019	175.02	Open
10/03/2019	77551	ROBERT VOGEL	PUMPKIN LUNCH-QTY 3 PIZZA'S & PRO STIX REIMBURSEMENT MEMBERSHIP RENEWAL-MI ASS	41.38 125.00	Open Open

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Check Date	Check	Vendor Name	Description	Amount	Status
10/03/2019	77552	SALEM-SOUTH LYON DISTRICT	TAX DISBURSEMENT/TAXES DUE TO LIBRARY	166.38	Open
10/03/2019	77553	SCHOOLCRAFT COLLEGE	CES TUITION - EMERGENCY VEHICLE TRAININ	217,615.60	Open
10/03/2019	77554	SEMCOG	MEMBERSHIP SRV CHARGE FROM 7/1/19 TO 6/	300.00	Open
10/03/2019	77555	SOUTH LYON COMMUNITY SCHOOLS	TAX DISBURSEMENT/TAXES DUE	500.00	Open
10/03/2019	77556	TIMOTHY DAVIDS	SEPT. PAY FOR FARMER'S MARKET MGR./ICE/	1,682,589.27	Open
				1,655.00	Open
10/03/2019	77557	TOSHIBA FINANCIAL SERVICES	SERVICE CONTRACT-MAIN POLICE BLDG COPIE	105.75	Open
			CONTRACT PAYMENT/SERVICE FROM 9/15 TO 1	1,382.85	Open
				1,488.60	
10/03/2019	77558	VERIZON WIRELESS	CELL SERVICE FROM 8/22-9/21/19	104.99	Open
10/03/2019	77559	WOW! BUSINESS	219 WHIPPLE ST SERVICE FROM 09/21 TO 10	35.97	Open
10/09/2019	77560	ROBERT DONOHUE	REIMBURSEMENT FOR MILEAGE/SEPT. 2019	116.58	Open
10/09/2019	77561	LYNN CARD COMPANY	CHRISTMAS & SYMPATHY CARDS	111.25	Open
10/09/2019	77562	A.F.S.C.M.E. COUNCIL 25	PAYROLL DEDUCTION UNION DUES OCTOBER 20	622.50	Open
10/09/2019	77563	ADVANCE AUTO PARTS	FLOOR DRY-OIL ABSORBENT	52.38	Open
10/09/2019	77564	ARBOR SPRINGS WATER CO., INC.	QTY 4 - 5 GAL. ARTESIAN WATER	32.00	Open
10/09/2019	77565	KRISPEN S. CARROLL	MICHAEL MORITZ CASE #17-57623-PJS FOR 1	57.88	Open
10/09/2019	77566	CONSUMERS ENERGY	215 WHIPPLE ST-SERVICE FROM 8/31-10/01/	102.54	Open
			215 WHIPPLE ST GENERATOR-SERVICE 8/31-1	15.84	Open
			318 LAKE ST FROM 8/31 TO 10/01/19	14.53	Open
			214 W LAKE ST FROM 8/31 TO 10/01/19	15.02	Open
			219 WHIPPLE ST FROM 8/31 TO 10/01/2019	24.07	Open
				172.00	
10/09/2019	77567	DTE ENERGY	23500 DIXBORO & 376 DOROTHY FROM 8/27-9	24,097.74	Open
10/09/2019	77568	DTE ENERGY	MULTIPLE LOCATIONS FROM 8/28-9/26/19	692.00	Open
10/09/2019	77569	GFL ENVIRONMENTAL USA	DUMPFSTER & RECYCLING - 10/1 TO 10/31/19	43,800.90	Open
10/09/2019	77570	HURON VALLEY GUNS	QTY 2 - JOB SHIRTS	135.98	Open
10/09/2019	77571	I.T. RIGHT	ANNUAL CONTRACT 11/1 TO 10/31/2020	35,500.00	Open
10/09/2019	77572	IB OFFICE PRODUCTS	OFFICE SUPPLIES-CALCULATOR/MARKER/SHARP	141.56	Open
			OFFICE SUPPLIES-LABELS/POST IT NOTES	156.55	Open
				298.11	
10/09/2019	77573	LOCKBOX IPT BY BIDNET	SERVICE FEE FOR AUCTION SEPTEMBER 2019	67.00	Open
10/09/2019	77574	LYON MECHANICAL, INC	REPLACE FAUCET ON MOP SINK	423.39	Open
10/09/2019	77575	MARTIN'S DO IT BEST	KEY ACCESSORIES	14.66	Open
			SEPTEMBER 2019 STATEMENT	772.40	Open
				787.06	
10/09/2019	77576	MCW PARTNERS, LLC	QTY 1 - WATER COOLER QTRLY RENTAL	135.00	Open
10/09/2019	77577	MICHIGAN STATE POLICE*	FINGERPRINTING SUBMISSIONS/SCHOOLS	2,000.75	Open
10/09/2019	77578	MISDU	MICHAEL MORITZ REMIT ID#912962522 FOR 1	322.07	Open
10/09/2019	77579	MUNICODE	ONLINE CODE HOSTING	900.00	Open
10/09/2019	77580	NEC FINANCIAL SERVICES, LLC	NOV. BILLING WW & DPW PHONE SYSTEM	177.81	Open
10/09/2019	77581	PATRICK'S PLUMBING, INC.	BACKFLOW TESTING AT WTP & WWTP	600.00	Open

FINANCIAL REPORT FOR SEPTEMBER 2019

GL NUMBER	DESCRIPTION	2019-20		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDGT USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2019	NORMAL (ABNORMAL)	MONTH 09/30/2019 INCREASE (DECREASE)	NORMAL	BALANCE (ABNORMAL)		
Fund 101 - GENERAL FUND										
Revenues										
Dept 000.000										
101-000.000-402.000	REAL PROPERTY TAX	4,335,653.00		770,386.70		405,338.69	3,565,266.30		17.77	
101-000.000-423.000	SOUTH LYON WOODS TAX	1,100.00		748.00		91.00	352.00		68.00	
101-000.000-444.000	PAYMENT IN LIEU OF TAXES	500.00		0.00		0.00	500.00		0.00	
101-000.000-446.000	PENALTIES AND INTEREST	10,500.00		0.00		0.00	10,500.00		0.00	
101-000.000-451.000	BUILDING PERMITS	240,000.00		72,675.00		26,340.00	167,325.00		30.28	
101-000.000-452.000	HEATING & PLUMB. REFG. PERMI	25,000.00		8,468.00		3,445.00	16,532.00		33.87	
101-000.000-453.000	ELECTRICAL PERMITS	30,000.00		10,711.00		6,120.00	19,289.00		35.70	
101-000.000-454.000	LICENSES & BUSINESS MISC.	3,500.00		1,021.00		370.00	2,479.00		29.17	
101-000.000-570.000	STATE SHARED REV.	1,070,622.00		179,633.00		179,633.00	890,989.00		16.78	
101-000.000-570.100	STATE REVS	98,000.00		0.00		0.00	98,000.00		0.00	
101-000.000-600.000	BOARD OF APPEALS	0.00		0.00		0.00	0.00		0.00	
101-000.000-600.100	REZONING FEES	0.00		0.00		0.00	0.00		0.00	
101-000.000-630.000	ADMIN FEE PROPERTY TAX	93,000.00		18,848.59		10,830.12	74,151.41		20.27	
101-000.000-634.000	GRAVE OPENINGS & FOUNDATIONS	40,000.00		13,330.00		4,125.00	26,670.00		33.33	
101-000.000-635.000	W & S ADMIN. CHARGES	0.00		0.00		0.00	0.00		0.00	
101-000.000-642.000	POLICE	35,000.00		26,045.89		6,127.40	8,954.11		74.42	
101-000.000-661.000	PARKING VIOLATION	800.00		50.00		40.00	750.00		6.25	
101-000.000-662.000	LOCAL COURT FINES	30,000.00		5,373.07		2,653.05	24,626.93		17.91	
101-000.000-663.000	REFUND-(FOR COST OF ARREST)	0.00		0.00		0.00	0.00		0.00	
101-000.000-664.000	INTEREST	15,000.00		3,458.43		0.00	11,541.57		23.06	
101-000.000-664.200	PARK AND REC. INTEREST	0.00		257.06		0.00	(257.06)		100.00	
101-000.000-664.700	INTEREST-MOBILE TOWER	0.00		0.00		0.00	0.00		0.00	
101-000.000-665.000	INTEREST-TRANS.CEMETERY INTRE	0.00		0.00		0.00	0.00		0.00	
101-000.000-665.200	INTEREST-TRANSFER FROM C&S	0.00		0.00		0.00	0.00		0.00	
101-000.000-666.000	INTEREST-EQUALIZ.& CONTINGENC	0.00		84.12		0.00	0.00		0.00	
101-000.000-668.000	RENTS & ROYALTIES	0.00		0.00		0.00	(84.12)		100.00	
101-000.000-668.200	RENTS AND ROYALTIES-CABLE	155,000.00		31,980.34		0.00	123,019.66		20.63	
101-000.000-668.300	LEASE--ANTENNA	42,000.00		10,667.41		3,594.81	31,332.59		25.40	
101-000.000-668.400	RENTAL PROPERTIES	0.00		0.00		0.00	0.00		0.00	
101-000.000-669.209	CONTRIBUTION-PERPETUAL CARE	50,000.00		0.00		0.00	50,000.00		0.00	
101-000.000-673.000	SALES OF FIXED ASSETS	10,000.00		0.00		0.00	10,000.00		0.00	
101-000.000-675.200	CONTRIBUTIONS-WINTER EVENTS	0.00		0.00		0.00	0.00		0.00	
101-000.000-675.600	CULTURAL ARTS REVENUES	300.00		0.00		0.00	300.00		0.00	
101-000.000-675.800	VETERANS MEMORIAL PROJECT	0.00		1,100.00		100.00	(1,100.00)		100.00	
101-000.000-676.005	CONTRIBUTION TO PARKS & REC	0.00		0.00		0.00	0.00		0.00	
101-000.000-680.000	REIMBURSEMENT FROM HVA	0.00		0.00		0.00	0.00		0.00	
101-000.000-692.000	GRANT MONEY	0.00		0.00		0.00	0.00		0.00	
101-000.000-694.300	PYMT. OF SIDEWALKS BY RESIDEN	5,000.00		0.00		0.00	5,000.00		0.00	
101-000.000-694.400	CONTRIB. FOR PARK BENCHES	0.00		0.00		0.00	0.00		0.00	
101-000.000-698.000	MISCELLANEOUS	65,000.00		57,069.00		1,379.92	7,931.00		87.80	
101-000.000-698.100	FIRE MISC.	0.00		644.08		641.96	(644.08)		100.00	
101-000.000-698.200	PRIOR YEARS TAXES	5,800.00		945.15		683.14	4,854.85		16.30	
101-000.000-698.210	WEDDING PROCEEDS	4,000.00		100.00		0.00	3,900.00		2.50	
101-000.000-698.220	NMRMA DIVIDENDS	50,000.00		0.00		0.00	50,000.00		0.00	
101-000.000-698.230	SMART CREDITS	13,000.00		(6,577.00)		0.00	19,577.00		(50.59)	

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REVENUE REPORT FOR CITY OF SOUTH LYON

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PERIOD ENDING 09/30/2019

FINANCIAL REPORT FOR SEPTEMBER 2019

GL NUMBER	DESCRIPTION	2019-20	YTD BALANCE		ACTIVITY FOR MONTH 09/30/2019 INCREASE (DECREASE)	AVAILABLE BALANCE		% BDGT USED
		AMENDED BUDGET	NORMAL	(ABNORMAL)		NORMAL	(ABNORMAL)	
Fund 101 - GENERAL FUND								
Revenues								
101-000.000-698.300	PROCEEDS FROM DEBT	0.00		0.00	0.00	0.00	0.00	0.00
101-000.000-698.600	GRANT MONIES--FIRE DEPT.	5,000.00		0.00	0.00	5,000.00	0.00	0.00
101-000.000-698.800	GRANT MONIES-POLICE DEPT.	5,000.00		0.00	0.00	5,000.00	0.00	0.00
101-000.000-698.900	GRANT MONIES-CULTURAL ARTS	4,000.00		0.00	0.00	4,000.00	0.00	0.00
101-000.000-699.000	TRANSFERS IN	0.00		0.00	0.00	0.00	0.00	0.00
101-000.000-699.209	TRANSFER IN FROM CEMETERY FUN	0.00		0.00	0.00	0.00	0.00	0.00
Total Dept 000.000		6,442,775.00	1,207,018.84		651,513.09	5,235,756.16		18.73
TOTAL REVENUES		6,442,775.00	1,207,018.84		651,513.09	5,235,756.16		18.73
Fund 101 - GENERAL FUND:								
TOTAL REVENUES		6,442,775.00	1,207,018.84		651,513.09	5,235,756.16		18.73

FINANCIAL REPORT FOR SEPTEMBER 2019

GL NUMBER	DESCRIPTION	2019-20		YTD BALANCE		ACTIVITY FOR MONTH 09/30/2019 INCREASE (DECREASE)	AVAILABLE		% BDGT USED
		AMENDED BUDGET	NORMAL	09/30/2019	NORMAL (ABNORMAL)		NORMAL	(ABNORMAL)	
Fund 101 - GENERAL FUND									
200.000 - ADMINISTRATION		1,428,497.00		361,983.26		118,974.35	1,066,513.74		25.34
276.000 - CEMETERY		119,791.00		34,242.56		8,373.00	85,548.44		28.59
295.000 - SENIOR TRANSPORTATION		81,554.00		6,796.00		0.00	74,758.00		8.33
300.000 - POLICE		2,771,002.00		622,123.59		212,877.60	2,148,878.41		22.45
335.000 - FIRE		541,333.00		132,066.67		35,883.16	409,266.33		24.40
346.000 - AMBULANCE		1,580.00		0.00		0.00	1,580.00		0.00
440.000 - DEPT. OF PUBLIC WORKS		916,292.00		199,224.52		64,849.82	717,067.48		21.74
690.000 - PARKS AND RECREATION		303,626.00		45,702.15		14,109.79	257,923.85		15.05
732.000 - HISTORICAL DEPOT		27,795.00		3,703.81		1,338.60	24,091.19		13.33
800.000 - CABLE COMMISSION		6,325.00		814.44		814.44	5,510.56		12.88
802.000 - CULTURAL ARTS		7,050.00		2,033.38		1,509.10	5,016.62		28.84

Fund 101 - GENERAL FUND:

TOTAL EXPENDITURES

6,204,845.00

1,408,690.38

458,729.86

4,796,154.62

22.70

PERIOD ENDING 09/30/2019

FINANCIAL REPORT FOR SEPTEMBER 2019

GL NUMBER	DESCRIPTION	2019-20		YTD BALANCE 09/30/2019 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 09/30/2019 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)		% BDGT USED
		AMENDED BUDGET	NORMAL			NORMAL	ABNORMAL	
Fund 202 - MAJOR STREETS								
000.000		0.00		0.00	0.00		0.00	0.00
212.000	- ACCOUNTANT	5,600.00		2,561.50	740.00		3,038.50	45.74
451.000		12,150.00		214.87	0.00		11,935.13	1.77
463.000	- STREET-ROUTINE MAINT.	168,076.00		41,986.86	15,638.81		126,089.14	24.98
474.000	- TRAFFIC SERVICES	25,279.00		1,584.87	296.62		23,694.13	6.27
478.000	- SNOW PLOWING	118,747.00		4,161.67	103.89		114,585.33	3.50
479.000	- SNOW REMOVAL	5,890.00		183.53	0.00		5,706.47	3.12
485.000	- TRANSFER BETWEEN FUNDS	100,000.00		0.00	0.00		100,000.00	0.00
491.000	- STORM SEWER	14,799.00		1,288.18	436.61		13,510.82	8.70
Fund 202 - MAJOR STREETS:								
TOTAL EXPENDITURES		450,541.00		51,981.48	17,215.93		398,559.52	11.54
Fund 203 - LOCAL STREETS								
000.000		0.00		0.00	0.00		0.00	0.00
212.000	- ACCOUNTANT	5,600.00		2,561.50	740.00		3,038.50	45.74
451.000		12,150.00		115.71	0.00		12,034.29	0.95
463.000	- STREET-ROUTINE MAINT.	172,545.00		37,996.08	12,614.41		134,548.92	22.02
474.000	- TRAFFIC SERVICES	8,072.00		936.02	364.08		7,135.98	11.60
478.000	- SNOW PLOWING	101,506.00		3,870.38	103.89		97,635.62	3.81
485.000	- TRANSFER BETWEEN FUNDS	0.00		0.00	0.00		0.00	0.00
491.000	- STORM SEWER	22,868.00		1,476.23	692.20		21,391.77	6.46

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EXPENDITURE REPORT FOR CITY OF SOUTH LYON

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PERIOD ENDING 09/30/2019

FINANCIAL REPORT FOR SEPTEMBER 2019

GL NUMBER	DESCRIPTION	2019-20		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDDT USED
		AMENDED BUDGET		09/30/2019		MONTH 09/30/2019		BALANCE		
				NORMAL	(ABNORMAL)	INCREASE	(DECREASE)	NORMAL	(ABNORMAL)	
Fund 592 - WATER & SEWER										
452.000		1,000,000.00		0.00		0.00		1,000,000.00		0.00
540.000	- WATER / REPAIR	103,719.00		26,710.73		4,254.36		77,008.27		25.75
550.000	- SEWER / REPAIR	206,375.00		18,713.84		6,156.58		187,661.16		9.07
555.000	- REFUSE COLLECTION	534,240.00		131,040.93		43,730.88		403,199.07		24.53
556.000	- WATER	1,433,932.00		208,443.29		76,208.19		1,225,488.71		14.54
557.000	- WASTEWATER	2,072,716.00		281,551.34		104,241.75		1,791,164.66		13.58

Fund 592 - WATER & SEWER:

TOTAL EXPENDITURES

5,350,982.00

666,460.13

234,591.76

4,684,521.87

12.45

September 2019 Payroll Report								
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Administration								
				\$ -	\$ -		\$ -	
Brandon, C.	18.4800	109.50		\$ 2,023.56	\$ -		\$ 2,023.56	
Carlson, Michael R.	17.8100	78.50		\$ 1,398.09	\$ -		\$ 1,398.09	
Deaton, L.				\$ 5,327.34			\$ 5,327.34	
Donohue, R.				\$ 5,690.74			\$ 5,690.74	
Dudek, L.	18.5000	95.00		\$ 1,757.50			\$ 1,757.50	
Lanning, W.	12.3600	25.25		\$ 312.09			\$ 312.09	
Pieper, Judy	20.9200	160.00	7.00	\$ 3,347.20	\$ 219.66		\$ 3,566.86	
Tiernan, P.				\$ 4,538.46			\$ 4,538.46	
Zelenak, Paul				\$ 7,692.32			\$ 7,692.32	
TOTAL: Administration		468.25	7.00	\$ 32,087.30	\$ 219.66	\$ -	\$ 32,306.96	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Cemetery								
Bjerke, Michael	12.8300	24.00		\$ 307.92			\$ 307.92	
Brannun, L.	13.6500	74.00		\$ 1,010.10			\$ 1,010.10	
Lemke, John N.	12.8300	74.00		\$ 949.42			\$ 949.42	
Merritt, J.	12.8300	74.00		\$ 949.42			\$ 949.42	
Wauford, S.	12.8300	66.00		\$ 846.78			\$ 846.78	
Wodesky, J. W.	12.8300	52.00		\$ 667.16			\$ 667.16	
Williamson, N.	12.8300	50.00		\$ 641.50			\$ 641.50	
TOTAL: Cemetery		414.00	0.00	\$ 5372.30	0.00	0.00	\$ 5372.30	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Police								
Baaki, D.	42.7397	160.00	10.00	\$ 6,838.35	\$ 652.63		\$ 7,490.99	
Baker, A.	35.6461	168.00	4.00	\$ 5,988.54	\$ 218.49		\$ 6,207.04	
Baker, J.	39.2107	164.00	23.00	\$ 6,430.55	\$ 1,379.31		\$ 7,809.86	
Barbour, R.	35.6461	168.00	16.00	\$ 5,988.54	\$ 870.51		\$ 6,859.05	
Baron, K.	10.3000	84.00		\$ 865.20			\$ 865.20	
Faught, C.	39.2107	168.00	10.50	\$ 6,587.40	\$ 629.68		\$ 7,217.08	
Hoydic, S.	35.6461	160.00	35.00	\$ 5,703.38	\$ 1,911.81		\$ 7,615.18	
Jacobs, J.	23.4399	168.00	7.00	\$ 3,937.90	\$ 246.12		\$ 4,184.02	
Kelley, W.	10.3000	88.00		\$ 906.40			\$ 906.40	
Krettlin, F.	12.3600	25.50		\$ 315.18			\$ 315.18	
Krettlin, F.	18.6500	15.00		\$ 279.75			\$ 279.75	
Laraway, P.	18.6500	16.00		\$ 298.40			\$ 298.40	
Ley, K.	18.6500	16.00		\$ 298.40			\$ 298.40	
Raap, T.	35.6461	168.00	8.00	\$ 5,988.54	\$ 435.25		\$ 6,423.80	
Salyers, B.	19.0300	160.00	8.00	\$ 3,044.80	\$ 228.36		\$ 3,273.16	
Schneemann, J.	23.4399	160.00	15.00	\$ 3,750.38	\$ 527.40		\$ 4,277.78	
Sedertund, C.	39.2107	160.00	19.00	\$ 6,273.71	\$ 1,139.43		\$ 7,413.14	
Sovik, C.				\$ 7,645.76			\$ 7,645.76	
Sroufe, T.	35.6461	160.00	20.50	\$ 5,703.38	\$ 1,119.77		\$ 6,823.15	
Stevens, T.	35.6461	92.00		\$ 3,279.44	\$ -	\$ 4,990.45	\$ 8,269.89	Vacation Payout
Tomanek, J.	35.6461	160.00		\$ 5,703.38	\$ -	\$ 151.82	\$ 5,855.20	Payroll Correction from 8/2/19
Walton, T.	35.6461	160.00	25.50	\$ 5,703.38	\$ 1,387.37		\$ 7,090.75	
Wilcox, W.	18.6500	14.00		\$ 261.10	\$ -		\$ 261.10	
Wittrock, M.	39.2107	168.00	10.00	\$ 6,587.40	\$ 597.54		\$ 7,184.93	
Total: Police		2802.50	211.50	\$ 98,379.27	\$ 11,343.67	\$ 5,142.27	\$ 114,865.21	
*Please note 2 pay periods in the month of September 2019								

Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Fire								
Armstrong, C.	23.5300	36.75		\$ 864.73			\$ 864.73	
Buchanan, T	16.1100	10.00		\$ 161.10			\$ 161.10	
Conrad, C.	19.6800	94.75		\$ 1,864.68			\$ 1,864.68	
D'Ambrosio, A.	10.4900	55.25		\$ 579.57			\$ 579.57	
Dobrick, Z.	16.1100	63.50		\$ 1,022.99			\$ 1,022.99	
Good, A.	16.1100	48.00		\$ 773.28			\$ 773.28	
Hopkins, N.	9.7300	7.50		\$ 72.98			\$ 72.98	
Kaczor, N.	16.1100	11.00		\$ 177.21			\$ 177.21	
Laitinen, D.	16.1100	64.75		\$ 1,043.12			\$ 1,043.12	
Madsen, W.	16.1100	22.50		\$ 362.48			\$ 362.48	
Matthews, A.	22.2900	58.00		\$ 1,292.82			\$ 1,292.82	
Mayer, D.	9.7300	36.50		\$ 355.15			\$ 355.15	
McGahan, K.	18.5800	113.00		\$ 2,099.54			\$ 2,099.54	
McGillen, T	18.5800	19.00		\$ 353.02			\$ 353.02	
McGowan, C.	16.1100	2.00		\$ 32.22			\$ 32.22	
Moynihan, B.	22.2900	45.50		\$ 1,014.20			\$ 1,014.20	
Nielsen, S.	9.7300	54.00		\$ 525.42			\$ 525.42	
Noechel, J.	18.5800	33.00		\$ 613.14			\$ 613.14	
Tooman, B.	18.5800	49.25		\$ 915.07			\$ 915.07	
Vliet, A.	17.3300	24.00		\$ 415.92			\$ 415.92	
Vogel, R.				\$ 3,307.70			\$ 3,307.70	
Weir, M.				\$ 2,153.84			\$ 2,153.84	
Wilson, T.	22.2900	47.00		\$ 1,047.63			\$ 1,047.63	
				\$ -			\$ -	
Total: Fire		895.25		\$ 21,047.78		\$ -	\$ 21,047.78	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
D.P.W.								
Abramowicz, J.	24.6700	160.00		\$ 3,947.20	\$ -		\$ 3,947.20	
Archev, Je.	25.8700	160.00	22.00	\$ 4,139.20	\$ 869.66	\$ 315.00	\$ 5,323.86	On-call pay
Brock, R.	27.4500	160.00	9.00	\$ 4,392.00	\$ 380.97		\$ 4,772.97	
Buers, D.	25.6500	160.00		\$ 4,104.00	\$ -	\$ 1,600.00	\$ 5,704.00	Longevity Pay
Dentai, F.	25.8700	160.00	15.50	\$ 4,139.20	\$ 609.31	\$ 925.00	\$ 5,673.51	On-call, Longevity pay
Jamison, M.	20.8100	160.00		\$ 3,329.60	\$ -		\$ 3,329.60	
Moritz, M.	24.2700	160.00		\$ 3,883.20	\$ -		\$ 3,883.20	
Paver, V.	23.8700	160.00	12.50	\$ 3,819.20	\$ 456.63	\$ 315.00	\$ 4,590.83	On-call pay
Piasecki, T.	23.8700	160.00	17.00	\$ 3,819.20	\$ 617.27	\$ 405.00	\$ 4,841.47	On-Call pay
Race, J.	23.7200	160.00	15.00	\$ 3,795.20	\$ 533.70		\$ 4,328.90	
Valencia, A.	22.9200	160.00		\$ 3,667.20	\$ -		\$ 3,667.20	
Total: D.P.W.		1,760.00	91.00	\$ 43,035.20	\$ 3,467.53	\$ 3,560.00	\$ 50,062.73	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
W. & W.W.								
Armstrong, C.	24.8000	160	16.00	\$ 3,968.00	\$ 595.20	\$ 315.00	\$ 4,878.20	On-call pay
Beason, R.	31.5800	160	8.00	\$ 5,052.80	\$ 388.16		\$ 5,440.96	
Blankstrom, D.	22.4900	160	4.50	\$ 3,598.40	\$ 151.81	\$ 315.00	\$ 4,065.21	On-call pay
Ciaramitaro, J.	27.7800	160	9.00	\$ 4,444.80	\$ 383.49	\$ 2,059.49	\$ 6,887.78	On-call, Longevity pay, Payroll Correction 08/02/19
DeHoff, T.	12.3600	96		\$ 1,186.56			\$ 1,186.56	
Erdmann, Kevin	25.5000	160		\$ 4,080.00	\$ -		\$ 4,080.00	
Gehringer, D.	28.2800	160	19.50	\$ 4,524.80	\$ 841.23	\$ 365.00	\$ 5,731.03	On-call pay
Lawrence, E.	18.4800	160		\$ 2,956.80			\$ 2,956.80	
Popravsky, P.	23.0800	160		\$ 3,692.80	\$ -		\$ 3,692.80	
Varney, Douglas				\$ 7,307.70			\$ 7,307.70	
Total: W. & W.W.		1376.00	57.00	\$ 40,812.66	\$ 2,359.89	\$ 3,054.49	\$ 46,227.04	
Grand Total		7,716.00	366.50	\$ 240,734.51	\$ 17,390.74	\$ 11,756.76	\$ 269,882.01	
<i>*Please note 2 pay periods in the month of September 2019</i>								

AGENDA NOTE

Consent Agenda Item # /

MEETING DATE: August 26, 2019

PERSON PLACING ITEM ON AGENDA: City Manager

AGENDA TOPIC: McHattie Park & Volunteer Park Master Plan Update

EXPLANATION OF TOPIC: We have budgeted \$10,000 in the 2019-2020 budget to update the Landscape Architectural Master Plan for Volunteer Park and McHattie Park. We solicited services from Russel Design to update the plan. Their firm previously did the plans for both parks.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS: Landscape Architectural Master Plan Update Services Agreements for McHattie Park \$4,200 and Volunteer Park \$4,700.

RECOMMENDATION: Approve the Landscape Architectural Master Plan Update Services Agreements for McHattie Park (\$4,200) and Volunteer Park (\$4,700). The funds for the work will be taken out of Parks and Recreation Professional Services Acct. 101-690-801.

SUGGESTED MOTION: Motion by _____, supported by _____ to approve the Landscape Architectural Master Plan Update Services Agreements for McHattie Park (\$4,200) and Volunteer Park (\$4,700). The funds for the work will be taken out of Parks and Recreation Professional Services Acct. 101-690-801.



July 22, 2019
REV: September 16, 2019

Mr. Paul Zelenak
City Manager, City of South Lyon
335 S. Warren Street
South Lyon, Michigan 48178

**RE: Landscape Architectural Master Plan Update Services
for McHattie Park**
South Lyon, Michigan

Dear Paul:

We are excited to assist you, commission members and the City of South Lyon with the schematic master plan update for McHattie Park. We also understand our scope of work will include the preparation of an estimate of probable construction costs.

We also understand that site plan approval is not required for the project.

We have assumed we will attend a meeting with the parks and recreation commission for approvals.

If required, we will attend meetings with the planning commission and the city council to present the approved master plan revisions for informational purposes only.

A. Data Collection and Base Development

1. We will attend a project kick-off meeting shall be arranged to fully ascertain project scope, communication procedures, budget and scheduling. One meeting is included in this proposal.
2. We assume the planning commission will forward programming components for the playground enhancements to our office.

B. Topographic Survey and Boundary Survey

1. We assume a topographic and boundary survey will not be necessary for the master plan update.

C. Conceptual Master Plan

The updated master plan shall include; but not limited to,

- Adding existing surface parking lot from McHattie Street
- Adding a new surface lot on the newly acquired property at McMunn Street
- Designating an area for new swing sets; including an accessible swing
- Adding accessible routes to all playground features
- Deleting the multi-purpose building (Farmers Market)
- We assume the parking lot adjacent to the Farmer's Market will be modified to reflect a future splash pad or water feature.
- We assume the existing curb cut from Pontiac Trail will be used to enter the park.

1. We will attend a parks and recreation commission meeting to present the conceptual master plan alternatives. One meeting is included in this proposal.

D. Preliminary Master Plan

The Preliminary Master Plan will be a mounted illustrative graphic refinement that will incorporate comments from the commission into the preliminary master plan.

The following tasks will be completed:

1. Prepare plan graphic to portray the design intent and character.
2. We will assist the commission with the development of an overall phasing plan and identifying the phase one area.
3. We will prepare a statement of probable construction costs for phase one.
4. We will work with city staff, the commission and user groups to prepare maintenance costs for the proposed phase one improvements.
5. We will attend a meeting with the parks and recreation commission to present the master plan and estimate. One meeting is included in this proposal.
6. If necessary, we will attend a follow-up meeting with the commission to present the revised preliminary master plan for approval.
7. We will attend a city council meeting to present final preliminary master plan and probable construction costs for phase one. One meeting is included in this proposal.
8. We will provide one complete set of preliminary master plan documents (.pdf format) to you for distribution to committee members.

E. Compensation

1. Our proposed fee to provide services outlined in Item A through D shall be billed as a lump sum fee of \$4,200.00.
2. Payment for services would be invoiced monthly as a percent of our total fee as follows

Data Collection through Conceptual Design	\$1,800.00
Preliminary Master Plan	\$2,400.00

3. We have not included the following items in our proposal:
 - a. Geotechnical Borings and Testing
 - b. Horticultural samples or testing of topsoil
 - c. Topographic Survey
 - d. Boundary Survey

We thank you for this invitation to be involved with this project and hope that this proposal meets with your approval. Our firm will provide you with the highest quality of professional services and we look forward to working with you on this project.

Page 3
Mr. Paul Zelenak

If we can provide you with any additional information or answer any questions regarding our proposed services, please do not hesitate to contact us.

Sincerely,
RUSSELL DESIGN, INC.

A handwritten signature in black ink, appearing to read "MARC R. RUSSELL", with a stylized flourish extending from the end.

Marc R. Russell, RLA
Principal

HOURLY RATE SCHEDULE FOR PROFESSIONAL SERVICES
(Valid through December 31, 2019)

Personnel

Principal.....	160.00
Landscape Architect I....	100.00
Landscape Architect II....	85.00
Clerical.....	45.00

Billing rates are to remain constant through December 31st of each year. Services covered by this agreement that are incomplete, through no fault of the Landscape Architect, as of December 31st in the year of the date of the agreement, shall be compensated at new rates and the amounts of compensation shall be equitably adjusted.

Reimbursable Expenses

Reimbursable expenses have been estimated at approximately \$500.00 and will be invoiced in addition to professional services and are expenses incurred as a necessary part of producing the work and shall include:

All outside reproduction will be billed at cost plus a 10% mark-up, all other items (i.e. postage, express mail, deliveries and in-house reproduction) will be billed at cost as necessary to perform the services listed herein.

Local automobile travel throughout southeast Michigan as necessary to perform the work specified herein is included in this proposal.

Any other long-distance travel expenses necessary to complete the project as approved by Owner will be billed at actual cost or the current federal tax rate, whichever is applicable.

Reimbursable expenses would be invoiced per the attached rate schedule.

Additional Services

Additional services beyond those outlined in this proposal would be invoiced hourly per the attached rate schedule.

STATEMENTS

Fees for Professional Services shall be billed the 1st of each month. Reimbursable Costs (if applicable) shall be billed with fee invoices.

ACCOUNTS

Accounts are due and payable net 30 days from two business days following the date of invoice at our office.

OWNERSHIP OF DOCUMENTS

Drawings and other documents prepared by Russell Design, Inc. (RDI and/or RDI's subcontractor) pursuant to this Agreement shall become the property of the Client upon completion or termination of this Agreement and shall be delivered to Client within 30 days of any request for same by Client. However, none of these shall be used on other projects except by written agreement with RDI. One copy of all plans and specifications will be provided to the Client in both graphic and digital format.

CREDITS / ACKNOWLEDGMENTS

RDI shall be given proper credit and acknowledgments for all services including, but not limited to: planning, design, and implementation. Proper credit shall be defined as being named by the Client or their agent in such circumstances as construction identification boards, and, if appropriate, promotional materials and brochures. Such credit is not meant to infer that RDI need be identified on park signage or referred to in future publications.

INDEMNIFICATION

Landscape Architect accepts all risks associated with, and shall be liable for any injury to the Landscape Architect and/or others, as well as for any property damage incurred by the Landscape Architect and/or others, occurring on account of the negligent acts, errors or omissions of the Landscape Architect in rendering professional services under this agreement. Consistent with this liability, Landscape Architect agrees to indemnify, pay on behalf of, and hold harmless the Client, its elected and appointed officials and employees, and all others working on its behalf from and against any claims, demands, suits, losses and settlements, including reasonable attorney fees, to the extent caused by the negligent acts, errors or omissions of the Landscape Architect. The Landscape Architect shall not be obligated to indemnify the Client for the Client's own negligence.

ARBITRATION

All claims, disputes and other matters in question between the parties to this Agreement shall be subject to and decided by arbitration in accordance with the rules of the Commercial American Arbitration Association currently in effect, unless the parties mutually agree otherwise.

Demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. A demand for arbitration shall be made within

a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statutes of limitations.

No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder or in any other manner, an additional person or entity not a signing party to this Agreement, except by written consent containing a specific reference to this Agreement signed by Client, RDI, and any other person or entity sought

to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreement to arbitrate with an additional person or entity duly consented to by the parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Client and RDI agree that any disputes, claims, or other matters arising out of or relating to this Agreement shall first be submitted in writing to the other party in an attempt to settle these matters before pursuing other legal actions. The communication shall clearly state the problem or concern, allow sufficient time (7 calendar days) for a written response, and culminate in a face-to-face meeting to determine if a course of remedial action is possible. In no event shall this process take more than 30 days. The communications shall indicate whether the party is willing to submit the dispute to non-binding mediation with the cost of same to be equally shared, and, if so, the identity and cost of the parties' proposed mediator. Upon the parties agreeing to such mediation, including the mediator and a timetable for completion, pursuit of other legal actions shall be deferred until the mediation has been completed.

ATTORNEY'S FEES

Should any legal proceeding be commenced between the parties to this Agreement seeking to enforce and of its provisions, including, but not limited to, fee provisions, the predominantly prevailing in such proceeding shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for attorney's and expert witnesses' fees, which shall be determined by the court of forum in such a proceeding or in a separate action brought for that purpose. For purposes of this provision, "prevailing party" shall include a party which dismisses an action for recovery hereunder in exchange for payment of the sum allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action or proceeding.

TERMINATION

This Agreement may be terminated by either party upon not less than thirty days written notice should the other party fail substantially to perform in accordance with the terms of

this Agreement through no fault of the party initiating the termination or should project funding be withdrawn or not awarded. Accordingly, in the event such funding is not available to client or is withdrawn, RDI shall be compensated for such work as has been duly performed pursuant to this Agreement prior to the date of notification of termination for such reasons.

PARTIAL SERVICES

In the event that the Client contracts with RDI for partial professional services or that this Agreement is terminated prior to the completion of full professional services by RDI, and/or assigned sub-consultants, including design development, construction documents and construction phase, the Client agrees to hold harmless, indemnify and defend RDI and/or assigned sub-consultants, from and against any and all claims, liabilities, losses, damages and costs, including but not limited to costs of defense, arising out of the modification, misinterpretation and misuse of the plans and specifications in the completion of this project by others or arising out of any reuse of the plans and specifications on any other project, excepting only those liabilities, losses, damages and costs caused by the negligence of RDI and/or assigned sub-consultants.

SUCCESSORS, ASSIGNS AND SUBCONTRACTORS

It is mutually understood and agreed that this Agreement shall be binding upon the Client and its successors and assigns and upon RDI, its successors and assigns. Neither party shall assign nor transfer its interest in this Agreement or any part thereof without the written consent of the other party.

RDI is responsible for all work and services required under this Agreement, including any work and services described in this Agreement as being provided by or through any assigned sub-consultant. If sub-consultant fails to perform any of the work or services described herein, RDI remains obligated to perform such work and services, or hire another qualified subcontractor to perform subject to written notice to the Client and consent of the Client to such assignment of work to a new subcontractor. In all events, the Client is not in any way obligated in law or equity to pay any sums to assigned sub-consultants under this Agreement or otherwise. The obligation to pay for any work or services performed by assigned sub-consultants benefiting the Client shall be solely that of RDI. RDI agrees to indemnify and pay for the defense of the Client in the event of any claims made by assigned sub-consultants of RDI, which include the Client as a named defendant.

SCHEDULE

The Client shall approve time limits established by the schedule. RDI or the Client shall not, except for reasonable cause and causes beyond the control of RDI and the Client, exceed time limits established by the schedule approved by the client.

COMMUNICATIONS

Except as may otherwise be provided in the construction contract documents, or when the Client and contractor have authorized direct communications shall primarily communicate through RDI. Communications by and with RDI's consultants shall be through RDI.

Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run as provided by law.

This Agreement represents the entire and integrated agreement between Client and RDI and supersedes all prior negotiations, representations and agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Client and RDI.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third-party against either the Client or RDI.

For purposes of this Agreement, the following words and phrases shall have the meanings indicated. Terms, Words and phrases not separately defined shall have the meaning customarily assigned to them in the context of public works and improvement contracts by local units of government.

"Assist" shall mean RDI preparing, providing and revising documents as necessary for Client reviews and approvals.

"Contract documents" shall mean all plans, specifications, bid documents, contracts, contract conditions, bonds, insurance certificates and policies and other writings relate to the actual construction of the project which is the subject of this Agreement. The parties acknowledge that as of this Agreement, the identity, terms and conditions of the contract document have not been determined.

This Agreement has been accepted and signed by RDI below. If this Agreement meets with your approval, please sign below and return one copy for our files.

Russell Design, Inc.

Approved and Accepted

By: _____

Title: _____

Date _____



July 22, 2019
REV: September 16, 2019

Mr. Paul Zelenak
City Manager, City of South Lyon
335 S. Warren Street
South Lyon, Michigan 48178

**RE: Landscape Architectural Master Plan Update Services
for Volunteer Park**
South Lyon, Michigan

Dear Paul:

We are excited to assist you, commission members and the City of South Lyon with the schematic master plan update for Volunteer Park. We also understand our scope of work will include the preparation of an estimate of probable construction costs.

We also understand that site plan approval is not required for the project.

We have assumed we will attend a meeting with the parks and recreation commission for approvals.

If required, we will attend meetings with the planning commission and the city council to present the approved master plan revisions for informational purposes only.

A. Data Collection and Base Development

1. We will attend a project kick-off meeting shall be arranged to fully ascertain project scope, communication procedures, budget and scheduling. One meeting is included in this proposal.

B. Topographic Survey and Boundary Survey

1. We assume a topographic and boundary survey will not be necessary for the master plan update.

C. Conceptual Master Plan

The updated master plan shall include; but not limited to,

- Moving baseball fields to north of drain.
 - Moving soccer, lacrosse and practice football fields to south of the drain.
 - Designating an area for accessible playground
 - Adding accessible routes to all fields and playground
 - Relocating future restroom closer to the playground
 - Modify parking lot north of the drain to accommodate ball fields.
1. We will attend a parks and recreation commission meeting to present the conceptual master plan alternatives. One meeting is included in this proposal.

D. Preliminary Master Plan

The Preliminary Master Plan will be a mounted illustrative graphic refinement that will incorporate comments from the commission into the preliminary master plan.

The following tasks will be completed:

1. Prepare plan graphic to portray the design intent and character.
2. We will assist the commission with the development of an overall phasing plan and identifying the phase one area.
3. We will prepare a statement of probable construction costs for phase one.
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7. We will attend a city council meeting to present final preliminary master plan update and probable construction costs for phase one. One meeting is included in this proposal.
8. We will provide one complete set of preliminary master plan documents (.pdf format) to you for distribution to committee members.

E Compensation

1. Our proposed fee to provide services outlined in Item A through D shall be billed as a lump sum fee of \$4,700.00.
2. Payment for services would be invoiced monthly as a percent of our total fee as follows

Data Collection through Conceptual Design	\$2,000.00
Preliminary Master Plan	\$2,700.00

3. We have not included the following items in our proposal:
 - a. Geotechnical Borings and Testing
 - b. Horticultural samples or testing of topsoil
 - c. Topographic Survey
 - d. Boundary Survey

We thank you for this invitation to be involved with this project and hope that this proposal meets with your approval. Our firm will provide you with the highest quality of professional services and we look forward to working with you on this project.

Page 3
Mr. Paul Zelenak

If we can provide you with any additional information or answer any questions regarding our proposed services, please do not hesitate to contact us.

Sincerely,
RUSSELL DESIGN, INC.

A handwritten signature in black ink, appearing to read "MR. RUSSELL", with a stylized flourish extending to the right.

Marc R. Russell, RLA
Principal

HOURLY RATE SCHEDULE FOR PROFESSIONAL SERVICES
(Valid through December 31, 2019)

Personnel

Principal.....	160.00
Landscape Architect I....	100.00
Landscape Architect II....	85.00
Clerical.....	45.00

Billing rates are to remain constant through December 31st of each year. Services covered by this agreement that are incomplete, through no fault of the Landscape Architect, as of December 31st in the year of the date of the agreement, shall be compensated at new rates and the amounts of compensation shall be equitably adjusted.

Reimbursable Expenses

Reimbursable expenses have been estimated at approximately \$500.00 and will be invoiced in addition to professional services and are expenses incurred as a necessary part of producing the work and shall include:

All outside reproduction will be billed at cost plus a 10% mark-up, all other items (i.e. postage, express mail, deliveries and in-house reproduction) will be billed at cost as necessary to perform the services listed herein.

Local automobile travel throughout southeast Michigan as necessary to perform the work specified herein is included in this proposal.

Any other long-distance travel expenses necessary to complete the project as approved by Owner will be billed at actual cost or the current federal tax rate, whichever is applicable.

Reimbursable expenses would be invoiced per the attached rate schedule.

Additional Services

Additional services beyond those outlined in this proposal would be invoiced hourly per the attached rate schedule.

STATEMENTS

Fees for Professional Services shall be billed the 1st of each month. Reimbursable Costs (if applicable) shall be billed with fee invoices.

ACCOUNTS

Accounts are due and payable net 30 days from two business days following the date of invoice at our office.

OWNERSHIP OF DOCUMENTS

Drawings and other documents prepared by Russell Design, Inc. (RDI and/or RDI's subcontractor) pursuant to this Agreement shall become the property of the Client upon completion or termination of this Agreement and shall be delivered to Client within 30 days of any request for same by Client. However, none of these shall be used on other projects except by written agreement with RDI. One copy of all plans and specifications will be provided to the Client in both graphic and digital format.

CREDITS / ACKNOWLEDGMENTS

RDI shall be given proper credit and acknowledgments for all services including, but not limited to: planning, design, and implementation. Proper credit shall be defined as being named by the Client or their agent in such circumstances as construction identification boards, and, if appropriate, promotional materials and brochures. Such credit is not meant to infer that RDI need be identified on park signage or referred to in future publications.

INDEMNIFICATION

Landscape Architect accepts all risks associated with, and shall be liable for any injury to the Landscape Architect and/or others, as well as for any property damage incurred by the Landscape Architect and/or others, occurring on account of the negligent acts, errors or omissions of the Landscape Architect in rendering professional services under this agreement. Consistent with this liability, Landscape Architect agrees to indemnify, pay on behalf of, and hold harmless the Client, its elected and appointed officials and employees, and all others working on its behalf from and against any claims, demands, suits, losses and settlements, including reasonable attorney fees, to the extent caused by the negligent acts, errors or omissions of the Landscape Architect. The Landscape Architect shall not be obligated to indemnify the Client for the Client's own negligence.

ARBITRATION

All claims, disputes and other matters in question between the parties to this Agreement shall be subject to and decided by arbitration in accordance with the rules of the Commercial American Arbitration Association currently in effect, unless the parties mutually agree otherwise.

Demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. A demand for arbitration shall be made within

a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statutes of limitations.

No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder or in any other manner, an additional person or entity not a signing party to this Agreement, except by written consent containing a specific reference to this Agreement signed by Client, RDI, and any other person or entity sought

to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreement to arbitrate with an additional person or entity duly consented to by the parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Client and RDI agree that any disputes, claims, or other matters arising out of or relating to this Agreement shall first be submitted in writing to the other party in an attempt to settle these matters before pursuing other legal actions. The communication shall clearly state the problem or concern, allow sufficient time (7 calendar days) for a written response, and culminate in a face-to-face meeting to determine if a course of remedial action is possible. In no event shall this process take more than 30 days. The communications shall indicate whether the party is willing to submit the dispute to non-binding mediation with the cost of same to be equally shared, and, if so, the identity and cost of the parties' proposed mediator. Upon the parties agreeing to such mediation, including the mediator and a timetable for completion, pursuit of other legal actions shall be deferred until the mediation has been completed.

ATTORNEY'S FEES

Should any legal proceeding be commenced between the parties to this Agreement seeking to enforce and of its provisions, including, but not limited to, fee provisions, the predominantly prevailing in such proceeding shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for attorney's and expert witnesses' fees, which shall be determined by the court of forum in such a proceeding or in a separate action brought for that purpose. For purposes of this provision, "prevailing party" shall include a party which dismisses an action for recovery hereunder in exchange for payment of the sum allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action or proceeding.

TERMINATION

This Agreement may be terminated by either party upon not less than thirty days written notice should the other party fail substantially to perform in accordance with the terms of

this Agreement through no fault of the party initiating the termination or should project funding be withdrawn or not awarded. Accordingly, in the event such funding is not available to client or is withdrawn, RDI shall be compensated for such work as has been duly performed pursuant to this Agreement prior to the date of notification of termination for such reasons.

PARTIAL SERVICES

In the event that the Client contracts with RDI for partial professional services or that this Agreement is terminated prior to the completion of full professional services by RDI, and/or assigned sub-consultants, including design development, construction documents and construction phase, the Client agrees to hold harmless, indemnify and defend RDI and/or assigned sub-consultants, from and against any and all claims, liabilities, losses, damages and costs, including but not limited to costs of defense, arising out of the modification, misinterpretation and misuse of the plans and specifications in the completion of this project by others or arising out of any reuse of the plans and specifications on any other project, excepting only those liabilities, losses, damages and costs caused by the negligence of RDI and/or assigned sub-consultants.

SUCCESSORS, ASSIGNS AND SUBCONTRACTORS

It is mutually understood and agreed that this Agreement shall be binding upon the Client and its successors and assigns and upon RDI, its successors and assigns. Neither party shall assign nor transfer its interest in this Agreement or any part thereof without the written consent of the other party.

RDI is responsible for all work and services required under this Agreement, including any work and services described in this Agreement as being provided by or through any assigned sub-consultant. If sub-consultant fails to perform any of the work or services described herein, RDI remains obligated to perform such work and services, or hire another qualified subcontractor to perform subject to written notice to the Client and consent of the Client to such assignment of work to a new subcontractor. In all events, the Client is not in any way obligated in law or equity to pay any sums to assigned sub-consultants under this Agreement or otherwise. The obligation to pay for any work or services performed by assigned sub-consultants benefiting the Client shall be solely that of RDI. RDI agrees to indemnify and pay for the defense of the Client in the event of any claims made by assigned sub-consultants of RDI, which include the Client as a named defendant.

SCHEDULE

The Client shall approve time limits established by the schedule. RDI or the Client shall not, except for reasonable cause and causes beyond the control of RDI and the Client, exceed time limits established by the schedule approved by the client.

COMMUNICATIONS

Except as may otherwise be provided in the construction contract documents, or when the Client and contractor have authorized direct communications shall primarily communicate through RDI. Communications by and with RDI's consultants shall be through RDI.

Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run as provided by law.

This Agreement represents the entire and integrated agreement between Client and RDI and supersedes all prior negotiations, representations and agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Client and RDI.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third-party against either the Client or RDI.

For purposes of this Agreement, the following words and phrases shall have the meanings indicated. Terms, Words and phrases not separately defined shall have the meaning customarily assigned to them in the context of public works and improvement contracts by local units of government.

"Assist" shall mean RDI preparing, providing and revising documents as necessary for Client reviews and approvals.

"Contract documents" shall mean all plans, specifications, bid documents, contracts, contract conditions, bonds, insurance certificates and policies and other writings relate to the actual construction of the project which is the subject of this Agreement. The parties acknowledge that as of this Agreement, the identity, terms and conditions of the contract document have not been determined.

This Agreement has been accepted and signed by RDI below. If this Agreement meets with your approval, please sign below and return one copy for our files.

Russell Design, Inc.

Approved and Accepted

By: _____

Title: _____

Date _____

AGENDA NOTE

Consent Agenda Item #2

MEETING DATE: October 14, 2019

PERSON PLACING ITEM ON AGENDA: Bob Donohue, DDA & Economic Development Director

AGENDA TOPIC: Downtown Kids Trick or Treat, October 24

EXPLANATION OF TOPIC: This is the DDA's Annual Downtown Kids Trick or Treat. Approximately 2,500 children participated, plus their families, last year. The crowd was estimated to be between 3,000 – 5,000 due to perfect weather, word of mouth, DDA Posters and Social Media promotion. The event is held from 6 – 8 p.m. However, the road closures extend to 8:30 p.m. to accommodate the large crowd and their safety. Individual businesses hand out candy and other items to children at each store and place of business. Music and dance school performances take place in the intersection of Lake and Lafayette Streets. Further adding to the festivities this year will be a Pet Parade by SLARA, at 6:30 p.m. The following streets will be closed from 6:00 – 8:30 p.m.: N. Lafayette Street from Whipple Street to Lake Street, S. Lafayette Street from Lake Street to Liberty Street, E. Lake street from Wells Street to Lafayette Street, and W. Lake Street from Washington Street to Lafayette Street.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:

Parade/Event Application from the South Lyon Police Department.

RECOMMENDATION: Approve the Road Closures request for the Annual Downtown Kids Trick or Treat on October 24, 2019.

SUGGESTED MOTION: Motion by _____, supported by _____ to approve the Road Closures request for the Annual Downtown Kids Trick or Treat from 6:00- 8:30 p.m. on Thursday, October 24, 2019 on N. Lafayette Street from Whipple Street to Lake Street, S. Lafayette Street from Lake Street to Liberty Street, E. Lake street from Wells street to Lafayette Street, and W. Lake Street from Washington Street to Lafayette Street.



South Lyon Police Department

219 Whipple St.
South Lyon, MI 48178
Ph: (248) 437-1773
Fx: (248) 437-0459

Parade/Event Application

Date(s) of Event: October 24, 2019

Applicant's Name: Bob Donohue, DDA Director Ph#: 947.777.9355

Applicant's Address: 335 S. Warren, South Lyon, MI 48178

Name of Event: Downtown Kids Trick-or-Treat

Business/Organization Name: South Lyon DDA

Business Address: 335 S. Warren, South Lyon MI 48178

Business Phone Number: 248.437.1735

President/CEO Responsible for Event: Bob Donohue Ph#: 947.777.9355

Event Start Date and Time: 6:00 AM PM

Event End Date and Time: 8:30 AM PM

Approximate number of persons attending: 3,000

Approximate number and types of vehicles: 0

Approximate number and types of animals: 25 Dogs ^{& cats} for Pet Parade

Amount of space maintained between all units in parade: N/A

Route to be Traveled (Include Street Names and turning directions) or area to be utilized:

N. Lafayette from Whipple Street to Lake Street, S. Lafayette
from Lake Street to Liberty Street, E. Lake Street from Wells
Street to Lafayette Street and W. Lake Street from
Washington Street to Lafayette Street

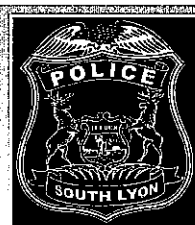
Robert E. Donohue, Jr. 10/9/19
Applicants Signature and Date

Responsible Party's Signature and Date

Approved ☒ Denied ☐

Chief Christopher J. Sovik
Chief Christopher Sovik

10/9/19
Date



South Lyon Police Department

**219 Whipple St.
South Lyon, MI 48178
Ph: (248) 437-1773
Fx: (248) 437-0459**

Hold Harmless

To the fullest extent permitted by law the _____
(Name of applicant/organization)

agrees to defend, pay on behalf of, indemnify, and hold harmless the City of South Lyon, its elected and appointed officials, employees, volunteers, and other working on behalf of the City of South Lyon against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from the City of South Lyon by reason of personal injury, including bodily injury or death and/or property damage including loss of use thereof which arises out of, or is in any way connected or associated with this event. You and/or the organization that holds responsibility will be held liable for the conduct of the event and each of its participants.

Signature

Date

Motion by _____, supported by _____

Resolved That Lisa Deaton, City Clerk/Treasurer is hereby authorized to make application to the Road Commission for Oakland County on behalf of the City of South Lyon in the County of Oakland, Michigan for the necessary permits to conduct the Downtown Trick-or-Treat Event on October 24, 2019 and the related road closures: Lafayette Street between Liberty Street and Whipple Street; Lake Street between Wells Street and Washington Street; from 6:00 p.m. on October 24, 2019 until 8:30 p.m. on October 24, 2019.

and that the City of South Lyon in the County of Oakland, Michigan will faithfully fulfill all permit requirements, and shall save harmless, indemnify, defend and represent the Board against any and all claims for bodily injury or property damage, or any other claim arising out of or related to operations authorized by such permits as issued.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of South Lyon, County of Oakland, State of Michigan, at a regularly scheduled meeting of October 14, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said act.

Lisa Deaton
City Clerk/Treasurer

AGENDA NOTE

Consent Agenda Item # 3

MEETING DATE: October 14, 2019

PERSON PLACING ITEM ON AGENDA: Police Chief

AGENDA TOPIC: In-Car Cameras Replacement

EXPLANATION OF TOPIC: The current in-car cameras (6) are eight years old and are out of warranty. We've had to replace three cameras and five wireless microphone/transmitters since the warranty ended three years ago. During the budget workshop in preparation for the 2019-2020 FY Budget, Council approved \$66,000 for replacement of the current in-car cameras. Police Department Budget Line Item **101-300-978 Capital Equipment** reflects that amount. Three bids were obtained for replacement of the in-car cameras and accessories. WatchGuard's quote was \$63,138.00. Digital-Ally's quote was \$37,659.00 and Pro-Vision's quote was \$32,970.00

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS: Memo from Chief Sovik to City Manager Zelenak; bids from WatchGuard (\$63,138.00), Digital Ally (\$37,659.00) & Pro-Vision (\$32,970.00), Responses from Michigan Association Chiefs of Police list-serve requesting information about other agency's experience with the three manufacturers supplying bids/quotes,

POSSIBLE COURSES OF ACTION: Approve/Do Not Approve the purchase of the in-car cameras from Manufacturer WatchGuard for the amount of \$63,138.00.

SUGGESTED MOTION: Motion by _____, supported by _____ to approve the purchase of the in-car cameras from Manufacturer WatchGuard in the amount of \$63,138.00 to be deducted from **Police Department Budget Line Item 101-300-978: Capital Equipment.**

10/14/19



4RE/VISTA Price Quote

CUSTOMER: South Lyon Police Department

ISSUED: 10/2/2019 1:13 PM

EXPIRATION: 12/31/2019 12:00 PM

Attn: Accounts Payable,
219 Whipple St.,,
South Lyon, MI,,
48178

TOTAL PROJECT ESTIMATED AT:
\$63,178.00

ATTENTION: Lt. Christopher Sovik

SALES CONTACT: David Stum

PHONE: 248-437-1773

DIRECT: (469) 640-5201

E-MAIL: sovikc@southlyonpolice.com

E-MAIL: david.stum@motorolasolutions.com

Dave Lowry - Regional Sales Manager
317-697-7295
dave@enforcementproducts.com

4RE and VISTA Proposal

Evidence Library 4 Web Software and Licensing

Part Number	Detail	Qty	Direct	Discount	Total Price
KEY-EL4-SRV-001	Evidence Library 4 Web Server Site License Key	1.00	\$1,000.00	\$0.00	\$1,000.00
KEY-EL4-DEV-001	Evidence Library 4 Web 4RE In-Car Device License Key	6.00	\$150.00	\$0.00	\$900.00

4RE In-Car System and Options

Part Number	Detail	Qty	Direct	Discount	Total Price
4RE-STD-GPS-RV2	4RE Standard DVR Camera System with integrated 200GB automotive grade hard drive, 16GB USB removable thumb drive, rear facing cabin camera, GPS, hardware, cabling and your choice of mounting bracket.	6.00	\$4,795.00	\$371.00	\$26,544.00
CAM-4RE-PAN-NHD	Additional Front Camera, 4RE, HD Panoramic	6.00	\$200.00	\$200.00	\$0.00

Wireless Video Transfer and Networking Options

Part Number	Detail	Qty	Direct	Discount	Total Price
4RE-WRL-KIT-101	4RE In-Car 802.11n Wireless Kit, 5GHz (2.4 GHz is available by request)	6.00	\$200.00	\$20.00	\$1,080.00
WAP-MIK-CON-802	WiFi Access Point, Configured, MikroTik, 802.11n, 5GHz, SXT, AP	2.00	\$250.00	\$0.00	\$500.00

Microphone Options

Part Number	Detail	Qty	Direct	Discount	Total Price
MIC-WRL-DTC-400	Hi-Fi Microphone Desktop Charger, includes cradle and AC power cord.	1.00	\$99.00	\$0.00	\$99.00
MIC-WRL-TRN-400	Hi-Fi Microphone Additional/Replacement Wireless Transmitter.	4.00	\$345.00	\$0.00	\$1,380.00
MIC-HFI-MLT-CHG	Hi-Fi Microphone Desktop 8-Bay Charging Rack.	1.00	\$945.00	\$0.00	\$945.00

4RE Hardware Warranties

Part Number	Detail	Qty	Direct	Discount	Total Price
WAR-4RE-CAR-5TH	5 Year 4RE Hardware and Software	6.00	\$1,375.00	\$0.00	\$8,250.00

415 E. Exchange Parkway • Allen, TX • 75002
Toll Free (800) 605-6734 • Main (972) 423-9777 • Fax (972) 423-9778
www.WatchGuardVideo.com



4RE/VISTA Price Quote

Maintenance Bundle

Software Maintenance and CLOUD-Share

Part Number	Detail	Qty	Direct	Discount	Total Price
SFW-MNT-EL4-001	Software Maintenance, Evidence Library, 1st Year (Months 1-12)	6.00	\$0.00	\$0.00	\$0.00
SFW-EL4-CLD-BAS	Evidence Library 4 Web CLOUD-SHARE - Basic	6.00	\$0.00	\$0.00	\$0.00
SFW-EL4-CLD-BAS	Evidence Library 4 Web CLOUD - SHARE - Basic for 4RE	30.00	\$0.00	\$0.00	\$0.00

Server Hardware and Software

Part Number	Detail	Qty	Direct	Discount	Total Price
HDW-4RE-SRV-201	Server, 4RE, 16 HDD, RAID 6, 3U, 16-35 Concurrent Cars, 5CAL, Gen 3	1.00	\$8,850.00	\$0.00	\$8,850.00
HDW-4RE-HDP-6TB	Hard Drive, Server, 6TB, 6GB/s 7,200 RPM, 128MB, Enterprise, 4RE	6.00	\$425.00	\$0.00	\$2,550.00

WatchGuard Video Technical Services

Part Number	Detail	Qty	Direct	Discount	Total Price
SVC-4RE-ONS-400	4RE System Setup, Configuration, Testing and Training (WG-TS)	1.00	\$2,500.00	\$0.00	\$2,500.00
KEY-WGV-RED-E01	Software, REDACTIVE(sm) Enterprise, Single Seat License Key	1.00	\$3,995.00	\$0.00	\$3,995.00
Software Maintenance, REDACTIVE(sm), 3-Year Bundle (Months 1-36)	Software Maintenance, REDACTIVE(sm), 3-Year Bundle (Months 1-36)	1.00	\$2,250.00	\$0.00	\$2,250.00
WAR-WGR-MNT-004	Software Maintenance, REDACTIVE(sm), 4th Year	1.00	\$785.00	\$0.00	\$785.00
WAR-SRV-RCK-5YR	Extended Warranty, Rack Server, Full Service Onsite, 5 Total Years (Months 37-60)	1.00	\$1,175.00	\$0.00	\$1,175.00

Shipping and Handling

Part Number	Detail	Qty	Direct	Discount	Total Price
Freight	Shipping/Handling and Processing Charges	1.00	\$375.00	\$0.00	\$375.00
					\$63,178.00

Total Estimated Tax, may vary from State to State \$0.00

Configuration Discounts \$3,546.00

Additional Quote Discount \$0.00

Total Amount \$63,178.00

NOTE: This is only an estimate for 4RE & VISTA related hardware, software and WG Technical Services. Actual costs related to a turn-key operation requires more detailed discussion and analysis, which will define actual back-office costs and any costs associated with configuration, support and installation. Please contact your sales representative for more details.



4RE/VISTA Price Quote

To accept this quotation, sign, date and return with Purchase Order: _____ DATE: _____



Quote	QUO-28310-B9N7S3
Date	7/24/2019
Page	1

9705 Loiret Blvd.
 Lenexa, KS 66219
 1-800-440-4947 www.digitalallyinc.com

Customer:

South Lyon Police Department 219 Whipple South Lyon, MI 48178

Customer ID	Salesperson	Shipping Method	Payment Terms	Created By	Quote Valid
DAI001770	CM2	FEDERAL EXPRESS	Net 30	Justin Appleberry	90 Days

Ordered	Item Number	Description	Retail Price	Item Discount	Discount	Ext. Price
3	004-09061-00	Assembly, Wireless Radio, RMT 928	\$265.00	\$0.00		\$795.00
6	012-00042-00	ProServ-Activation Fee	\$30.00	\$0.00	\$0.00	\$180.00
6	566-00167-00	Camera, POE/IP, 1080p 30fps, Smart IR LED's, microphone	\$395.00	\$0.00		\$2,370.00
6	566-00777-00-G	Forward IP Camera	\$395.00	\$0.00		\$2,370.00
6	K001-00777-00	EVO HD System w/Radio	\$4795.00	\$0.00	\$0.00	\$28,770.00
6		Cloud Software user license	\$96.00	\$0.00		\$576.00
6		Trade In rebate	(\$300.00)	\$0.00		(\$1,800.00)
6		365 Day Cloud Storage	\$708.00	\$0.00		\$4,248.00

Notes:

Total Discount	\$0.00
Subtotal	\$37,509.00
Misc	
Tax	\$0.00
Freight	\$150.00
Total	\$37,659.00



Quote	QUO-28310-B9N7S3
Date	7/24/2019
Page	2

*** ProService Setup & Config Includes***

- Advanced exchange Warranty
- Remote Product Setup & Configuration
- Conversion from Local setup to Cloud setup
- Dedicated Project Manager
- Best Practices & Implementation Planning Session
- System Administrator & Troubleshooting Training Session
- Implementation Document Packet
- Go Live
- Follow-up Review Session

*** EVO HD***

- Two HD Cameras
- 2TB External SSD Storage
- 128GB Internal Storage
- Four Channel Video
- Patented VuLink Automatic Activation Triggering
- 6 Input Sensors / High-G Event Sensor
- Internal GPS
- Internal Wi-Fi Module
- Internal Cell Mode
- Back-up Battery

*** 5 Year Cloud Plan***

- 365 Days Unlimited Storage at \$59.00 per month.
- Additional storage may be purchased in increments of 100GB for \$63 per year.
- Full Software Access & Redaction
- Full Access to Share Portal
- All equipment on the Cloud covered under warranty for term of Agreement

*** Annual Cloud Cost Breakdown***

- 1st Year= \$4,248.00
- 2nd Year=\$4,248.00
- 3rd Year=\$4,248.00
- 4th Year=\$4,248.00
- 5th Year=\$4,248.00

Thank you for your interest in Digital Ally products. If you would like to place an order, please contact the Digital Ally Sales Team at 1-800-440-4947.

TERMS OF SALE

Your purchase of goods from Digital Ally, Inc., a Nevada corporation ("Digital Ally") will be governed by the following terms of sale ("Terms"). You will be referred to throughout these Terms as "you".

1. Exclusion of Other Terms; Entire Agreement. Additional or different terms or conditions proposed by you (including any additional or different terms provided in a purchase order) will be void and of no effect unless specifically accepted in writing by Digital Ally. Digital Ally's sales invoice, the limited warranty accompanying the Goods, these Terms, and any special conditions agreed to in writing and signed by you and Digital Ally are incorporated and collectively referred to herein as the "Order", which supersedes and cancels all prior communications between us, whether verbal or written, and constitutes the entire agreement between us unless modified in writing and signed by each of us. In the event of a conflict

ADDRESS:
8625-B Byron Commerce Dr.
Byron Center, MI 49315
provisionusa.com
800-576-1126**PREPARED BY:**
Angela Carr

PREPARED FOR:
South Lyon Police Dept**QUOTE #:**
NTPEQ1271-01

DATE:
06/12/19**HD VIDEO SYSTEM QUOTE**

Description	Part #	Qty	Unit Price	Ext. Price
HD In-Car Video Systems		6	\$3,815.00	\$22,890
1080p HD In-Car Video Base KIT Plus	DVR-808CLE			
Includes: Dash Camera, Interior Camera, DVR, Lockable Cage, GPS Antenna, 128GB SD Card, 1 YR FREE of PV Dashboard, 2 10ft Cables, 15ft LAN Cable, Event Marker Button, Wireless Mic Transmitter and Receiver, Lapel Mic, Leather Belt Pouch, Software & Guides				
HD Forward Facing Camera KIT	DVR-813			
HD Waterproof Wide Angle Mini-Dome Camera KIT	DVR-820			
HD Waterproof Wide Angle Mini-Dome Camera KIT	DVR-820			
HD Wireless Auto File Transfer KIT	DVR-828			
SecuraMax 5 Yr Cloud Package		6	\$1,680.00	\$10,080
SecuraMax - Standard 5 Year Plan [50GB]	SMX-5YR-50			

Optional Software Solutions:**SECURAMAX® VIDEO MANAGEMENT**SMX-5YR-50 ... SecuraMax™ - Standard 5 Year Plan [50GB] ...
\$30/month/device**Total**
(No Options) **\$32,970****MSRP:** **\$35,184****Savings:** **\$2,214****PV DASHBOARD® FLEET MANAGEMENT**1 Year of PV Dashboard
FREE with Purchase of DVR-808CLE In-Car Video SystemDB-5YR-S... PV Dashboard Standard 5 Year Plan
\$15 / Month per Device**NOTES:****HARDWARE LEASE / INSTALLMENT PURCHASE OPTIONS:**

60 Month Installment Purchase Option (per unit/month) \$ N/A

Above Option with Installation (per unit/month) \$ N/A

Lease price based on total product purchase divided by the total number of systems.

TERMS:

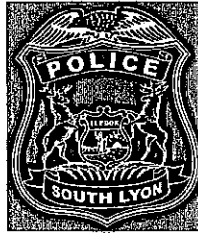
General Terms: PRO-VISION®, Inc. ships all orders UPS Ground. Service or carrier change will result in additional charges. Shipping & Handling not included unless specified. Purchase price is USD and FOB Byron Center, MI. Product Invoice Net 30 Day Terms or 2.0% Discount Net 10 Day Terms. 5% Discount when 100% payment is received with purchase order. Terms and Discounts do not apply to leases or credit card payments. Past due invoices will be subject to a 1.5% per month Finance Charge. No technical support or warranty claims will be provided for any past due account. All transactions are subject to final PRO-VISION® Management Approval.

Leasing: Installment Purchase Option Application must be submitted for final management approval. Rates are subject to change without notice until application is approved. Shipping & Handling is not included in quoted Installment Purchase Option Rates. Shipping & Handling will be included in Installment Purchase Option Application. A \$360.00 document fee and one advance payment equal to the total monthly rate is required with approved final Installment Purchase Option Documents.

SecuraMax®: Plan Price per Month Based on Service Contract for the specified length with autopay discount. Service Contract and End User License Agreement (EULA) required. Additional terms specified in Service Contract and EULA. Hardware using SecuraMax must be paid for prior to deployment. Protection Plan Claims Subject to Deductible.

SOUTH LYON POLICE DEPARTMENT

Christopher J. Sovik
Chief



Memorandum

To: City Manager Paul Zelenak

From: Chief Christopher J. Sovik

Subject: In-Car Camera Replacement

Date: October 8, 2019

As you are aware, Lt. Baaki and I have been researching replacement in-car cameras (6) for our patrol vehicles. During the May 2019 budget workshop in preparation of FY budget 2019-2020, City Council approved \$66,000.00 for the replacement of our current in-car cameras (101-300-978 Capital Equipment). L-3 Mobile-Vision is our current in-car camera manufacturer and was recently bought out by Safe Fleet. Although L-3 has been fairly reliable, it is not as user friendly as WatchGuard and we have had several software issues mostly related to java script applications. L-3's quote (\$65,008.20) was more than WatchGuard and wasn't one of the company's I requested information on when putting it out to the Michigan Association of Chiefs of Police list serve.

Included in this agenda item packet are the responses I received from other agency's experience with Pro-Vision, Digital Ally and WatchGuard; positive and negative. What we liked about WatchGuard was that it was easy to use and navigate to various options. The panoramic front view camera was also a selling point. No other manufacturer offered the wide angles to encompass events that may not be seen by other manufacturers.

Another advantage to the WatchGuard system is the "after the fact" programming. WatchGuard's patented Record-After-the-Fact (RATF) technology provides the ability to go back in time and capture the video from the event days after it happened.

Included in WatchGuard's quote is redaction software. Administrators will now have the ability to redact information from video/audio transmissions. The quoted WatchGuard system will be able to seamlessly integrate Body Worn Cameras (BWC) should the department decide to purchase them in the future. With or without the BWCs, having the redaction software will greatly assist our administrators respond to and fulfill the increasing number of Freedom of Information Act Requests (FOIA).

Included in WatchGuard's quote is a five year "bumper to bumper" warranty. If hardware fails, they send you a new unit and a box to return the damaged unit. Software IT support is available 24/7.

Not included in WatchGuard's quote is the removal of the old in-car cameras and installation of the new. Cynergy Wireless of Troy, Michigan has performed removal and install for all our patrol vehicle equipment needs for several years. They will remove and install the six (6) new cameras and accessories for \$3,000. Cynergy is very familiar with WatchGuard as they have installed several systems for neighboring agencies that utilize WatchGuard.

Once our new IT Company (I.T. Right) comes on board, WatchGuard will partner with them to properly install the programming on our in-house computers. I.T. Right works with several agencies that also contract with WatchGuard.

If this item is approved by Council, I will initiate the grant process for in-car cameras reimbursement. I will contact MMRMA and apply for a Risk Avoidance Program (RAP) grant. MMRMA is offering up to 25%, up to \$1,500 per camera for new/replacement in-car cameras. I will work with Carol Brandon at City Hall when applying for the grant.

In the past, we at this department have been plagued with the mentality to always "go with the lowest bid". I need to steer us away from that short-sided thinking. I will agree that with certain purchases, cheaper is better, but not in this case. Funds were approved by Council during the workshop for this purchase and the quality of the product and customer service is second to none.

Here are a few of the organizations in Michigan that use WatchGuard. This isn't a complete list, but I included both big and nearby agencies:

Michigan State Police – statewide conversion in process now.

Detroit PD

Oakland County Sheriff

Macomb County Sheriff

U of M

Pittsfield Twp PD

Novi PD

Kalamazoo PD

Kalamazoo Twp PD

Farmington PD
Farmington Hills PD
Birmingham PD
Rochester PD
Ferndale PD
Clinton Twp PD
Clinton County Sheriff
Roseville PD
Sterling Heights PD
Southfield PD
Lathrup Village PD
Northville PD (just deployed)
Saginaw PD
Saginaw Twp PD
Van Buren Twp PD
Van Buren County Sheriff
Wolverine Lake PD
Walled Lake PD
Orchard Lake PD
Keego Harbor PD

My request through the Michigan Law Enforcement Administrator's list serve email requesting information on the three manufacturers bidding for replacement of our in-car cameras:

Subject: [[MACP General]] In-Car Camera Companies/Systems

Chiefs, Directors & Administrators,

Our agency has received bids for updating our in-car cameras. I am looking for comments and experiences with the following companies: Digital Ally, Pro-Vision & WatchGuard. Please send comments to my email at sovikc@southlyonpolice.com

Thank you in advance and for taking the time to respond and assist.

Respectfully,

Chief Christopher J. Sovik
South Lyon Police Department
219 Whipple Street
South Lyon, MI 48178
Direct Line: 248-437-0444
Station: 248-437-1773
Fax: 248-437-0459
sovikc@southlyonpolice.com
Graduate FBI National Academy Session 248



The following are other agency's experience with the listed manufacturers. The emails of the administrator's responses have been removed, but the name and department of those who responded are included.

Chris

We have had Watchguard for many years and just upgraded in 2018 to new in-car and Body cameras. The customer service is top-notch, spend the money on the warranty because they do break.

We also purchased the server so we don't have any cloud storage fees. I think for us, 10 cars, 32 BWC, server and all 5 year warranties it was around \$120,000.

Vincent Palazzolo
Chief of Police
Ferndale Police Department

Our experience was HORRIBLE with Pro-Vision. Just recently switched to Axon.

- Body Cams were the worse. One year warranty and broke shortly after the one year. Constantly playing with software to get it to upload etc. etc. etc. Had 8 cameras and replaced 10 in the three years we had them. Most out of warranty and had to pay full price. I could keep going but sounds like you are only interested in in-car cameras.
- They promised the world and did not deliver. Never saw them again after the initial install. We chose to go with wireless uploads to our own video server. They obviously never did this before and we had many, many issues which we had to pay our own I.T. guys thousands of dollars to figure out their system and their faults.
- We have (still have) periodic issues which requires us to pull a fuse and hope that fixes it. Many times it does, sometimes it does not. We call for service and they tell us to remove this wire, that multibridge, play with software etc.. Ultimately we have to fix it ourselves. We even offered to drive it to them in Byron Center so they could look at it and they would not allow us to do that. If something breaks, you have to send it in, let them check it, and then they will send a new part. Lots of down time waiting for new parts even under warranty.

Feel free to call me if you any other questions. I would avoid Pro Vision!

Randall Wright
Chief of Police
Fremont PD

Chris,

We have been very happy with WatchGuard. They were just acquired a week or so ago by Motorola which is a huge win. Axon (AKA Taser) has been trying to get every top engineer from WatchGuard to enhance their in-car and body camera.

They are the best system out there - bar none.

David Molloy
Director of Public Safety
Novi Police & Fire

Chris,

How are you? PPD deployed a complete WatchGuard system May 1st. We have 3 In-Car, 5 BWC's, the Interview Room Module and the server. So far we have been very happy with everything, from start to finish. If you want to come check it out, let me know.

Jeffrey M. Newton
Chief of Police
Pinckney Police Department

Hi Chris,

We've been using WatchGuard since 2015. The system has been flawless. We transitioned from Panasonic which was a little too expensive to maintain. It is my understanding that Motorola recently purchased WatchGuard, so I don't know what that will do in terms of customer service in the future.

Hope this helps

Frank J Demers, M.S.
Director
City of Farmington Public Safety Department

Hi Chief,

We had L3 and moved to WatchGuard about 2 years ago. Very pleased with the WatchGuard 4RE System. Has three cameras in-car. One HD adjustable up front, one SD panoramic up front and one back seat camera.

We dealt with Dave Lowery in sales there (800-605-6734). He was very knowledgeable, had a demo vehicle and often calls us to see if we are still satisfied.

Thus far their customer support has been very good.

I hope this was useful.

Best Regards,

Eric J. Styles
Administrative Lieutenant



New Baltimore Police Department

Chief,

Although we have eliminated the dash cameras in lieu of body cameras, we were not happy with the quality and longevity of the Digital Ally products. I had to send several in for repair and in my opinion their customer service is lacking.

We opted for WatchGuard for the body cameras and have been happy with durability and customer service. I know MSP recently went with WatchGuard and I believe Detroit is running them also.

Hope this helps,

Randy Krause
Chief of Police
Rockwood Police Department

I am going to our City Council in two weeks and will be recommending WatchGuard. Chief Messer from Holland DPS strongly advised me against Pro Vision for customer service and software issues. Pro Vision is located 25 minutes from our office, so there would have been a convenience factor for us too. The officer that handles all of our technical issues also advised that he much preferred WatchGuards product/software. Hopefully this is useful.

Jay Gibson
Chief of Police
Allegan City Police Department

We have experience with both Pro-Vision and Watchguard.

We would not recommend using Pro-Vision as we had many issues with the company including technology issues with the body worn microphone which in turn landed us in federal court on a case and they didn't back us on it. It is my understanding that Pro-Vision was originally designed as a camera system for school buses which is why it isn't law enforcement friendly. Other issues we had with Pro-Vision were the video quality at night time especially on streets with city lights, download issues from the SD cards, and overall just not user friendly.

On the other hand we definitely recommend Watchguard as the system is both user friendly for administrators and officers and makes having an in-car video system seamless with automatic video downloads from the car and further with their category record retention. Watchguard is a bit more pricey but well worth the cost. We later added body cameras through Watchguard to our in-car cameras and having one platform for both systems has made the transition to another camera much easier on our officers and us.

If you have any other questions feel free to contact the chief or myself.

Thank you,
Amanda Clough
Deputy Police Chief
City of Grayling

We currently use L-3 (safety Fleet) but have 9 Pro-Vision Body-Cam's. I have no experience with the Pro-Vision In-Car camera's but know that the customer service is excellent with pro-Vision, their warrant is 5 years and they are definitely the lowest priced. We are currently waiting to have a Watch Guard system installed (which was just purchased by Motorola) as they have an integrated body-cam that works seamlessly with the in-car system which is why we are trying it out. We went with Pro-Vision body cameras after numerous delays from L-3, and they never delivered the body cameras we were quoted.

Dariusz Nisenbaum
Deputy Chief
Hamburg Township Police Department

We have Digital Ally both in-car and body cameras. I wouldn't get Digital Ally again if it was free or they paid us to have it!! (Ok, maybe if they paid us)

We have had nothing but trouble since the first day we got it. We had our city attorney request a return and refund of our purchase price (\$35,000) and they refused and told us to sue them. It would have to be done in Kansas City so it wasn't worth it. Support has been ok but we have to call them weekly for problems.

I would not go with Digital Ally ever again. In my 29 years of police work it is the worst product we have ever purchased.

Thanks,
Steve

Steven L Grinnwald
Director of Public Safety
City of Dowagiac

Chief Sovik-

I was advised the South Lyon Police Department is in the process of evaluating new camera systems. Currently, the MSP utilizes Digital Ally, but just started transitioning the entire fleet to Watchguard. The decision was made after extensive testing. We have decided to deploy a cellular off-load solution. This set up required new modems and antennas for our vehicles. We have chosen Cradlepoint modems and Panorama 5 in 1 antennas. The Digital Ally system has experienced several failures and data losses in the field which caused our need to seek an alternative. Overall, the Watchguard systems served our needs best. We are utilizing Watchguard's management software, Evidence Library, for cloud based video storage. I would be happy to give more specifics on our setup and decisions why if needed. My contact information is listed below. Stay Safe

Steve

F/Lt. Steven L. Temelko
Technology Division
Mobile Office Environment Section Commander
Michigan State Police

Hi Chief Sovik,

I am Captain Christopher Franks from Kalamazoo Department of Public Safety. In searching for body cameras, I also evaluated several companies in-car camera systems looking for the best fit for our agency. The company we ended up going with is Watchguard. We went with them because of their software and the quality of the camera system. We did look at provision because it is a Michigan company and their camera systems were very inexpensive when we were looking at them but they just didn't have a good backend software that we were looking for. Digital Ally's in car camera's software on the backend also just didn't do what we wanted.

We started with Watchguard in 2017. They allowed us to test their in car system and body cameras in 2016 and we were very happy with them. The in-car system we went with has a panoramic camera out the front which has proven very helpful when reviewing what happened just off to the front side of the vehicle. The in-car systems are solid and over the last couple of years we have had them we have not had to send very many back for repair. The back end of the software we went with was Watchguard's evidence library 4 software. The software has worked very well for us. The customer service Watchguard has given us is great. I contacted Watchguard recently as they have been acquired by Motorola to see what changes are coming and they said no changes yet. Watchguard also puts on factory training where you can go to the company and learn different things about the system and how to install it into a vehicle. We took advantage of the training and loved it.

If you have more questions about the system or want to stop in to see it please let me know. I will include my cell phone number below.

Thanks

Captain Christopher Franks
Kalamazoo Department of Public Safety

Hi Chris. Clinton Township purchased 30 in car cameras and 65 body cameras from Watch Guard. Dave Lowery is the business representative for Michigan. Great guy to work with. His is at the MACP conference every year. He also makes his rounds to our county (Macomb) when he is in our area. We are happy with the system and is easy for cops to use. (Surprising, I know)

Fred Posavetz
Police Chief
Clinton Township Police Department

Chiefs,

I saw your questions about in-car camera systems on the MACP list. I don't have any experience at all with Pro-Vision, so I can't tell you anything about them, but we have had WatchGuard in-car cameras for about 4 years now. The video quality you get with their cameras is excellent, and the interface and labeling for the officers is pretty easy to use. They also have some nice features like "recording after the fact" for occasions when you need video and the camera was powered on but not recording. Those are the good points.

The bad points....video is expensive to maintain on our internal servers for any length of time, and we find ourselves having to burn video onto DVD's and book them into evidence so that we can maintain them long enough for criminal cases. This is time consuming and not very efficient, but the server space we would need to store video for longer periods of time is far too expensive. We also have minor but pretty frequent technical issues with the camera systems that require a lot of intervention by our Quartermaster and IT staff. These are annoying and time consuming, but we make it work. Our bigger issues with them have been when patrol cars have crashed. The cameras have shut down and rebooted upon collision, and we have lost significant portions of video because of it. We lost video in an officer involved shooting after the suspect rammed our patrol car. This portion of video would have included the entire shooting portion of the incident, but the camera did not record that. WatchGuard's battery back-up "fix" for this seems to have caused us more technical issues and I don't believe has actually solved the problem reliably. I have also found their customer service to be somewhat lacking as well. They are not very forthcoming with their knowledge of problems and fixes unless you ask them, and then you find out that other agencies have had similar issues. And then they will want to charge you to fix the problem, which seems ridiculous to me since our cameras are under warranty. If your cameras are out of warranty, they will be expensive to fix, especially on those occasions when you need to remove them from the car and ship them to WatchGuard for service. Overall, I'm not a big fan of WatchGuard, but for the most part we are keeping them up and running. Some of these problems are probably going to happen with any system you have.

We tested the Digital Ally system about 5 years ago....we didn't like them at all in comparison to WatchGuard, and ended up going to the Watchguard system for our in-car system. We did however buy Digital Ally body worn cameras. These were the first body worn cameras we had, and we had tested numerous models before buying them. They performed well in testing for six months, but we started having numerous problems with them right after we bought them. They turned out to be completely unreliable, and we struggled to maintain enough working cameras to outfit a shift on the road. We were constantly sending cameras back for repair or replacement, and at one point we were pretty sure they were just sending us someone else's malfunctioning cameras because we would get them out of the box and they would fail shortly after. Their customer service rep was a very nice guy and I believe did his best to help us, but he was dealing with some very poor engineering and manufacturing processes. Because of our issues with their body worn system, I would not recommend Digital Ally to anyone for in-car or body worn camera systems. We ended up scrapping those cameras 2 years ago, and went to the Axon system for body worn cameras. We have had absolutely no significant issues with our body worn cameras since then. We have had a very good experience with Axon, and recently started testing the Axon in car system and are looking at possibly transitioning our patrol cars to those cameras in the next few years.....they have a very good in-car system, but are still a little bit behind WatchGuard in terms of available features that the cameras have. They will probably catch up them in the very near future, and it will be nice for us to have both body worn and patrol cars on the same recording system.

I hope this info helps you out.....feel free to call me if you have any additional questions or there's anything I can help you with.

Captain Jeff Campbell
Eaton County Sheriff's Office

Chief-

Below is a portion of our executive summary that helped our decision. Please let me know if you need further and best of luck.

1. Watchguard

- a. The test started after the install on Sept. 26, 2016 and ended on Oct. 24, 2016. Note: the delay in uninstall was due to the International Association of Chief's of Police (IACP) conference that occurred during this time. A lack of MSP personnel to supervise the uninstall was not available.
- b. The tested system was the 4RE Panoramic high definition system.
- c. Troopers rated this system higher than all other systems tested, highlighting the extreme ease of operation, the simple, easy to understand interface, audio performance and video quality. This camera was rated a 10 out of 10.
- d. The audio quality was rated very highly. On a traffic stop, noise from passing semi-trucks did not override the voices of the trooper or citizen contacted.
- e. The audio range was superb and the best discovered of any system during the RFI. The rated specifications of "Two miles line-of-sight" was far beyond the ratings of other systems, of which the next best rating was "up to 2,000 feet". In real-world testing, audio connections held very strong whether the trooper was in a building, business, or residence, hundreds of feet away from the patrol vehicle. When signal begins to fail, the wireless mic boosts its transmission signal to maintain the highest level of connection possible. Troopers made the statement that audio quality was "in a league of its own".
- f. The wireless mic pack had a simple to understand LCD display that showed battery status, wireless signal, and whether audio was muted or broadcasting. The wireless mic had options to turn off the display backlighting, adjust vibration and turn on/off audio notifications.
 - i. The wireless mic pack would reconnect to the camera if switched off and was extremely easy to sync to the camera by placing the mic pack into the charging cradle for 2 seconds. This type of feature would be extremely helpful to eradicate lost audio issues that occur in the field now.
 - ii. The mute feature is a lever that is continuously held down to mute. When the lever is released, the audio recording resumes. The in-car camera control system has an option for user selectable audio muting of the in-car microphone. This can be adjusted through administrator settings.
 - iii. The wireless mic lasts for the entire shift and has the potential to last multiple shifts, up to 30 hours. It can rest in standby mode for up to 25 days. This standby mode is patented by Watchguard.

- g. The daytime video was excellent and the nighttime video outperformed other systems observed during the RFI. Watchguard has a unique camera technology that provides U-WDR – Ultra-Wide Dynamic Range. This provides a much better video light exposure to provide extreme clarity during nighttime traffic stops. Plates were visible through emergency flashing lights, during review.
- h. The camera can be configured to remain powered on if the vehicle is turned on. Video will then be recorded any time it is triggered, no matter who is driving. During testing, it was observed that, if configured in this way, the VRS recording could not be bypassed.
- i. Video was not directly accessible by the user and all actions were kept in the audit trail. Video is stored in a non-removable drive and all incident video is tagged in the non-removable drive to prevent overwriting. Video can be uploaded wirelessly or via manual removable thumb drive use. All incident video is backed up to the internal memory and will not release until the backend software notifies the VRS that the incident video has been securely and successfully received. In the event of thumb drive loss or failure, the internal VRS memory will offload the video again (to a system registered thumb drive only), guaranteeing that video will not be lost.
- j. The system buffers up to approximately 5 days' worth of video when the system is powered on. Video can be created from that buffered video, if necessary. For example, if the camera has not been triggered and an incident happens within the camera view, video can be created of that incident (without audio). Watchguard labels this "Record-After-the-Fact".
- k. Watchguard has a patented technology displayed during the RFI that could provide substantial cost savings on storage needs. The 4RE holds both SD and HD streams during recording and the system can be configured to select either SD or HD automatically or with the user selecting options. For example, videos marked as a traffic stop could be saved in SD mode and all incident videos would be saved in HD. This could provide an approximate 75% reduction in storage needs for most of the video generated during VRS use. A trooper has the option, if the need arises, to override this and choose to save the HD version of a traffic stop when marking the video at the time of recording. This feature would greatly speed up video transfer speed as well. As this is patented, no other camera vendor is able to offer this capability.
- l. There is optional software to securely transmit live streaming video from a patrol car to command staff.

As indicated above, the Watchguard 4RE – Panoramic camera system performed the best, by far, of any of the camera systems tested and was rated the highest among the members of the VRS Committee who observed the vendor presentation or tested the system. The stand out comment made during testing is "it just works". The Watchguard VRS addresses all of the current issues that MSP has encountered with our current VRS and provides capabilities that troopers have identified as needed for the field.

The final cost is unknown until contractual negotiations may take place, but it is estimated to be near \$5,000 to \$5,500. It is worth noting that MSP was purchasing the DVM-500Plus systems for over \$5,300

each, as of 2014, so the pricing, if within this range, would be competitive with industry standards and with what MSP has paid in the past.

Watchguard is currently deployed with North Carolina State Police, Pennsylvania State Police, Kent County, Oakland County, Macomb County and Detroit Police Department, to name a few.

During the RFI, specific, patented and unique technologies were discovered that prompted the VRS Committee to recommend Watchguard as the next-generation VRS for MSP.

Best Regards,

F/Lt. Steven L. Temelko
Technology Division
Mobile Office Environment Section Commander
Michigan State Police

Good morning Chief's,

My department is in the process of switching all of our in-car camera units over to Watchguard. We got our first Watchguard system two years ago. The system is very user friendly, the video is of high quality, the customer service is outstanding, and the range/quality on the microphone is far superior to Digital Ally. We have been with Digital Ally for over a decade and in my opinion Watchguard is far superior in many ways. We have been extremely pleased with Watchguard.

Also, we purchased Watchguard interview room systems. Nice thing is the system is identical to the in-car system, so the officer's do not have to learn another system. All in-car videos and interview room recordings are stored in the same system, which is nice for ease of use.

Good luck!

Eric Hamp
Lieutenant
Alpena Police Department

AGENDA NOTE

New Business Item #1

MEETING DATE: October 14, 2019

PERSON PLACING ITEM ON AGENDA: City Manager

AGENDA TOPIC: Michigan Department of Treasury Form 5597:
Corrective Action Plan Retirement Health Benefits
Public Act 202 of 2017

EXPLANATION OF TOPIC: Public Act 202 of 2017 requires underfunded local unit of governments to develop and submit for approval a corrective action plan for retirement health benefit plans. Underfunded status is defined as being either less than 40% funded according to most recent audit financial statements; and/or the annual required contribution (ARC) for all the retirement health systems is greater than 12% of the local government's annual governmental fund revenues. Form 5597 Corrective Action Plan for Financial Statements dated June 30, 2018 must be approved by Council and submitted to the Michigan Department of Treasury by October 31, 2019 or 180 days after notice. City staff and Plante Moran auditors will be in attendance to answer any questions you may have on the subject.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS: Corrective Action Plan Form 5597, Attachment 6a explanation of underfunded status, Audited Financial Statements dated June 30, 2018, GASB 75 Actuarial Valuation Report dated June 30, 2018.

RECOMMENDATION: Approve the Corrective Action Plan reported on Form 5597.

SUGGESTED MOTION: Motion by _____, supported by _____ to approve Form 5597 Corrective Action Plan Retirement Health Benefits for Public Act 202 of 2017.

Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: City of South Lyon Six-Digit Muni Code: 632210

Retirement Health Benefit System Name: City of South Lyon OPEB Plan

Contact Name (Administrative Officer): Paul Zelenak

Title if not Administrative Officer: City Manager

Email: PZelenak@southlyonmi.org Telephone: (248) 437-1735

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one retirement health benefit system that has been determined to have an underfunded status. Underfunded status for a retirement health system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annual required contribution (ARC) for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board. The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of the Act, this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. ***You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.*** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The submitted plan must demonstrate through distinct supporting documentation how and when the local unit will reach the 40% funded ratio. Or, if the local unit is a city, village, township, or county, the submitted plan may demonstrate how and when the ARC for all of the retirement healthcare systems will be less than 12% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ARC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local unit must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

The completed plan must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System OPEB

Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If a corrective action plan is approved, the Board will monitor the corrective action plan for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status, as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

- (i) Requiring cost sharing of premiums and sufficient copays.
- (ii) Capping employer costs.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- ☐ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On **January 1, 2017**, the local unit entered into new collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page **12** of the attached actuarial analysis that indicates the system is **40% funded as of June 30, 2017**.

- ☐ **Additional Funding** – Additional funding may include the following: paying the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: The local unit created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on **June 23, 2016**. The local unit of government has adopted a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC). Additionally, the local unit has committed to contributing **\$500,000** annually, in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40% by 2022**. Please see page **10** of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000** for the next five years.

- ☒ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: The information provided on the Form 5572 from the audit used actuarial data from **2015**. Attached is an updated actuarial valuation for **2017** that shows our funded ratio has improved to **42%** as indicated on page **13**.

The City of South Lyon ordered an actuarial valuation of Annual Required Contribution (ARC) to determine contribution for FY 2018/2019 and beyond. The Actuarially Determined Contribution (ADC) was calculated using level dollar amortization with a 3% discount rate. The amortization period is a closed, 30-year period. See attachment 6a for additional statement.

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prospective actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

- ☐ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: The local unit will seek to align benefit levels for the retired membership with each class of active employees. Beginning with **summer 2018** contract negotiations, the local unit will seek revised collective bargaining agreements with the **Command Officers Association** and **Internal Association of Firefighters** to increase employee co-payments and deductibles for healthcare. These coverage changes would result in an improvement to the retirement system's funded ratio. Please see page **12** of the attached actuarial analysis that indicates the system would be **40%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

- ☒ **Additional Funding** – Additional funding may include the following: meeting the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: The local unit will create a qualified trust to receive, invest, and accumulate assets for retirement healthcare by **December 31, 2018**. The local unit of government will adopt a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC) by **December 31, 2018**. Additionally, beginning in fiscal year 2019, the local unit will contribute **\$500,000** annually in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40%** by **2022**. Please see page **10** of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000** for the next five years.

The City will begin to make normal cost contributions for new employees hired after July 1, 2018. The normal cost contribution, calculated by an actuary, will be approximately \$5,349. Additionally, the City of South Lyon will begin in fiscal year 2020 to contribute the annual required contribution and a voluntary contribution above the annual required contribution. The additional voluntary contribution above the annual required contribution will be determined and vary each budget year.

- ☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the healthcare liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the health system to reach a funded status of **42%** by **2022** as shown in the attached actuarial analysis on page **13**.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) City of South Lyon to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

☒ Yes

☐ No

If No, Explain

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this corrective action plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention

Type of Document

☒ Attachment – 1

This Corrective Action Plan (Required)

☒ Attachment – 1a

Documentation from the governing body approving this Corrective Action Plan (Required)

☒ Attachment – 2a

An actuarial projection, an actuarial valuation, or an internally developed analysis, which illustrates how and when the local unit will reach the 40% funded ratio. Or, if the local unit is a city, village, township, or county, ARC will be less than 12% of governmental fund revenues, as defined by the Act. (Required)

☐ Attachment – 3a

Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).

☐ Attachment – 4a

Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)

☐ Attachment – 5a

A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio

☒ Attachment – 6a

Other documentation, not categorized above

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the four corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the Corrective Action Plan Development: Best Practices and Strategies document.

Corrective Action Plan Criteria

Description

☒ Underfunded Status

Is there a description and adequate supporting documentation of how and when the retirement system will reach the 40% funded ratio? Or, if your local unit is a city, village, township, or county, how and when the ARC of all retirement healthcare systems will be less than 12 percent of governmental fund revenues?

☒ Reasonable Timeframe

Do the corrective actions address the underfunded status in a reasonable timeframe (see CAP criteria issued by the Board)?

☒ Legal and Feasible

Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible?

☒ Affordability

Do the corrective action(s) listed allow the local unit to make the retiree healthcare premium payment, as well as normal cost payment for new hires now and into the future without additional changes to this corrective action plan?

8. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I, Paul Zelenak, as the government's administrative officer (insert title)
City Manager (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

☐ The _____ (Insert Retirement Healthcare System Name) will achieve a funded status of at least 40% by Fiscal Year _____ as demonstrated by required supporting documentation listed in section 6.

OR, if the local unit is a city, village, township, or county:

☒ The ARC for all of the retirement healthcare systems of City of South Lyon (Insert local unit name) will be less than 12% of the local unit of government's annual governmental fund revenues by Fiscal Year 6/30/18 as demonstrated by required supporting documentation listed in section 6.

Signature _____

Date _____

Attachment – 6a

Section 5(4)(a) of Public Act 202 of 2017 defines underfunded status for a retirement health system of the local unit of government as less than 40% funded AND if the local unit is a City, Village, Township, or County, annual required contribution (ARC) is greater than 12% of the local unit of government's annual general fund operating revenues.

- While the City did not have a valuation as of 6/30/18 calculating the ARC, the City's total OPEB liability is less than 12% of general fund revenue. The City's Total OPEB Liability is \$464,775 (page 29 of the attached June 30, 2018 audited financial statement – "Attachment – 6b"). Also, see Attachment – 2a for actuarial valuation. The City's general fund revenue was \$5,923,979 (Page 12 of the attached June 30, 2018 audited financial statement). 12% of revenue is \$710,877.
- Subsequent to issuing the City's 6/30/2019 financial statements, an ADC was calculated for Fiscal Year 2018/2019 and it was approximately \$61,000.
- As shown above, the City does not believe we are in underfunded status as of June 30, 2018.



GASB 75 ACTUARIAL VALUATION

Fiscal Year Ending June 30, 2018

CITY OF SOUTH LYON

CONTACT

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October 8, 2019

**Chief Lloyd Collins
City of South Lyon
335 S. Warren
South Lyon, MI 48178**

This report summarizes the GASB actuarial valuation for the City of South Lyon 2017/18 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

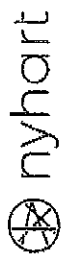
The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.



Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.

A handwritten signature in cursive script that reads "Randy Gomez".

Randy Gomez, FSA, MAAA
Consulting Actuary

A handwritten signature in cursive script that reads "Brian Nichols".

Brian Nichols, EA, MAAA, FCA
Valuation Actuary

Executive Summary

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2018.

		As of June 30, 2018
Total OPEB Liability	\$	464,775
Actuarial Value of Assets	\$	0
Net OPEB Liability	\$	464,775
Funded Ratio		0.0%
		FY 2017/18
OPEB Expense	\$	32,593
Annual Employer Contributions	\$	9,000
		As of June 30, 2018
Discount Rate		3.87%
Expected Return on Assets		N/A
		As of June 30, 2018
Total Active Participants		40
Total Retiree Participants		1

The active participants' number above may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

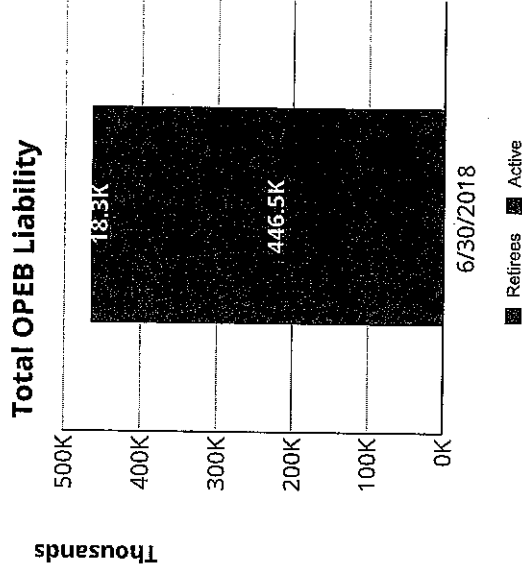
Executive Summary

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

Summary of Results

Below is a breakdown of total GASB 75 liabilities allocated to past and current service. The table below also provides a breakdown of the Total OPEB Liability allocated to pre- and post- Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor's GASB subsidies.

Present Value of Future Benefits		As of June 30, 2018
Active Employees	\$	678,138
Retired Employees		18,277
Total Present Value of Future Benefits	\$	696,415
Total OPEB Liability		As of June 30, 2018
Active Pre-Medicare	\$	446,498
Active Post-Medicare		0
Active Liability	\$	446,498
Retiree Pre-Medicare	\$	18,277
Retiree Post-Medicare		0
Retiree Liability	\$	18,277
Total OPEB Liability	\$	464,775
Discount Rate		As of June 30, 2018
Discount Rate		3.87%



Present Value of Future Benefits (PVFB) is the amount needed as of June 30, 2018, to fully fund the City's retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

Total OPEB Liability is the portion of PVFB considered to be accrued or earned as of June 30, 2018. This amount is a required disclosure in the Required Supplementary Information section.

GASB Disclosures

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2017/18
Total OPEB Liability	
Total OPEB Liability - beginning of year	\$ 601,126
Service cost	28,001
Interest	22,363
Change of benefit terms	0
Changes in assumptions	(9,871)
Differences between expected and actual experience	(167,844)
Benefit payments	(9,000)
Net change in total OPEB liability	\$ (136,351)
Total OPEB Liability - end of year	\$ 464,775
Plan Fiduciary Net Position	
Plan fiduciary net position - beginning of year	\$ 0
Contributions - employer	9,000
Contributions - active employees	0
Net investment income	0
Benefit payments	(9,000)
Trust administrative expenses	0
Net change in plan fiduciary net position	\$ 0
Plan fiduciary net position - end of year	\$ 0
Net OPEB Liability - end of year	\$ 464,775
Plan fiduciary net position as % of total OPEB liability	0.0%
Covered employee payroll	\$ 2,084,986
Net OPEB liability as % of covered payroll	22.3%

GASB Disclosures

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

OPEB Expense

OPEB Expense	FY 2017/18
Discount Rate	
Beginning of year	3.58%
End of year	3.87%
Service cost	\$ 28,001
Interest	22,363
Change of benefit terms	0
Projected earnings on OPEB plan investments	0
Reduction for contributions from active employees	0
OPEB plan administrative expenses	0
Current period recognition of deferred outflows / (inflows) of resources	
Differences between expected and actual experience	\$ (16,784)
Changes in assumptions	(987)
Net difference between projected and actual earnings on OPEB plan investments	0
Total current period recognition	\$ (17,771)
Total OPEB expense	\$ 32,593

GASB Disclosures

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2018
June 30, 2018	\$ (167,844)	10	\$ (16,784)	\$ (151,060)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2018
June 30, 2018	\$ (9,871)	10	\$ (987)	\$ (8,884)

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2018
June 30, 2018	\$ 0	N/A	\$ 0	\$ 0

GASB Disclosures

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending June 30, 2018	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 0	\$ (151,060)
Changes in assumptions	0	(8,884)
Net difference between projected and actual earnings in OPEB plan investments	N/A	N/A
Total	\$ 0	\$ (159,944)

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of June 30, 2018 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2019	\$ (17,771)
2020	\$ (17,771)
2021	\$ (17,771)
2022	\$ (17,771)
2023	\$ (17,771)
Thereafter	\$ (71,089)

GASB Disclosures

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

Sensitivity Results

The following presents the Net OPEB Liability as of June 30, 2018, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.87%.
- The 1% decrease in discount rate would be 2.87%.
- The 1% increase in discount rate would be 4.87%.

As of June 30, 2018	Net OPEB Liability
1% Decrease	\$ 499,678
Current Discount Rate	\$ 464,775
1% Increase	\$ 431,746

The following presents the Net OPEB Liability as of June 30, 2018, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 9.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 8.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 10.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2018	Net OPEB Liability
1% Decrease	\$ 428,341
Current Trend Rates	\$ 464,775
1% Increase	\$ 506,444

Projection of GASB Disclosures

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

- Increases in TOL when actual premium rates increase more than expected. A liability decrease occurs when the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability (TOL)	FY 2017/18	FY 2018/19
TOL as of beginning of year	\$ 601,126	\$ 464,775
Normal cost as of beginning of year	28,001	23,545
Exp. benefit payments during the year	(9,000)	(13,622)
Interest adjustment to end of year	22,363	18,637
Exp. TOL as of end of year	\$ 642,490	\$ 493,335
Actuarial Loss / (Gain)	(177,715)	TBD
Actual TOL as of end of year	\$ 464,775	\$ TBD

Discount rate as of beginning of year	3.58%	3.87%
Discount rate as of end of year	3.87%	TBD

Cash Flow Projections

City of South Lyon GASB 75 Valuation for Fiscal Year Ending June 30, 2018

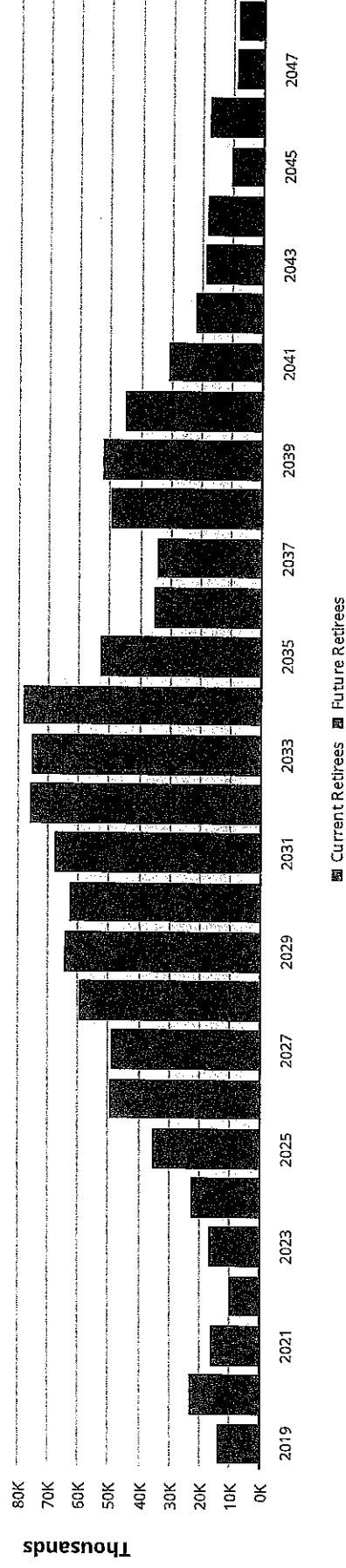
The below projections show the actuarially estimated employer-paid contributions for retiree health benefits for the next thirty years. Results are shown separately for a closed group of current/future retirees. These projections include explicit and implicit subsidies.

FYE	Current Retirees	Future Retirees*	Total
2019	\$ 6,484	\$ 7,138	\$ 13,622
2020	\$ 6,446	\$ 16,611	\$ 23,057
2021	\$ 6,405	\$ 9,676	\$ 16,081
2022	\$ 0	\$ 9,730	\$ 9,730
2023	\$ 0	\$ 16,450	\$ 16,450
2024	\$ 0	\$ 22,580	\$ 22,580
2025	\$ 0	\$ 35,505	\$ 35,505
2026	\$ 0	\$ 49,439	\$ 49,439
2027	\$ 0	\$ 49,381	\$ 49,381
2028	\$ 0	\$ 59,447	\$ 59,447

FYE	Current Retirees	Future Retirees*	Total
2029	\$ 0	\$ 64,347	\$ 64,347
2030	\$ 0	\$ 62,982	\$ 62,982
2031	\$ 0	\$ 68,076	\$ 68,076
2032	\$ 0	\$ 76,287	\$ 76,287
2033	\$ 0	\$ 75,550	\$ 75,550
2034	\$ 0	\$ 78,325	\$ 78,325
2035	\$ 0	\$ 53,246	\$ 53,246
2036	\$ 0	\$ 35,526	\$ 35,526
2037	\$ 0	\$ 34,297	\$ 34,297
2038	\$ 0	\$ 49,605	\$ 49,605

FYE	Current Retirees	Future Retirees*	Total
2039	\$ 0	\$ 52,627	\$ 52,627
2040	\$ 0	\$ 45,345	\$ 45,345
2041	\$ 0	\$ 30,943	\$ 30,943
2042	\$ 0	\$ 22,094	\$ 22,094
2043	\$ 0	\$ 18,918	\$ 18,918
2044	\$ 0	\$ 18,203	\$ 18,203
2045	\$ 0	\$ 10,519	\$ 10,519
2046	\$ 0	\$ 17,508	\$ 17,508
2047	\$ 0	\$ 8,796	\$ 8,796
2048	\$ 0	\$ 8,115	\$ 8,115

Projected Employer Pay-go Cost



* Projections for future retirees do not take into account future new hires.

Discussion of Discount Rates

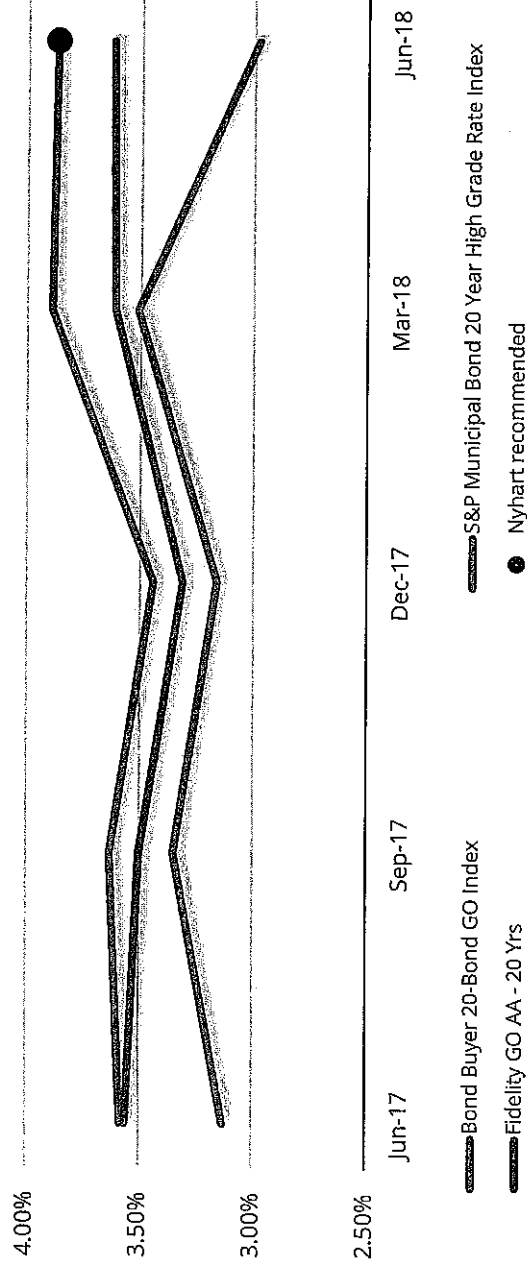
City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale).

For the current valuation, the discount rate was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

	Bond Buyer Go 20- Bond Municipal Bond Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity 20-Year Go Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Yield as of July 1, 2017	3.58%	3.13%	3.56%	3.13% - 3.58%	3.58%
Yield as of June 30, 2018	3.87%	2.98%	3.62%	2.98% - 3.87%	3.87%

20-Year Municipal Bond Indices



Summary of Plan Participants

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Active Employees

Actives with coverage		Single	Non-Single	Total	Avg. Age	Avg. Svc	Salary
General		7	17	24	45.2	11.8	\$ 1,218,684
Police		1	11	12	46.7	21.2	\$ 866,301
Total actives with coverage		8	28	36	45.7	15.0	\$ 2,084,986

Actives without coverage		Total	Avg. Age	Avg. Svc	Salary
Total actives without coverage		4	52.8	22.0	\$ 335,740

Enrollment information above is for full-time employees who are eligible for retiree health care benefits only.

Active Age-Service Distribution

Age	Years of Service										Total
	< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25											0
25 to 29		2									2
30 to 34	1	1		2							4
35 to 39		1		1	1						3
40 to 44			1	2	3	1					7
45 to 49		3			3	5	2				13
50 to 54		1				1	3				5
55 to 59				1		1	1				3
60 to 64								1			1
65 to 69		1				1					2
70 & up											0
Total	1	9	1	6	7	9	6	1	0	0	40

Summary of Plan Participants

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Retirees

Retirees with coverage	Single	Non-Single	Total	Avg. Age
General	1		1	62.3
Total retirees with coverage	1		1	62.3

Retiree Age Distribution

Age	Retirees
<45	
45 to 49	
50 to 54	
55 to 59	
60 to 64	1
65 to 69	
70 to 74	
75 to 79	
80 to 84	
85 to 89	
90 & up	
Total	1

Substantive Plan Provisions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Eligibility

All employees retiring under Regular, work related disability, or workers compensation retirement are eligible to continue healthcare coverage until age 65. Police Regular retirees are required to have 25 years of service to be eligible for the employer stipend. General retirees have no service requirement.

Spouse Benefit

Spousal coverage continues until the earlier of (1) the date the retiree becomes Medicare eligible and (2) the date the spouse becomes Medicare eligible. Surviving spouses are eligible for COBRA coverage.

Medical Benefits

Same benefits are available to retirees as active employees. The HRA PPO Gold health plan is fully-insured and partially experience-rated. The monthly funding rates vary by age and are effective on July 1, 2018. Rates at sample ages are as shown below.

Age	Rate
55	\$ 570.59
60	\$ 694.43
64	\$ 767.61

Refer to Appendix D for a brief summary of benefit descriptions for the health plan effective on July 1, 2018.

Retiree Cost Sharing

Retirees pay for the portion of the premium rates not covered by the County's explicit subsidy.

Explicit Subsidy

Eligible Police retirees receive a stipend of up to \$700 per month for healthcare premiums. Eligible General retirees receive a stipend of up to \$500 per month for healthcare premiums. To the extent the stipend exceeds the monthly healthcare premiums, the remainder may be used to offset spousal healthcare premiums. These amounts are assumed to remain flat in the future and do not increase with healthcare cost trend rates.

HRA

The City funds \$4,000 annually in a health reimbursement account. The cost of this benefit is not included in the healthcare premium funding rates shown above. The flat monthly premium for the HRA benefit as of July 1, 2018 is \$80.74 for single coverage, \$171.38 for two-person coverage and \$210.22 for family coverage. These premiums are assumed to increase with a flat annual healthcare cost trend rate of 2.0%.

Actuarial Methods and Assumptions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and City experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There are changes to the actuarial methods and assumptions since the last GASB valuation, which was for the fiscal year ending June 30, 2017. Refer to Actuary's Notes section for complete information on these changes. For the current year GASB valuation, we have also updated the per capita costs. We expect to update discount rate, health care trend rates, and per capita costs again in the next full GASB valuation, which will be for the fiscal year ending June 30, 2020.

Measurement Date

For fiscal year ending June 30, 2018, June 30, 2018 measurement date was used.

Actuarial Valuation Date

June 30, 2018 with no adjustments to get to the June 30, 2018 measurement date. Liabilities as of July 1, 2017 are based on an actuarial valuation date of July 1, 2017.

Discount Rate

3.87% as of June 30, 2018 and 3.58% as of July 1, 2017 for accounting disclosure purposes

Payroll Growth

From the MERS actuarial valuation as of December 31, 2016. Sample rates are as follows and include assumed inflation of 3.75%:

Age	Total Salary Growth Rate
20	14.75%
25	10.95%
30	6.85%
35	5.65%
40	4.95%
45	4.56%
50	4.27%
55	4.05%
60	3.75%

Inflation Rate

3.75% per year

Actuarial Methods and Assumptions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Cost Method

Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Employer Funding Policy

Pay-as-you-go cash basis

Census Data

Census information was provided by the City and it was provided in June 2018. We have reviewed it for reasonableness and no material modifications were made to the census data.

Experience Study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the City to complete an actuarial assumption review (also referred to as an experience study) before the next full GASB 75 valuation for the fiscal year ending June 30, 2020.

Health Care Coverage Election Rate

Active employees with current coverage: 100%

Active employees with no coverage: 0%

Inactive employees with current coverage: 100%

Inactive employees with no coverage: 0%

It is assumed 100% of current and future eligible retirees receive the stipend regardless of whether they have healthcare coverage through the City.

Spousal Coverage

Spousal coverage for current and future retirees is based on actual data.

Husbands are assumed to be three years older than wives.

Mortality Rate

RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 (RPH-2017 table is created based on RPH-2014 Total Dataset Mortality Table with 11 years of MP-2017 mortality improvement backed out, projected to 2017 using MP-2017 improvement.)

Actuarial Methods and Assumptions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Disability Rate

From the MERS actuarial valuation as of December 31, 2016. Since 20% of disability incidence are assumed to be work related, we have used 20% of the rates shown in the MERS actuarial valuation. Sample rates are as follows:

Age	Percent Becoming Disabled (Work Related)
20	0.004%
25	0.004%
30	0.004%
35	0.010%
40	0.016%
45	0.040%
50	0.058%
55	0.076%
60+	0.078%

Turnover Rate

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months.

The termination rates are based on MERS pension actuarial valuation for FYE December 31, 2016, adjusted by 0.6 for the City's actual experience over the last 4 years. Sample annual turnover rates are shown below:

Years of Service	Rate	Years of Service	Rate
0	11.8%	10	2.8%
1	9.8%	15	2.0%
2	8.0%	20	1.6%
3	6.3%	25	1.3%
4	5.2%	30+	1.3%
5	4.1%		

Actuarial Methods and Assumptions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Retirement Rate

- 100% at age 58 for Police employees
- 100% at age 61 for General employees

Health Care Trend Rates

FYE	Medical/Rx	FYE	Medical/Rx
2019	9.0%	2024	6.5%
2020	8.5%	2025	6.0%
2021	8.0%	2026	5.5%
2022	7.5%	2027	5.0%
2023	7.0%	2028+	4.5%

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

HRA benefit per-capita costs and retiree contributions are assumed to increase at 2.0% per year.

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Per Capita Costs

Annual per capita costs were calculated based on the 2018 funding rates. Since the rates are age appropriate, they have been used without adjustment as shown on page 15. These costs are assumed to increase with health care trend rates. The HRA benefit per capita cost was based on the HRA monthly premium and was actuarially increased using health index factors and current enrollment.

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

Annual pre-65 per capita costs for the HRA benefit are as shown below:

Benefit	Retiree	Spouse
HRA	\$ 1,453	\$ 1,632

Actuarial Methods and Assumptions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Explicit Subsidy

The difference between (a) the premium rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a General class retiree age 60 with spouse of the same age enrolled in the HRA PPO Gold plan.

	Premium Rate	Retiree Contribution	Explicit Subsidy
	A	B	C = A - B
Retiree	\$ 775.17	\$ 275.17	\$ 500.00
Spouse	\$ 785.07	\$ 785.07	\$ 0.00

All employers that utilize premium rates based on blended active retiree claims experience will have an implicit subsidy. There is an exception for Medicare plans using a true community-rated premium rate.

Implicit Subsidy

The difference between (a) the per capita cost and (b) the premium rate. Below is an example of the monthly implicit subsidies for a General class retiree age 60 with spouse of the same age enrolled in the HRA PPO Gold plan.

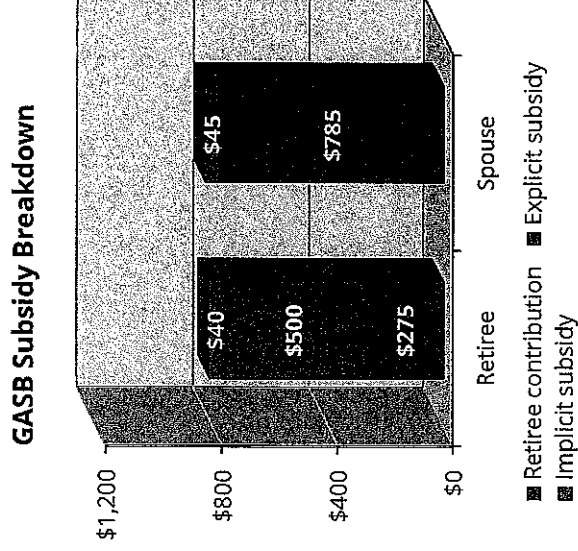
	Per Capita Cost	Premium Rate	Implicit Subsidy
	A	B	C = A - B
Retiree	\$ 815.54	\$ 775.17	\$ 40.37
Spouse	\$ 830.39	\$ 785.07	\$ 45.32

Actuarial Methods and Assumptions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

GASB Subsidy Breakdown

Below is a breakdown of the GASB 75 monthly total cost for a General class retiree age 60 with spouse of the same age enrolled in the HRA PPO Gold plan.



	Retiree		Spouse	
Retiree contribution	\$	275.17	\$	785.07
Explicit subsidy	\$	500.00	\$	0.00
Implicit subsidy	\$	40.37	\$	45.32
Total monthly cost	\$	815.54	\$	830.39

APPENDIX

The background of the page is an abstract composition of geometric shapes. A large, dark, textured triangle occupies the left and top portions of the frame. To its right, a lighter, textured triangular shape points upwards, creating a sharp contrast. The bottom right corner is a solid, bright white area. The overall effect is minimalist and modern.

Appendix

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	As of June 30, 2017	As of June 30, 2018
Active Participants	41	40
Retired Participants	21	12
Averages for Active		
Age	47.4	46.4
Service	15.4	15.7
Averages for Inactive		
Age	62.0	62.3

¹ Retirees over age 65 are excluded from the valuation

Appendix

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Detailed Actuary's Notes

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending June 30, 2017. However, we have included liabilities for the implicit subsidy associated with current and future retirees enrolled in the City's Healthcare Plan. This change has caused an increase in the liabilities. See page 20 for further details on the implicit subsidy.

The City of South Lyon has opted to disclose OPEB liabilities under GASB 75 for the current valuation. The prior valuation was disclosed under GASB 45. The following assumptions have been updated in accordance with GASB 75.

1. The actuarial cost method has been updated from Entry Age Normal Level Dollar to Entry Age Normal Level % of Salary, including introduction of a salary scale assumption. This change has caused a decrease in liabilities.
2. Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The prior full valuation used a discount rate of 3.0%. The current full valuation uses a discount rate of 3.58% as of June 30, 2017 and 3.87% as of June 30, 2018. This change has caused a decrease in liabilities.

The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Additionally, the following assumptions have also been updated/added:

1. Mortality table has been updated from United States Life Tables for Males and Females, 2002, to SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. The impact of this change is an increase in liabilities.
2. Health care cost trend rates have been added, starting with an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. These rates apply to per capita healthcare costs and premiums but not to the stipend provided by the City. The HRA costs are assumed to increase at 2.0% per year.
3. Employee turnover rates have been changed from the Table 2 referenced in GASB 45 Alternative Measurement Method, to those used in the December 31, 2017 MERS actuarial valuation, multiplied by 0.6 to reflect the City's recent experience.
4. Employee disability rates have been introduced in conjunction with adding the disability benefit. The rates follow those used in the December 31, 2017 MERS actuarial valuation, multiplied by 0.2 as it is assumed 20% of MERS disabilities are work related.
5. Assumed retirement ages have been changed from age 55 to age 58 for Police Employees and from age 59 to age 61 for General employees.

Appendix

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

Summary of Medical Benefits

A brief summary of all health plans offered by the City effective on July 1, 2018 is as shown below. The out-of-pocket maximum includes the deductible, coinsurance, and copayments.

City Pre-65 Plans		HRA PPO Gold
Deductible (EE / EE + Sp)		\$4,000 / \$8,000
Coinsurance		20%
Out-of-Pocket Maximum (EE / EE + Sp)		\$6,350 / \$12,700
Co-pay / co-insurances for:		
Office Visit		\$30
Emergency Room		\$150
Prescription drugs		
Retail (Generic / Pref / Non-Pref)		\$20 / \$60 / \$80
Mail Order (Generic / Pref / Non-Pref)		\$20 / \$60 / \$80



GLOSSARY

Glossary – Decrements Exhibit

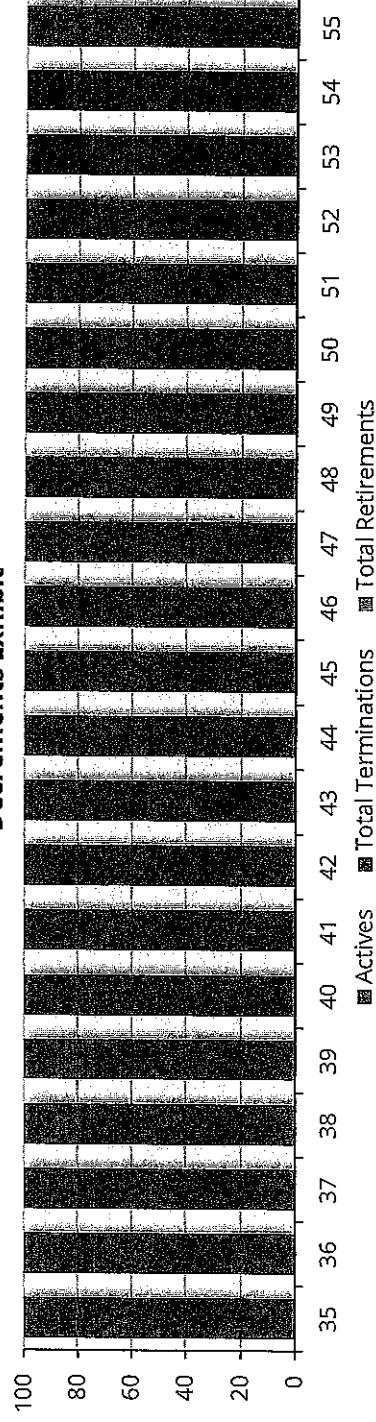
City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 44.43 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year ²	# of Retirements per Year	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

Age	# Remaining Employees	# of Terminations per Year	# of Retirements per Year	Total Decrements
46	55.938	2.085	0.000	2.085
47	53.853	1.866	0.000	1.866
48	51.987	1.656	0.000	1.656
49	50.331	1.452	0.000	1.452
50	48.880	1.253	0.000	1.253
51	47.627	1.060	0.000	1.060
52	46.567	0.877	0.000	0.877
53	45.690	0.707	0.000	0.707
54	44.983	0.553	0.000	0.553
55	44.430	0.000	44.430	44.430

Decrements Exhibit



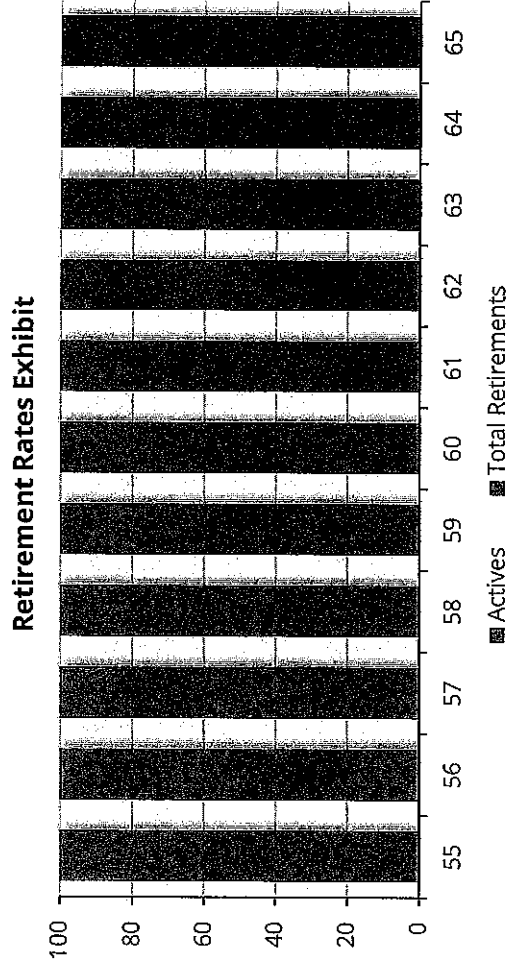
² The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Retirement Rates Exhibit

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Age	Active Employees EOY	Annual Retirement Rates*	# Retirements per Year	Active Employees EOY
55	100,000	5.0%	5,000	95,000
56	95,000	5.0%	4,750	90,250
57	90,250	5.0%	4,513	85,738
58	85,738	5.0%	4,287	81,451
59	81,451	5.0%	4,073	77,378
60	77,378	5.0%	3,869	73,509
61	73,509	5.0%	3,675	69,834
62	69,834	30.0%	20,950	48,884
63	48,884	15.0%	7,333	41,551
64	41,551	15.0%	6,233	35,318
65	35,318	100.0%	35,318	0,000



* The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Definitions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

GASB 75 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
2. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of Future Benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Service Cost and a Total OPEB Liability.
3. **Actuarially Determined Contribution** - A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice.
4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Deferred Outflow / (Inflow) of Resources** – represents the following items that have not been recognized in the OPEB Expense:
 - a. Differences between expected and actual experience of the OPEB plan
 - b. Changes in assumptions
 - c. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)
6. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
7. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

Glossary – Definitions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

8. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
9. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
10. **OPEB** – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
11. **OPEB Expense** – Changes in the Net OPEB Liability in the current reporting period, which includes Service Cost, interest cost, changes of benefit terms, expected earnings on OPEB Plan investments, reduction of active employees' contributions, OPEB plan administrative expenses, and current period recognition of Deferred Outflows / (Inflows) of Resources.
12. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
13. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
14. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
15. **Real Rate of Return** – the rate of return on an investment after adjustment to eliminate inflation.

Glossary – Definitions

City of South Lyon GASB 75 AMM Valuation for Fiscal Year Ending June 30, 2018

16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.
17. **Service Cost** – The portion of the Actuarial Present Value of projected benefit payments that are attributed to a valuation year by the Actuarial Cost Method.
18. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.
19. **Total OPEB Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is attributed to past periods of employee service (or not provided for by the future Service Costs).

City of South Lyon, Michigan

Financial Report
with Supplemental Information
June 30, 2018

City of South Lyon, Michigan
Financial Report
June 30, 2018

Mayor Daniel L. Pelchat

City Council

Margaret Kurtzweil, Mayor Pro Tem

Stephen Kennedy

Glenn Kivell

Mary Parisien

Carl Richards

Rose Walton

City Administration

Interim City Manager/Police Chief

City Clerk/Treasurer

Fire Chief

Bookkeeper

Lloyd Collins

Lisa Deaton

Robert Vogel

Lori Mosier

City of South Lyon, Michigan

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Independent Auditor's Report

To the Mayor and Members of the City Council
City of South Lyon, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Lyon, Michigan (the "City") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the City of South Lyon, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Lyon, Michigan as of June 30, 2018 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 12 to the financial statements, during the year ended June 30, 2018, the City adopted new accounting guidance of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes accounting and financial reporting standards for postemployment benefits other than pensions provided to the employees of state and local governments. Our opinion is not modified with respect to this matter.

To the Mayor and Members of the City Council
City of South Lyon, Michigan

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of South Lyon, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Plante & Morse, PLLC

September 24, 2018

City of South Lyon, Michigan

Management's Discussion and Analysis

As management of the City of South Lyon, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2018.

Financial Highlights

As discussed in further detail in this management's discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2018:

- Revenue exceeded expenditures in the General Fund, thus increasing fund balance by approximately \$609,000. This was higher than the final amended budget, which expected an increase of approximately \$315,000.
- Total net position related to the City's governmental activities increased by approximately \$135,000.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$49,147,407 at the close of the most recent fiscal year.

City of South Lyon, Michigan

Management's Discussion and Analysis (Continued)

City's Net Position

The following table shows, in a condensed format, the net position as of June 30, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
Assets						
Current and other assets	\$ 9,848,474	\$ 8,382,432	\$ 10,017,749	\$ 9,576,120	\$ 19,866,223	\$ 17,958,552
Capital assets	17,752,082	18,918,228	28,021,677	29,042,590	45,773,759	47,960,818
Total assets	27,600,556	27,300,660	38,039,426	38,618,710	65,639,982	65,919,370
Deferred Outflows of Resources	445,116	847,647	106,162	186,283	551,278	1,033,930
Liabilities						
Current liabilities	416,049	456,777	135,561	172,169	551,610	628,946
Noncurrent liabilities	4,732,736	5,169,340	11,178,547	12,244,354	15,911,283	17,413,694
Total liabilities	5,148,785	5,626,117	11,314,108	12,416,523	16,462,893	18,042,640
Deferred Inflows of Resources	467,898	125,781	113,062	27,642	580,960	153,423
Net Position						
Net investment in capital assets	17,456,896	18,658,228	17,899,298	17,930,211	35,356,194	36,588,439
Restricted	3,073,617	2,559,345	4,644,059	4,465,721	7,717,676	7,025,066
Unrestricted	1,898,476	1,178,836	4,175,061	3,964,896	6,073,537	5,143,732
Total net position	<u>\$ 22,428,989</u>	<u>\$ 22,396,409</u>	<u>\$ 26,718,418</u>	<u>\$ 26,360,828</u>	<u>\$ 49,147,407</u>	<u>\$ 48,757,237</u>

* GASB Statement No. 75 was implemented by the City in fiscal year 2018. Fiscal year 2017 amounts shown have not been modified to reflect the retroactive application of the change.

City of South Lyon, Michigan

Management's Discussion and Analysis (Continued)

City's Changes in Net Position

The following table shows the changes of the net position during the years ended June 30, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
Revenue						
Program revenue:						
Charges for services	\$ 538,228	\$ 465,715	\$ 3,126,571	\$ 3,076,063	\$ 3,664,799	\$ 3,541,778
Operating grants	1,127,480	759,717	-	-	1,127,480	759,717
Capital grants	32,635	98,468	189,917	217,030	222,552	315,498
General revenue:						
Taxes	4,231,954	3,800,669	1,127,871	1,084,099	5,359,825	4,884,768
Intergovernmental	1,038,095	1,133,641	-	-	1,038,095	1,133,641
Investment earnings	37,472	14,232	37,011	14,135	74,483	28,367
Other revenue	425,235	424,149	-	-	425,235	424,149
Total revenue	7,431,099	6,696,591	4,481,370	4,391,327	11,912,469	11,087,918
Expenses						
General government	1,432,587	1,417,522	-	-	1,432,587	1,417,522
Public safety	3,050,107	3,335,896	-	-	3,050,107	3,335,896
Community maintenance and development	2,322,647	2,444,337	-	-	2,322,647	2,444,337
Community and economic development	196,925	162,162	-	-	196,925	162,162
Recreation and culture	271,499	270,665	-	-	271,499	270,665
Debt service	22,336	18,325	-	-	22,336	18,325
Water and sewer	-	-	4,097,323	4,096,636	4,097,323	4,096,636
Total expenses	7,296,101	7,648,907	4,097,323	4,096,636	11,393,424	11,745,543
Change in Net Position	\$ 134,998	\$ (952,316)	\$ 384,047	\$ 294,691	\$ 519,045	\$ (657,625)

*GASB Statement No. 75 was implemented by the City in fiscal year 2018. Fiscal year 2017 amounts shown have not been modified to reflect the retroactive application of the change.

Governmental Activities

The City's total governmental expenses decreased year over year by approximately \$353,000. The City has been closely monitoring expenses, seeking to reduce them when possible.

Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund. The City provides water distribution and sewage treatment to residents from the City-owned water supply and treatment facility. Expenses remained relatively consistent, decreasing by approximately \$700, as the City did not have any major repair and maintenance costs in the current year.

City of South Lyon, Michigan

Management's Discussion and Analysis (Continued)

Financial Analysis of Individual Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for discretionary use, as it represents the portion of the fund balance that has not yet been limited to use for a particular purpose by an external party. Uncommitted or unassigned fund balance provides further information about the resources that have not been constrained by either the City Council, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

Within these governmental funds, the General Fund is the most significant to understanding the City's financial activities. The General Fund pays for most of the City's governmental services. The most significant is the police department, which incurred expenses of approximately \$2,365,000 in 2018. Other governmental services accounted for in the General Fund include general government, the department of public works, the fire department, and recreation. In addition, the Water and Sewer Fund is a significant enterprise activity for the City.

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget to account for changes made necessary due to unanticipated events or situations requiring the decrease of expenditures for operational and capital expenditures. While the original budget of the General Fund projected a small increase in fund balance, the amended budget projected an approximate \$315,000 increase in fund balance. The actual increase of fund balance was approximately \$609,000.

Total General Fund revenue was approximately \$81,500 more than the amended budget primarily due to more property tax revenue and licenses and permits than expected. General Fund expenditures were approximately \$213,000 less than the amended budget. Police expenditures, in particular, were approximately \$167,000 under budget due to lower-than-expected purchases of capital equipment and lower-than-expected employee-related expenditures. Public works expenditures, in particular, were approximately \$59,000 under budget due to lower-than-anticipated employee expenditures related to vacancy in the DPW director position during the fiscal year.

Capital Assets and Debt Administration

At the end of 2018, the City had approximately \$46 million (after depreciation) invested in a broad range of capital assets, including buildings, roads, police and fire equipment, and water and sewer lines. Outstanding debt of the governmental and business-type activities totaled approximately \$10.4 million as of June 30, 2018. For additional information related to capital assets and debt, please see Notes 4 and 6, respectively.

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year takes into consideration many factors anticipated to impact the budget. Among them are relatively flat property taxes, as taxable value (in both the housing and commercial markets) is projected to increase only slightly, and a decline in water and sewer sales. However, given our healthy fund balance, we do not anticipate any reductions in service levels based on potential revenue reductions. Over the years, the City has had the flexibility to adjust various ad valorem tax rates as necessary and as determined by Headlee, Truth in Taxation, and Proposal A. The statewide tax reform acts limit growth in taxable value to inflation or 5 percent, whichever is less. Inflation rates in recent years have only been in the range of 1.5 percent to 3.0 percent.

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the city manager's office.

City of South Lyon, Michigan

Statement of Net Position

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents (Note 3)	\$ 8,430,096	\$ 4,570,638	\$ 13,000,734	\$ 23,934
Receivables:				
Customer receivables	109,930	905,344	1,015,274	-
Other receivables	11,791	-	11,791	-
Due from other governmental units	478,588	-	478,588	-
Due from component unit	-	631	631	-
Internal balances	135,539	(135,539)	-	-
Prepaid expenses	161,286	32,616	193,902	-
Restricted assets (Note 1)	-	4,644,059	4,644,059	-
Investment in joint venture (Note 8)	468,244	-	468,244	-
Land held for resale	53,000	-	53,000	-
Capital assets: (Note 4)				
Assets not subject to depreciation	3,217,812	178,416	3,396,228	-
Assets subject to depreciation - Net	14,534,270	27,843,261	42,377,531	-
Total assets	27,600,556	38,039,426	65,639,982	23,934
Deferred Outflows of Resources - Deferred pension costs (Notes 9 and 10)	445,116	106,162	551,278	-
Liabilities				
Accounts payable	107,861	49,491	157,352	741
Due to other governmental units	2,003	-	2,003	-
Due to primary government	-	-	-	631
Cash bonds and deposits	163,545	-	163,545	-
Accrued liabilities and other	142,640	86,070	228,710	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	173,600	38,200	211,800	-
Current portion of long-term debt (Note 6)	173,318	1,020,000	1,193,318	-
Due in more than one year:				
Compensated absences (Note 6)	173,626	38,139	211,765	-
Net pension liability (Note 10)	3,718,504	886,874	4,605,378	-
Net OPEB liability (Note 9)	371,820	92,955	464,775	-
Long-term debt (Note 6)	121,868	9,102,379	9,224,247	-
Total liabilities	5,148,785	11,314,108	16,462,893	1,372
Deferred Inflows of Resources - Deferred pension and OPEB cost reductions (Notes 9 and 10)	467,898	113,062	580,960	-
Net Position				
Net investment in capital assets	17,456,896	17,899,298	35,356,194	-
Restricted:				
Road improvements	2,226,025	-	2,226,025	-
Law enforcement	50,223	-	50,223	-
Cemetery	779,090	-	779,090	-
Parks and recreation capital improvements	18,279	-	18,279	-
Water and sewer replacement	-	4,644,059	4,644,059	-
Unrestricted	1,898,476	4,175,061	6,073,537	22,562
Total net position	\$ 22,428,989	\$ 26,718,418	\$ 49,147,407	\$ 22,562

See notes to financial statements.

City of South Lyon, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,432,587	\$ 498,990	\$ -	\$ -
Public safety - Police, fire, and EMS	3,050,107	39,238	3,442	-
Community maintenance and development	2,322,647	-	1,048,759	-
Community and economic development	196,925	-	75,279	32,635
Recreation and culture	271,499	-	-	-
Interest on long-term debt	22,336	-	-	-
Total governmental activities	7,296,101	538,228	1,127,480	32,635
Business-type activities - Water and sewer	4,097,323	3,126,571	-	189,917
Total primary government	<u>\$ 11,393,424</u>	<u>\$ 3,664,799</u>	<u>\$ 1,127,480</u>	<u>\$ 222,552</u>
Component units - Downtown Development Authority	<u>\$ 63,212</u>	<u>\$ -</u>	<u>\$ 10,990</u>	<u>\$ -</u>
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Income from joint venture				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year - As restated (Note 12)				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2018

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Downtown Development Authority
Governmental Activities	Business Type Activities	Total	
\$ (933,597)	\$ -	\$ (933,597)	\$ -
(3,007,427)	-	(3,007,427)	-
(1,273,888)	-	(1,273,888)	-
(89,011)	-	(89,011)	-
(271,499)	-	(271,499)	-
(22,336)	-	(22,336)	-
(5,597,758)	-	(5,597,758)	-
-	(780,835)	(780,835)	-
(5,597,758)	(780,835)	(6,378,593)	-
-	-	-	(52,222)
4,231,954	1,127,871	5,359,825	21,496
1,038,095	-	1,038,095	-
37,472	37,011	74,483	373
136,659	-	136,659	-
59,660	-	59,660	-
228,916	-	228,916	-
5,732,756	1,164,882	6,897,638	21,869
134,998	384,047	519,045	(30,353)
22,293,991	26,334,371	48,628,362	52,915
\$ 22,428,989	\$ 26,718,418	\$ 49,147,407	\$ 22,562

City of South Lyon, Michigan

Governmental Funds Balance Sheet

June 30, 2018

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 3,069,317	\$ 5,360,779	\$ 8,430,096
Receivables:			
Customer receivables	109,930	-	109,930
Other receivables	11,791	-	11,791
Due from other governmental units	333,266	145,322	478,588
Due from other funds (Note 5)	171,204	12,509	183,713
Prepaid expenses	155,620	5,666	161,286
Land held for resale	-	53,000	53,000
Total assets	\$ 3,851,128	\$ 5,577,276	\$ 9,428,404
Liabilities			
Accounts payable	\$ 104,332	\$ 3,529	\$ 107,861
Due to other governmental units	1,685	318	2,003
Due to other funds	-	48,174	48,174
Cash bonds and deposits	163,545	-	163,545
Accrued liabilities and other	134,192	3,405	137,597
Total liabilities	403,754	55,426	459,180
Deferred Inflows of Resources - Unavailable revenue	173,495	-	173,495
Fund Balances			
Nonspendable:			
Land held for resale	-	53,000	53,000
Prepays	155,620	5,666	161,286
Restricted:			
Roads	-	2,220,359	2,220,359
Police	-	50,223	50,223
Cemetery perpetual care	-	779,090	779,090
Parks and recreation capital improvements	18,279	-	18,279
Committed:			
Capital improvements	167,605	1,834,718	2,002,323
Land acquisition	-	88,189	88,189
Equipment replacement	-	462,042	462,042
Assigned - Debt	-	28,563	28,563
Unassigned	2,932,375	-	2,932,375
Total fund balances	3,273,879	5,521,850	8,795,729
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,851,128	\$ 5,577,276	\$ 9,428,404

City of South Lyon, Michigan

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2018

Fund Balance Reported in Governmental Funds	\$ 8,795,729
Amounts reported for governmental activities in the statement of net position are difference because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	17,752,082
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	173,495
Investments in joint ventures are not financial resources and are not reported in the funds	468,244
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(295,186)
Accrued interest is not due and payable in the current period and is not reported in the funds	(5,043)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(347,226)
Pension benefits	(3,613,681)
Retiree healthcare benefits	(499,425)
Net Position of Governmental Activities	<u>\$ 22,428,989</u>

City of South Lyon, Michigan

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2018

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 3,930,894	\$ 301,060	\$ 4,231,954
Intergovernmental:			
Federal grants	-	75,279	75,279
State and local sources:			
State-shared revenue	989,507	-	989,507
Act 51 gas and weight tax	-	1,048,759	1,048,759
Local Community Stabilization Authority	162,496	-	162,496
Metro act	-	30,233	30,233
Local grants and contributions	-	32,635	32,635
Charges for services	82,851	152,105	234,956
Fines and forfeitures	39,238	-	39,238
Licenses and permits	467,266	-	467,266
Investment income and other	13,529	103,635	117,164
Other revenue	238,198	-	238,198
Total revenue	5,923,979	1,743,706	7,667,685
Expenditures			
Current services:			
General government	1,396,927	-	1,396,927
Public safety	2,836,250	-	2,836,250
Community maintenance and development	830,589	505,817	1,336,406
Community and economic development	-	71,486	71,486
Recreation and culture	250,809	-	250,809
Debt service	-	181,642	181,642
Total expenditures	5,314,575	758,945	6,073,520
Net Change in Fund Balance	609,404	984,761	1,594,165
Fund Balance - Beginning of year	2,664,475	4,537,089	7,201,564
Fund Balance - End of year	\$ 3,273,879	\$ 5,521,850	\$ 8,795,729

City of South Lyon, Michigan

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balance to the Statement of Activities**

Year Ended June 30, 2018

Net Change in Fund Balances Reported in Governmental Funds **\$ 1,594,165**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	76,812
Depreciation expense	(1,440,364)

Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(144,141)
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Change in investment in joint venture is not recorded in the governmental funds, but is recorded in the statement of activities	59,660
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Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	162,220
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Interest expense is recognized in the government-wide statements as it accrues	(2,914)
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Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>(170,440)</u>
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Change in Net Position of Governmental Activities	<u>\$ 134,998</u>
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City of South Lyon, Michigan**Proprietary Fund - Water and Sewer Fund
Statement of Net Position****June 30, 2018****Assets**

Current assets:

Cash and cash equivalents (Note 3)	\$ 4,570,638
Receivables - Customer receivables	905,344
Due from component unit (Note 5)	631
Prepaid expenses	32,616

Total current assets 5,509,229

Noncurrent assets:

Restricted assets (Note 1)	4,644,059
Capital assets (Note 4)	28,021,677

Total noncurrent assets 32,665,736

Total assets 38,174,965

Deferred Outflows of Resources - Deferred pension and OPEB costs (Notes 9 and 10) 106,162

Liabilities

Current liabilities:

Accounts payable	49,491
Due to other funds (Note 5)	135,539
Accrued liabilities and other	86,070
Compensated absences (Note 6)	38,200
Current portion of long-term debt (Note 6)	1,020,000

Total current liabilities 1,329,300

Noncurrent liabilities:

Compensated absences (Note 6)	38,139
Net pension liability (Note 10)	886,874
Net OPEB liability (Note 9)	92,955
Long-term debt (Note 6)	9,102,379

Total noncurrent liabilities 10,120,347

Total liabilities 11,449,647

Deferred Inflows of Resources - Deferred pension cost reductions (Notes 9 and 10) 113,062

Net Position

Net investment in capital assets	17,899,298
Restricted - Water and sewer replacement	4,644,059
Unrestricted	4,175,061

Total net position **\$ 26,718,418**

City of South Lyon, Michigan**Proprietary Fund - Water and Sewer Fund
Statement of Revenue, Expenses, and Changes in Net Position****Year Ended June 30, 2018****Operating Revenue**

Sale of water	\$ 1,236,238
Sewage disposal charges	1,247,024
Refuse collection	507,817
Billing and collection charges	119,721
Hydrant rental	2,500
Other income	13,271

Total operating revenue 3,126,571

Operating Expenses

Salaries and wages	597,653
Fringe benefits	407,186
Equipment repair and maintenance	221,519
Public utilities	328,694
Refuse collection	503,262
Other services and charges	85,221
Supplies	208,826
Insurance	27,578
Other	1,329
Depreciation	1,456,121

Total operating expenses 3,837,389

Operating Loss

(710,818)

Nonoperating Revenue (Expense)

Property tax revenue	1,127,871
Investment income	37,011
Interest expense	(259,934)

Total nonoperating revenue 904,948

Income - Before capital contributions 194,130

Capital Contributions - Tap-in fees 189,917

Change in Net Position 384,047

Net Position - Beginning of year - As restated (Note 12) 26,334,371

Net Position - End of year \$ 26,718,418

City of South Lyon, Michigan**Proprietary Fund - Water and Sewer Fund
Statement of Cash Flows****Year Ended June 30, 2018****Cash Flows from Operating Activities**

Receipts from customers	\$ 3,137,090
Receipts from interfund services and reimbursements	134,491
Payments to suppliers	(1,390,661)
Payments to employees and fringes	(961,970)
Net cash and cash equivalents provided by operating activities	918,950

Cash Flows from Capital and Related Financing Activities

Collection of tap-in fees	189,917
Property taxes revenue received	1,127,871
Purchase of capital assets	(435,208)
Principal and interest paid on capital debt	(1,256,121)
Net cash and cash equivalents used in capital and related financing activities	(373,541)

Cash Flows Provided by Investing Activities - Interest received on investments 37,011**Net Increase in Cash and Cash Equivalents** 582,420**Cash and Cash Equivalents - Beginning of year** 8,632,277**Cash and Cash Equivalents - End of year** \$ 9,214,697**Classification of Cash and Cash Equivalents**

Cash and investments	\$ 4,570,638
Restricted cash	4,644,059
Total cash and cash equivalents	<u><u>\$ 9,214,697</u></u>

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (710,818)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	1,456,121
Changes in assets and liabilities:	
Receivables	10,519
Due to and from other funds	134,491
Prepaid and other assets	(4,219)
Accounts payable	(10,013)
Net pension or OPEB liability	(68,248)
Deferrals related to pension or OPEB	165,541
Accrued and other liabilities	(54,424)
Total adjustments	1,629,768
Net cash and cash equivalents provided by operating activities	<u><u>\$ 918,950</u></u>

Note 1 - Significant Accounting Policies

Reporting Entity

The City of South Lyon, Michigan (the "City") is governed by an elected seven-member council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The blended component unit is, in substance, part of the City's operations, even though it is a separate legal entity. Thus, the blended component unit is appropriately presented as a fund of the City. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

The South Lyon Building Authority (the "Building Authority") is governed by a board appointed by the City's governing body. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to acquire and lease property to the City.

Discretely Presented Component Units

Downtown Development Authority

The Downtown Development Authority (the "DDA") was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA's governing body, which consists of nine individuals, is appointed by the city manager and confirmed by the City Council. In addition, the DDA's budget is subject to approval by the City Council. The DDA does not issue a separate financial report.

Accounting and Reporting Principles

The City of South Lyon, Michigan follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the City:

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Note 1 - Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into two broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The City only reports the General Fund as a "major" governmental fund. The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The City reports only the Water and Sewer Fund as a "major" enterprise fund. The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for user charges.

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Note 1 - Significant Accounting Policies (Continued)

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: some state-shared revenue, some state gas and weight tax revenue, and interest associated with the current fiscal period. Conversely, some state-shared revenue will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow."

Proprietary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets consist of cash and cash equivalents held for water and wastewater system improvements and equipment replacement. Included in this amount is a portion of water and sewer tap-in fees required by local ordinance to be restricted for improvements.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Infrastructure, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Wastewater treatment plant and equipment	10-40
Water treatment plant and equipment	10-40
Utility system, buildings, and improvements	7-40
Roads and sidewalks	20-25
Other tools, furniture, and equipment	15-40
Tools, furniture, and equipment	5-15
Office furnishings	5-7
Other tools and equipment	3-7

Note 1 - Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond issuance costs are expensed at the time they are incurred. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. The government-wide statements and proprietary funds report deferred outflows from the change in assumptions of the pension plan, as well as city contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The government-wide statements and proprietary funds report deferred inflows from the difference between projected and actual experience of the pension and OPEB plans, difference between projected and actual investment earnings of the pension plan, and changes in assumptions of the OPEB plan. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting. The General Fund reports unavailable revenue from certain state-shared revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes, the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes, the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Note 1 - Significant Accounting Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the city manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed on July 1 and become a lien on December 1 of the following year. Taxes are due on September 30 with the final collection date of February 28. Taxes are considered delinquent on March 1, at which time penalties and interest are assessed.

The City's 2017 property tax revenue was levied and collectible on July 1, 2017 and is recognized as revenue in the year ended June 30, 2018 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2017 taxable valuation of the City totaled \$342 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 11.9338 mills for operating purposes and 3.3000 mills for debt service. This resulted in \$4.1 million for operating and \$1.1 million for debt service. These amounts are recognized in the respective general, capital projects, debt service, and enterprise fund financial statements as tax revenue.

Pension

The City offers pension benefits to retirees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers a monthly healthcare stipend to qualified retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. The City to date has not set aside any funds towards this liability, hence the unfunded net OPEB liability is equal to the total OPEB liability calculated by the actuary.

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay and vacation pay are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. Generally, the funds that report each employee's compensation (the General Fund, Major and Local Roads funds, and Water and Sewer Fund, primarily) are used to liquidate the obligations.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund and internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system, property taxes, and investment income. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2021.

Note 1 - Significant Accounting Policies (Continued)

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement establishes criteria to improve the information that is disclosed in the notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2019.

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the City incurred expenditures in the General Fund that were in excess of the amounts budgeted, as follows:

	Budget	Actual
General government	\$ 1,363,325	\$ 1,396,927
Cable	3,550	4,321

General government and cable were over budget due to unexpected expenditures being charged to the City for services provided prior to June 30, 2018.

Construction Code Fees

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall at July 1, 2017		\$ (1,186,846)
Current year permit revenue		325,925
Related expenses:		
Direct costs	\$ 304,322	
Estimated indirect costs	10,702	315,024
Current year surplus		10,901
Cumulative shortfall June 30, 2018		<u>\$ (1,175,945)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the State of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The City has designated three banks for the deposit of its funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs and such obligations, bonds, and securities as permitted by the statutes of the State of Michigan.

June 30, 2018

Note 3 - Deposits and Investments (Continued)

The City's cash and investments are subject to custodial credit risk, which is examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had approximately \$16,923,000 of bank deposits (checking and savings accounts) that was uninsured and uncollateralized. The component unit did not have any bank deposits that were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 4 - Capital Assets

Capital asset activity of the City's governmental and business-type activities was as follows:

Governmental Activities

	Balance July 1, 2017	Additions	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 3,207,804	\$ 629	\$ -	\$ 3,208,433
Construction in progress	9,379	-	-	9,379
Subtotal	3,217,183	629	-	3,217,812
Capital assets being depreciated:				
Roads and sidewalks	23,740,929	10,105	-	23,751,034
Buildings and improvements	9,249,738	15,903	-	9,265,641
Other tools, furniture, and equipment	5,411,306	247,581	-	5,658,887
Subtotal	38,401,973	273,589	-	38,675,562
Accumulated depreciation:				
Roads and sidewalks	14,120,867	874,513	-	14,995,380
Buildings and improvements	4,350,281	298,165	-	4,648,446
Other tools, furniture, and equipment	4,229,780	267,686	-	4,497,466
Subtotal	22,700,928	1,440,364	-	24,141,292
Net capital assets being depreciated	15,701,045	(1,166,775)	-	14,534,270
Net capital assets	\$ 18,918,228	\$ (1,166,146)	\$ -	\$ 17,752,082

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2017	Additions	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 147,317	\$ -	\$ -	\$ 147,317
Construction in progress	31,099	-	-	31,099
Subtotal	178,416	-	-	178,416
Capital assets being depreciated:				
Wastewater treatment plant and equipment	33,656,840	27,704	-	33,684,544
Water treatment plant and equipment	3,053,992	39,045	-	3,093,037
Utility systems, buildings, and improvements	17,608,757	360,299	-	17,969,056
Other tools, furniture, and equipment	1,344,609	8,160	-	1,352,769
Subtotal	55,664,198	435,208	-	56,099,406
Accumulated depreciation - Total water and sewer	26,800,024	1,456,121	-	28,256,145
Net capital assets being depreciated	28,864,174	(1,020,913)	-	27,843,261
Net capital assets	\$ 29,042,590	\$ (1,020,913)	\$ -	\$ 28,021,677

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 118,029
Public safety	148,713
Public works	1,119,436
Recreation and culture	54,186
Total governmental activities	\$ 1,440,364
Business-type activities - Water and sewer	\$ 1,456,121

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 132,344
	Nonmajor governmental funds	38,860
	Total General Fund	171,204
Nonmajor governmental funds	Water and Sewer Fund	3,195
Nonmajor governmental funds	Nonmajor governmental funds	9,314
	Total	\$ 183,713

City of South Lyon, Michigan

Notes to Financial Statements

June 30, 2018

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

The balance of amounts loaned to discretely presented component units is as follows:

Receivable	Payable	Amount
Water and Sewer Fund	Downtown Development Authority	\$ 631
Building Authority Fund	Downtown Development Authority	1,468
	Total	<u>\$ 2,099</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and contracts payable -					
General obligations	\$ 260,000	\$ -	\$ (125,000)	\$ 135,000	\$ 135,000
Installment purchase	-	197,406	(37,220)	160,186	38,318
Accumulated compensated absences	326,490	151,080	(130,344)	347,226	173,600
Total governmental activities long-term debt	<u>\$ 586,490</u>	<u>\$ 348,486</u>	<u>\$ (292,564)</u>	<u>\$ 642,412</u>	<u>\$ 346,918</u>

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and contracts payable:					
General obligations	\$ 8,782,379	\$ -	\$ (880,000)	\$ 7,902,379	\$ 905,000
Revenue bonds	2,330,000	-	(110,000)	2,220,000	115,000
Total bonds and contracts payable	11,112,379	-	(990,000)	10,122,379	1,020,000
Accumulated compensated absences	110,355	29,144	(63,160)	76,339	38,200
Total business-type activities long-term debt	<u>\$ 11,222,734</u>	<u>\$ 29,144</u>	<u>\$ (1,053,160)</u>	<u>\$ 10,198,718</u>	<u>\$ 1,058,200</u>

Note 6 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the City. General obligations outstanding at June 30, 2018 are as follows:

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Governmental Activities				
Building Authority Bonds	1999	5.2	2019	\$ 100,000
Building Authority Bonds	2005	4.1	2019	35,000
Total governmental activities				<u>\$ 135,000</u>
Business-type Activities				
State of Michigan Revolving Fund	2003	2.5	2025	\$ 7,902,379

Revenue Bonds

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service. Business-type activities utilize revenue bonds to finance the water and sewer system. During fiscal year 2013, the City issued revenue bonds in the amount of \$5,300,000. These bonds are funded by the Drinking Water Revolving Fund, and the City received a loan forgiveness to the extent of \$2,650,000. The City has pledged substantially all revenue generated through the water and sewer system, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water and sewer mains. The bonds are payable solely from the net revenue of the water and sewer system. As of June 30, 2018, the remaining principal and interest to be paid on the revenue bonds total \$2,720,875. During the current year, operating income of the system (excluding depreciation) was \$745,303.

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Business-type Activities				
Drinking Water Revolving Fund Program #7314-01	2013	2.5	2034	\$ 2,220,000

Debt Service Requirements to Maturity

Total interest expense for the year related to governmental activities for the year was approximately \$16,500. Total interest incurred related to business-type activities for the year approximated \$260,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 173,318	\$ 11,359	\$ 184,677	\$ 1,020,000	\$ 241,747	\$ 1,261,747
2020	39,448	3,594	43,042	1,040,000	215,397	1,255,397
2021	40,611	2,431	43,042	1,070,000	189,078	1,259,078
2022	41,809	1,233	43,042	1,100,000	162,616	1,262,616
2023	-	-	-	1,125,000	134,809	1,259,809
2024-2028	-	-	-	3,832,379	288,336	4,120,715
Thereafter	-	-	-	935,000	83,500	1,018,500
Total	<u>\$ 295,186</u>	<u>\$ 18,617</u>	<u>\$ 313,803</u>	<u>\$ 10,122,379</u>	<u>\$ 1,315,483</u>	<u>\$ 11,437,862</u>

Note 7 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for workers' compensation, medical, health, life, and disability claims, and participates in the Michigan Municipal Risk Management Authority's state pool for claims relating to general law enforcement, emergency medical, public errors and omissions, and auto liabilities. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority's State Pool program (the "Authority") operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

Note 8 - Joint Ventures

The City is a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) and the South Lyon Area Recreation Authority (SLARA). RRRASOC is incorporated by the cities of Farmington, Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, and Wixom, Michigan; the Village of Milford, Michigan; and the Charter Township of Milford. SLARA is incorporated by the City of South Lyon, Michigan and the Charter Townships of Lyon and Green Oak. The City appoints one member to each of the joint ventures' governing boards, which then approve the annual budgets. The joint ventures receive their operating revenue from member contributions and miscellaneous income.

The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for RRRASOC can be obtained from RRRASOC's office at 20000 West 8 Mile Road, Southfield, Michigan 48075 and for SLARA at SLARA's office at 318 W. Lake Street, South Lyon, Michigan 48178.

During the year, the City contributed \$17,417 to RRRASOC and \$26,026 to SLARA. The City reported equity interest in SLARA of \$468,244 as of June 30, 2018.

Note 9 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree healthcare benefits to eligible employees upon retirement in accordance with established labor contracts. Under terms of the contracts, the City provides a flat monthly stipend up to age 65 to be used to supplement insurance costs incurred for postemployment healthcare benefits. The benefits are provided through a single-employer plan administered by the South Lyon City Council. No assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

All employees retiring under regular (normal), work-related disability, or workers' compensation retirement are eligible to receive a stipend for healthcare coverage until age 65. Police regular (normal) retirees are required to have 25 years of service to be eligible for the employer stipend. General retirees have no service requirement. Eligible police retirees receive a stipend of up to \$700 per month for healthcare premiums. Eligible general retirees receive a stipend of up to \$500 per month for healthcare insurance premiums. To the extent the stipend exceeds the monthly healthcare premiums, the remainder may be used to offset spousal healthcare insurance premiums.

Note 9 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the contractual benefit terms:

Date of member count	June 30, 2018
Inactive plan members or beneficiaries currently receiving benefits	1
Active plan members	40
Total plan members	41

Contributions

Retiree healthcare costs are funded by the City on a "pay-as-you-go" basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment, except for new employees hired after July 1, 2018. For the fiscal year ended June 30, 2018, the City paid postemployment healthcare stipends of \$9,000.

Total OPEB Liability

The City's total OPEB liability of \$464,775 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Changes in the total OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2017	\$ 601,126	\$ -	\$ 601,126
Changes for the year:			
Service cost	28,001	-	28,001
Interest	21,877	-	21,877
Differences between expected and actual experience	(167,358)	-	(167,358)
Changes in assumptions	(9,871)	-	(9,871)
Contributions - Employer	-	9,000	(9,000)
Benefit payments, including refunds	(9,000)	(9,000)	-
Net changes	(136,351)	-	(136,351)
Balance at June 30, 2018	\$ 464,775	\$ -	\$ 464,775

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$32,155.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (150,622)
Changes in assumptions	-	(8,884)
Total	\$ -	\$ (159,506)

June 30, 2018

Note 9 - Other Postemployment Benefit Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2019	\$ (17,723)
2020	(17,723)
2021	(17,723)
2022	(17,723)
2023	(17,723)
Thereafter	(70,891)
Total	<u>\$ (159,506)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using an inflation assumption of 3.75 percent; a healthcare cost trend rate of 9.0 percent for 2019, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2028 and later years; and the RPH-2017 total dataset mortality table. In addition, 100 percent of active employees currently receiving healthcare through the City were assumed to elect retiree coverage. These assumptions were applied to all periods included in the measurement, except for the discount rate, which was 3.58 percent in the calculation of the beginning of year total OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.87 percent; however, the discount rate used to measure the total OPEB liability at the beginning of the year was 3.58 percent. The discount rate was based on the Bond Buyer GO 20-Bond Municipal Bond Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.87 percent, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.87%)	Current Discount Rate (3.87%)	1 Percent Increase (4.87%)
Total OPEB liability of the Plan	\$ 499,678	\$ 464,775	\$ 431,746

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rate of 9.0 percent, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (8.0%) Decreasing to 3.5%)	Current Healthcare Cost Trend Rate (9.0%) Decreasing to 4.5%)	1 Percent Increase (10.0%) Decreasing to 5.5%)
Total OPEB liability of the Plan	\$ 428,341	\$ 464,775	\$ 506,444

Note 10 - Pension Plan

Plan Description

The City of South Lyon, Michigan participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS) that covers all full-time employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers full-time employees at the City, including AFSCME, nonunion, police, patrolmen, police command, and clerical employees. Subsequent to the measurement date of December 31, 2017, the MERS defined benefit plan was closed to new entrants. New employees are eligible to participate in the MERS defined contribution plus plan.

Retirement benefits are calculated as 2.5 percent of the employee's final five-year average compensation times the employee's years of service, with a maximum of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at an unreduced benefit at age 55 with 25 years of service or a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service (eight years for nonunion employees), but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for nonduty disability benefits after 10 years of service (eight years for nonunion employees) and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately and, if duty-related, without the application of an actuarial reduction for retirement before age 60. An employee who leaves city service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police employee benefit terms may be subject to binding arbitration in certain circumstances.

Employees Covered by Benefit Terms

At the December 31, 2017 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	40
	<hr/>
Total employees covered by the plan	76
	<hr/>

Note 10 - Pension Plan (Continued)

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. MERS hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2018, the average active employee contribution rate was 1.72 percent of annual pay, and the City's average contribution rate was 19.44 percent of annual payroll for the various employee groups. After the City closed the plan subsequent to December 31, 2017, the City now pays a flat amount each month instead of a percentage of payroll. Monthly payment amounts for the various divisions ranges from \$2,720 to \$15,856 per month.

Net Pension Liability

The City has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2018 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2017 measurement date. The December 31, 2017 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2016	\$ 15,147,424	\$ 10,015,205	\$ 5,132,219
Changes for the year:			
Service cost	274,113	-	274,113
Interest	1,199,100	-	1,199,100
Changes in benefits	(6,932)	-	(6,932)
Differences between expected and actual experience	(117,223)	-	(117,223)
Contributions - Employer	-	529,687	(529,687)
Contributions - Employee	-	34,784	(34,784)
Net investment income	-	1,332,498	(1,332,498)
Benefit payments, including refunds	(591,459)	(591,459)	-
Administrative expenses	-	(21,070)	21,070
Net changes	757,599	1,284,440	(526,841)
Balance at December 31, 2017	<u>\$ 15,905,023</u>	<u>\$ 11,299,645</u>	<u>\$ 4,605,378</u>

June 30, 2018

Note 10 - Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of \$773,445. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (203,632)
Changes in assumptions	282,976	-
Net difference between projected and actual earnings on pension plan investments	-	(217,822)
Employer contributions to the plan subsequent to the measurement date	268,302	-
Total	<u>\$ 551,278</u>	<u>\$ (421,454)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2019	\$ 120,172
2020	86,803
2021	(215,366)
2022	(130,087)

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.75 percent, an investment rate of return (net of investment expenses) of 8.00 percent, and the RP-2014 mortality tables. These assumptions were applied to all periods included in the measurement and are based on an experience study conducted for the period from 2009-2013.

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 - Pension Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2017 measurement date for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	8.65 %
Global fixed income	18.50	3.76
Real assets	13.50	9.72
Diversifying strategies	12.50	7.50

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 8.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

	1 Percent Decrease (7.00%)	Current Discount Rate (8.00%)	1 Percent Increase (9.00%)
Net pension liability of the City	\$ 6,560,678	\$ 4,605,378	\$ 2,949,298

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at www.mersofmich.com. The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 11 - Tax Abatements

The City uses the Industrial Facilities Tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years.

For the fiscal year ended June 30, 2018, the City abated \$12,197 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

There are no significant abatements made by other governments that reduce the City's tax revenue.

Note 12 - Change in Accounting

During the current year, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which replaces GASB Statement No. 45. As a result, the government-wide statements and proprietary funds now include a liability for the City's estimated unfunded OPEB costs. Some of the changes in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. Refer to the other postemployment benefit plan disclosure (Note 9) for further details. This change does not impact the modified accrual funds.

The financial statements for the year ended June 30, 2017 have been restated in order to adopt GASB Statement No. 75. The effect of this new standard was a decrease in net position to record the net OPEB liability at June 30, 2017. Additionally, the net OPEB obligation previously recorded in the government-wide statements and proprietary funds in accordance with GASB Statement No. 45 has been eliminated, and the overall result was an increase in net position as of the beginning of the current fiscal year.

The net effect of this change is as follows:

	Governmental Activities	Business-type Activities (Water and Sewer Fund)
Net position - June 30, 2017 - As previously reported	\$ 22,396,409	\$ 26,360,828
Adjustment for GASB Statement No. 75 - To record the net OPEB liability	(477,718)	(123,408)
Adjustment for GASB Statement No. 75 - To eliminate net OPEB obligation under GASB Statement No. 45	375,300	96,951
Net position - June 30, 2017 - As restated	<u>\$ 22,293,991</u>	<u>\$ 26,334,371</u>

Required Supplemental Information

City of South Lyon, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 3,885,636	\$ 3,913,340	\$ 3,930,894	\$ 17,554
Intergovernmental	955,416	1,152,890	1,152,003	(887)
Charges for services	80,000	71,500	82,851	11,351
Fines and forfeitures	30,750	30,750	39,238	8,488
Licenses and permits	353,500	445,200	467,266	22,066
Investment income and other	4,000	4,000	13,529	9,529
Other revenue	184,800	224,800	238,198	13,398
Total revenue	5,494,102	5,842,480	5,923,979	81,499
Expenditures				
Current services:				
General government	1,250,429	1,363,325	1,396,927	(33,602)
Public safety:				
Police	2,585,880	2,532,204	2,365,380	166,824
Fire	468,130	475,380	469,363	6,017
Ambulance	2,075	1,575	1,507	68
Community maintenance and development:				
Public works	807,000	778,900	719,629	59,271
Cemetery	100,964	114,174	110,960	3,214
Recreation and culture:				
Parks and recreation	162,260	153,805	145,682	8,123
Cable	4,275	3,550	4,321	(771)
Historical	31,375	26,775	23,679	3,096
Cultural arts	4,720	1,220	952	268
Public transportation	76,359	76,359	76,175	184
Total expenditures	5,493,467	5,527,267	5,314,575	212,692
Net Change in Fund Balance	635	315,213	609,404	294,191
Fund Balance - Beginning of year	2,664,475	2,664,475	2,664,475	-
Fund Balance - End of year	<u>\$ 2,665,110</u>	<u>\$ 2,979,688</u>	<u>\$ 3,273,879</u>	<u>\$ 294,191</u>

City of South Lyon, Michigan

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

Last Four Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 274,113	\$ 283,687	\$ 256,313	\$ 255,907
Interest	1,199,100	1,141,285	1,064,707	1,004,596
Changes in benefit terms	(6,932)	(270)	-	-
Differences between expected and actual experience	(117,223)	(113,562)	(104,289)	-
Changes in assumptions	-	-	707,441	-
Benefit payments, including refunds	(591,459)	(575,867)	(578,810)	(485,354)
Net Change in Total Pension Liability	757,599	735,273	1,345,362	775,149
Total Pension Liability - Beginning of year	15,147,424	14,412,151	13,066,789	12,291,640
Total Pension Liability - End of year	\$ 15,905,023	\$ 15,147,424	\$ 14,412,151	\$ 13,066,789
Plan Fiduciary Net Position				
Contributions - Employer	\$ 529,687	\$ 470,446	\$ 420,267	\$ 417,111
Contributions - Employee	34,784	29,301	27,094	27,802
Net investment income (loss)	1,332,498	1,035,110	(140,969)	562,278
Administrative expenses	(21,070)	(20,433)	(20,522)	(20,698)
Benefit payments, including refunds	(591,459)	(575,867)	(578,810)	(485,354)
Net Change in Plan Fiduciary Net Position	1,284,440	938,557	(292,940)	501,139
Plan Fiduciary Net Position - Beginning of year	10,015,205	9,076,648	9,369,588	8,868,449
Plan Fiduciary Net Position - End of year	\$ 11,299,645	\$ 10,015,205	\$ 9,076,648	\$ 9,369,588
City's Net Pension Liability - Ending	\$ 4,605,378	\$ 5,132,219	\$ 5,335,503	\$ 3,697,201
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.04 %	66.12 %	62.98 %	71.71 %
Covered Payroll	\$ 2,643,114	\$ 2,725,500	\$ 2,533,242	\$ 2,528,331
City's Net Pension Liability as a Percentage of Covered Employee Payroll	174.24 %	188.30 %	210.62 %	146.23 %

City of South Lyon, Michigan

**Required Supplemental Information
Schedule of Pension Contributions**

**Last Ten Fiscal Years
Years Ended June 30**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 549,604	\$ 501,517	\$ 435,641	\$ 410,024	\$ 405,981	\$ 386,618	\$ 388,304	\$ 372,715	\$ 358,241	\$ 365,051
Contributions in relation to the actuarially determined contribution	549,604	501,517	435,641	410,024	405,981	386,618	388,304	372,715	358,241	365,051
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 2,643,114	\$ 2,725,500	\$ 2,533,242	\$ 2,528,331	\$ 2,472,858	\$ 2,673,263	\$ 2,666,459	\$ 2,713,288	\$ 2,868,101	\$ 2,836,045
Contributions as a Percentage of Covered Employee Payroll	20.79 %	18.40 %	17.20 %	16.22 %	16.42 %	14.46 %	14.56 %	13.74 %	12.49 %	12.87 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, which is 18 months prior to the beginning of the fiscal year in which the contributions are required

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Asset valuation method	Five-year smoothed market
Inflation	3-4 percent
Salary increase	3.75 percent average, including inflation
Investment rate of return	7.75 percent
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50 percent male - 50 percent female blend of the 2014 Group Annuity Mortality Table
Other information	None

See note to required supplemental information.

City of South Lyon, Michigan

Required Supplemental Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
No Trust

Last Fiscal Year (schedule is built prospectively upon implementation of GASB 75)

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 28,001
Interest	21,877
Differences between expected and actual experience	(167,358)
Changes in assumptions	(9,871)
Benefit payments, including refunds	<u>(9,000)</u>
Net Change in Total OPEB Liability	(136,351)
Total OPEB Liability - Beginning of year	<u>601,126</u>
Total OPEB Liability - End of year	<u>\$ 464,775</u>
Covered Employee Payroll	\$ 2,084,986
Total OPEB Liability as a Percentage of Covered Employee Payroll	22.29 %

June 30, 2018

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds.

The annual budget is prepared by the city manager and submitted to the City Council at its meeting nearest the third Monday in April of each year. The budget is adopted by the City Council no later than the second regular City Council meeting in May. Subsequent amendments are approved by the City Council. Amendments may be made by the City Council up until the last day of the fiscal year. The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

Unexpended appropriations lapse at year end. The amount of encumbrances outstanding at June 30, 2018 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

A comparison of the actual results of operations to the budgeted amounts (at the level of control adopted by the City Council) for the General Fund is presented as required supplemental information. Information comparing other special revenue funds activity to the respective budgets can be obtained at City Hall.

Other Supplemental Information

City of South Lyon, Michigan

	Special Revenue Funds				
	Major Road	Local Road	Drug Forfeiture	Cemetery Perpetual Care	Community Development Block Grant
Assets					
Cash and investments	\$ 1,802,024	\$ 315,612	\$ 50,223	\$ 779,090	\$ -
Receivables - Due from other governmental units	101,462	43,860	-	-	-
Due from other funds	9,314	3,195	-	-	-
Prepaid expenses	3,682	1,984	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,916,482	\$ 364,651	\$ 50,223	\$ 779,090	\$ -
Liabilities					
Accounts payable	\$ 2,772	\$ 757	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-
Due to other funds	19,474	28,700	-	-	-
Accrued liabilities and other	1,725	1,680	-	-	-
Total liabilities	23,971	31,137	-	-	-
Fund Balances					
Nonspendable:					
Land held for resale	-	-	-	-	-
Prepays	3,682	1,984	-	-	-
Restricted:					
Roads	1,888,829	331,530	-	-	-
Police	-	-	50,223	-	-
Cemetery perpetual care	-	-	-	779,090	-
Committed:					
Capital improvements	-	-	-	-	-
Land acquisition	-	-	-	-	-
Equipment replacement	-	-	-	-	-
Assigned - Debt	-	-	-	-	-
Total fund balances	1,892,511	333,514	50,223	779,090	-
Total liabilities and fund balances	\$ 1,916,482	\$ 364,651	\$ 50,223	\$ 779,090	\$ -

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2018

Debt Service Fund		Capital Project Funds			Total Nonmajor Governmental Funds
Building Authority Fund	Capital Improvement	Equipment Replacement	Land Acquisition		
\$ 28,563	\$ 1,835,036	\$ 462,042	\$ 88,189	\$ 5,360,779	
-	-	-	-	145,322	
-	-	-	-	12,509	
-	-	-	-	5,666	
-	-	-	53,000	53,000	
<u>\$ 28,563</u>	<u>\$ 1,835,036</u>	<u>\$ 462,042</u>	<u>\$ 141,189</u>	<u>\$ 5,577,276</u>	
\$ -	\$ -	\$ -	\$ -	\$ 3,529	
-	318	-	-	318	
-	-	-	-	48,174	
-	-	-	-	3,405	
-	318	-	-	55,426	
-	-	-	53,000	53,000	
-	-	-	-	5,666	
-	-	-	-	2,220,359	
-	-	-	-	50,223	
-	-	-	-	779,090	
-	1,834,718	-	-	1,834,718	
-	-	-	88,189	88,189	
-	-	462,042	-	462,042	
28,563	-	-	-	28,563	
28,563	1,834,718	462,042	141,189	5,521,850	
<u>\$ 28,563</u>	<u>\$ 1,835,036</u>	<u>\$ 462,042</u>	<u>\$ 141,189</u>	<u>\$ 5,577,276</u>	

City of South Lyon, Michigan

	Special Revenue Funds				
	Major Road	Local Road	Drug Forfeiture	Cemetery Perpetual Care	Community Development Block Grant
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:					
Federal grants	-	-	-	-	75,279
State and local sources:					
Act 51 gas and weight tax	698,267	350,492	-	-	-
Metro act	30,233	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income and other	8,334	1,843	3,767	68,967	-
Total revenue	736,834	352,335	3,767	68,967	75,279
Expenditures					
Current services:					
Community maintenance and development:					
Streets	263,577	217,330	-	-	-
Stormwater drainage	9,696	13,284	-	-	-
Other professional services	-	-	-	-	-
Community and economic development	-	-	-	-	54,205
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total expenditures	273,273	230,614	-	-	54,205
Net Change in Fund Balances	463,561	121,721	3,767	68,967	21,074
Fund Balances - Beginning of year	1,428,950	211,793	46,456	710,123	(21,074)
Fund Balances - End of year	<u>\$ 1,892,511</u>	<u>\$ 333,514</u>	<u>\$ 50,223</u>	<u>\$ 779,090</u>	<u>\$ -</u>

Other Supplemental Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2018

Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
Building Authority Fund	Capital Improvement	Equipment Replacement	Land Acquisition	
\$ 102,188	\$ 198,872	\$ -	\$ -	\$ 301,060
-	-	-	-	75,279
-	-	-	-	1,048,759
-	-	-	-	30,233
32,635	-	-	-	32,635
-	-	152,105	-	152,105
521	6,775	2,415	11,013	103,635
135,344	205,647	154,520	11,013	1,743,706
-	-	-	-	480,907
-	-	-	-	22,980
-	1,930	-	-	1,930
-	-	-	17,281	71,486
125,000	-	37,220	-	162,220
13,600	-	5,822	-	19,422
138,600	1,930	43,042	17,281	758,945
(3,256)	203,717	111,478	(6,268)	984,761
31,819	1,631,001	350,564	147,457	4,537,089
<u>\$ 28,563</u>	<u>\$ 1,834,718</u>	<u>\$ 462,042</u>	<u>\$ 141,189</u>	<u>\$ 5,521,850</u>

City of South Lyon, Michigan

Expenditures	Community Maintenance and Development					
	Public Safety			Community Maintenance and Development		
	General Government	Police	Fire	Ambulance	Cemetery	Public Works
Salaries and wages	\$ 364,723	\$1,420,297	\$258,528	\$ -	\$ 67,003	\$ 182,542
Salaries and wages - Mechanic	-	-	-	-	-	34,912
Reimbursement of mechanic wages	-	-	-	-	-	(34,912)
Fringe benefits	174,948	612,169	28,905	-	13,870	162,310
Uniforms & Cleaning Allowance	-	18,400	13,473	-	-	5,507
Tuition reimbursement	-	1,215	-	-	-	-
Office supplies	4,566	4,784	4,481	-	-	624
Operating expenses	22,679	15,557	9,342	-	13,068	14,053
Ammunition	-	5,977	-	-	-	-
Professional Services	304,580	10,335	-	-	-	-
Contractual Services	114,065	119,894	36,767	-	1,502	12,980
Prisoner Board	-	-	-	-	-	-
Auditor	28,260	-	-	-	-	-
Planning Consultant	21,315	-	-	-	-	-
Elections	8,015	-	-	-	-	-
Computers	7,692	8,478	5,268	-	-	2,195
Legal Fees	130,100	32,109	-	-	-	-
Memberships & Dues	12,432	540	4,491	-	-	663
Radio Maintenance	-	147	-	-	-	-
Telephone	7,615	13,781	1,321	-	1,027	5,083
Gas & Oil	34	25,183	7,847	-	1,390	23,630
Transportation & Mileage	7,726	-	-	-	-	155
Vehicle Maintenance	326	18,882	25,644	-	-	103,659
Community Promotions	62,255	-	816	-	-	-
Printing	7,432	-	-	-	-	-
Publishing	13,530	-	-	-	-	-
Insurance & Bonds	52,315	23,688	22,387	75	625	14,093
Utilities	21,673	11,960	9,292	1,432	267	15,990
Street Light Expenditures	-	-	-	-	-	113,540
Repairs & Maintenance	-	-	4,381	-	1,419	3,616
Building Maintenance	2,880	8,154	8,557	-	-	9,772
NPDES Phase II Stormwater	-	-	-	-	-	15,591
Equipment Rental	-	-	-	-	4,600	10,000
Hydrant Rental	-	-	2,500	-	-	-
Education/Training	3,954	3,999	14,971	-	-	1,060
Witness fees	-	84	-	-	-	-
Miscellaneous Expense	119	-	-	-	-	-
Contribution-Solid Waste	17,417	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Beautification	5,392	-	-	-	-	-
Land Improvements	-	-	-	-	-	20,861
Rental Properties	884	-	-	-	-	-
Equipment Miscellaneous	-	9,747	10,392	-	6,189	1,705
Capital Equipment	-	-	-	-	-	-
Total expenditures	<u>\$1,396,927</u>	<u>\$2,365,380</u>	<u>\$469,363</u>	<u>\$ 1,507</u>	<u>\$110,960</u>	<u>\$ 719,629</u>

Other Supplemental Information

Schedule of Expenditures – General Fund

June 30, 2018

Recreation and Culture					Total	
Parks and Recreation	Public Transportation	Historical	Cultural Arts	Cable Commission	2018	2017
\$ 72,235	\$ -	\$ 4,617	\$ -	\$ 285	\$2,369,945	\$ 2,334,751
-	-	-	-	-	34,912	37,598
-	-	-	-	-	(34,912)	(37,598)
22,951	-	-	-	-	1,015,153	1,110,279
-	-	-	-	-	37,380	41,025
-	-	-	-	-	1,215	-
-	-	-	40	-	14,495	13,316
2,747	-	-	152	-	77,598	81,318
-	-	-	-	-	5,977	5,421
13,169	-	2,858	13	-	330,955	263,503
-	76,175	1,583	-	-	362,966	419,611
-	-	-	-	-	-	6
-	-	-	-	-	28,260	37,360
-	-	-	-	-	21,315	35,240
-	-	-	-	-	8,015	12,605
-	-	-	-	-	23,633	14,493
-	-	-	-	-	162,209	188,586
-	-	-	-	-	18,126	13,942
-	-	-	-	-	147	2,101
-	-	-	-	-	28,827	26,462
4,168	-	-	-	-	62,252	56,314
-	-	-	-	-	7,881	6,742
-	-	-	-	-	148,511	164,449
-	-	-	606	-	63,677	54,710
-	-	-	-	-	7,432	6,513
-	-	-	-	-	13,530	16,472
916	-	888	-	-	114,987	114,461
835	-	5,895	-	-	67,344	65,035
-	-	-	-	-	113,540	115,661
9,801	-	-	-	-	19,217	30,439
-	-	7,521	-	-	36,884	41,517
-	-	-	-	-	15,591	7,004
11,025	-	-	-	-	25,625	24,835
-	-	-	-	-	2,500	2,500
-	-	-	-	-	23,984	32,040
-	-	-	-	-	84	163
839	-	-	141	-	1,099	2,578
-	-	-	-	-	17,417	17,755
-	-	-	-	4,036	4,036	25,234
-	-	-	-	-	5,392	6,789
-	-	317	-	-	21,178	33,716
-	-	-	-	-	884	21,616
-	-	-	-	-	28,033	36,626
6,996	-	-	-	-	6,996	88,740
\$ 145,682	\$ 76,175	\$ 23,679	\$ 952	\$ 4,321	\$5,314,575	\$ 5,571,928

City of South Lyon, Michigan

Other Supplemental Information
Schedule of Expenditures by Activity
Major and Local Roads Funds

June 30, 2018

Major Roads Fund

	Professional Services	Street Construction	Street Routine Maintenance	Traffic Services	Snow Plowing & Removal	Drainage and Backsloping	Total
Wages and salaries	\$ -	\$ -	\$ 65,471	\$ 2,477	\$ 34,270	\$ 5,219	\$ 107,437
Fringe benefits	-	-	30,396	1,157	15,299	2,297	49,149
Operating expense	-	-	5,904	12,345	45,540	2,180	65,969
Professional services	5,590	126	-	-	-	-	5,716
Contractual services	-	-	-	-	-	-	-
Insurance & bonds	-	-	56	-	-	-	56
Traffic signals	-	-	-	5,273	-	-	5,273
Repairs and maintenance	-	-	13,173	-	-	-	13,173
Equipment charges	-	-	14,000	-	12,500	-	26,500
Total expenditures	<u>\$ 5,590</u>	<u>\$ 126</u>	<u>\$ 129,000</u>	<u>\$ 21,252</u>	<u>\$ 107,609</u>	<u>\$ 9,696</u>	<u>\$ 273,273</u>

Local Roads Fund

	Professional Services	Street Construction	Street Routine Maintenance	Traffic Services	Snow Plowing	Drainage and Backsloping	Total
Wages and salaries	\$ -	\$ -	\$ 67,239	\$ 2,376	\$ 28,536	\$ 7,381	\$ 105,532
Fringe benefits	-	-	30,378	1,073	12,573	3,203	47,227
Operating expense	-	-	5,901	534	21,870	2,214	30,519
Professional services	5,590	6,784	-	-	-	-	12,374
Contractual services	-	-	-	-	-	-	-
Insurance & bonds	-	-	56	-	-	-	56
Repairs and maintenance	-	-	5,439	-	-	486	5,926
Equipment charges	-	-	15,480	-	13,500	-	28,980
Total expenditures	<u>\$ 5,590</u>	<u>\$ 6,784</u>	<u>\$ 124,493</u>	<u>\$ 3,983</u>	<u>\$ 76,479</u>	<u>\$ 13,284</u>	<u>\$ 230,614</u>

City of South Lyon, Michigan

Other Supplemental Information
Schedule of Operating Expenses
Proprietary Fund – Water and Sewer Fund

June 30, 2018

	Activity			Activity			Total	
	Water Distribution System	Water Repair	Wastewater System	Sanitary Sewer Repair	Solid Waste Collection	Water/Sewer Construction	2018	2017
Personnel services:								
Salaries and wages	\$ 210,778	\$ 13,520	\$ 324,398	\$ 48,957	\$ -	\$ -	\$ 597,653	\$ 621,925
Fringe benefits	134,845	38,113	192,383	41,845	-	-	407,186	416,735
Total personnel services	345,623	51,633	516,781	90,802	-	-	1,004,839	1,038,660
Equipment repairs and maintenance:								
Equipment maintenance	20,594	43,303	3,361	40,463	-	-	107,721	116,105
Building maintenance	23,720	-	90,078	-	-	-	113,798	123,947
Total equipment repairs and maintenance	44,314	43,303	93,439	40,463	-	-	221,519	240,052
Public utilities:								
Electric and gas	96,877	-	225,432	-	-	-	322,309	318,755
Telephone	2,279	-	4,106	-	-	-	6,385	6,031
Total public utilities	99,156	-	229,538	-	-	-	328,694	324,786
Refuse collection	-	-	-	-	503,262	-	503,262	503,350
Depreciation	720,793	-	735,328	-	-	-	1,456,121	1,441,407
Other services and charges - Professional services	33,820	536	47,134	3,731	-	-	85,221	40,007
Supplies:								
Office	625	-	720	-	-	-	1,345	1,755
Operating	68,095	1,611	126,735	8,279	-	-	204,720	177,384
Computer	1,152	-	1,609	-	-	-	2,761	506
Total supplies	69,872	1,611	129,064	8,279	-	-	208,826	179,645
Insurance	14,014	-	13,564	-	-	-	27,578	27,491
Other	650	-	679	-	-	-	1,329	13,017
Total operating expenses	<u>\$ 1,328,242</u>	<u>\$ 97,083</u>	<u>\$ 1,765,527</u>	<u>\$ 143,275</u>	<u>\$ 503,262</u>	<u>\$ -</u>	<u>\$ 3,837,389</u>	<u>\$ 3,808,415</u>

Statistical Section

City of South Lyon, Michigan**Schedule of Taxes Levied, Collected, and
Returned Delinquent – 2017 Tax Roll****June 30, 2018**

	<u>Final Levy</u>	<u>Taxes Collected</u>	<u>Returned Delinquent</u>	<u>Percent Collected</u>
Taxable Value: \$ 343,726,300				
City of South Lyon	\$ 5,198,379	\$ 4,941,968	\$ 256,411	95.07
Specials	3,332	814	2,518	24.43
Downtown Development Authority	21,582	22,091	(509)	102.36
Administration fee	96,054	94,481	1,573	98.36
Oakland Community College	530,418	524,712	5,706	98.92
South Lyon Community Schools	4,271,857	4,194,775	77,082	98.20
State education	2,032,637	2,004,775	27,862	98.63
Zoo Authority	33,528	32,721	807	97.59
Art Institute	67,091	65,494	1,597	97.62
Huron Clinton Metro Park	72,973	71,474	1,499	97.95
Intermediate School District	1,131,715	1,115,847	15,868	98.60
Oakland County	1,377,620	1,362,833	14,787	98.93
Total	<u>\$ 14,837,186</u>	<u>\$ 14,431,985</u>	<u>\$ 405,202</u>	<u>97.27</u>

City of South Lyon, Michigan

Continuing Disclosure Undertaking

June 30, 2018

A. Taxable Value – Fiscal Year 2017-2018 - \$343,726,300

B. Taxable Value by Use and Class – Fiscal Year 2017-2018

Use	Taxable Value	Percent of Taxable Value	SEV	Percent of SEV
Commercial	\$ 30,950,330	9.00	\$ 34,139,690	7.74
Industrial	8,859,920	2.57	9,240,630	2.09
Residential	295,279,210	85.91	389,635,890	88.22
Comm PP	4,343,910	1.26	4,343,910	0.98
Utility	4,292,930	1.25	4,292,930	0.97
Total	<u>\$ 343,726,300</u>	<u>100.00</u>	<u>\$ 441,653,050</u>	<u>100.00</u>

Class				
Real property	\$ 339,382,390	98.74	\$ 437,309,140	99.02
Personal property	4,343,910	1.26	4,343,910	0.98
Total	<u>\$ 343,726,300</u>	<u>100.00</u>	<u>\$ 441,653,050</u>	<u>100.00</u>

C & D. Property Tax Rates by Governmental Unit - Fiscal Year 2017-2018

City of South Lyon	Rate	City of South Lyon	Rate
General operation	11.0500	Huron Clinton Authority	0.2368
Capital improvements	0.5838	Oakland County	4.0400
Building Authority	0.3000	Intermediate schools	3.3079
Debt service - Sewer G.O.	3.3000	Oakland Community College	1.5555
		Zoo Authority	0.0980
		Oakland County P&R	0.2368
		South Lyon Community Schools	18.0000
		Art Institute	0.1961
		State education	6.0000
		South Lyon school debt	9.0000
Total City of South Lyon	<u>15.2338</u>	Total governmental units	<u>59.4490</u>
District library	1.0877		
Library voted	0.4830		

City of South Lyon, Michigan**Continuing Disclosure Undertaking (Continued)****June 30, 2018****E. Property Tax Collections – Fiscal Year 2017-2018 (as of 3/1/2018) – 97.27%****F. Ten Largest Taxpayers – Fiscal Year 2017-2018**

Taxpayer	Principal Product or Service	Taxable Value
Roco Brookwood Farms LLC	Apartments	\$ 4,444,230
Colonial Acres Dev Phase 5	Co-op	13,406,800
Colonial Acres Dev Co	Co-op	5,508,110
Brookdale Assn Ltd Partner	Apartments	3,730,250
DTE	Industrial	3,130,800
Michigan Seamless Tube	Industrial	2,610,710
Loop Waters Edge	Apartments	1,803,040
Showerman Investment Co	Commercial	1,347,040
Beztak	Commercial	1,337,720
Gateway Commons Dev LLC	Commercial	1,199,840
Total		<u>\$ 38,518,540</u>

G. Distributable Aid – State-Shared Revenue – Fiscal Year 2017-2018 - \$989,507**H. Legal Debt Margin**

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the City may legally incur as of June 30, 2018:

Debt limit (1)		\$ 44,165,305
Debt outstanding	\$ 10,417,565	
Less exempt debt	<u>8,037,379</u>	<u>2,380,186</u>
Legal debt margin		<u>\$ 41,785,119</u>

(1) 10 percent of \$441,653,050, which is the City's SEV for the fiscal year ended June 30, 2018. See "Property Valuations" herein.

Source: Municipal Advisory Council of Michigan and the City of South Lyon

City of South Lyon, Michigan**Continuing Disclosure Undertaking (Continued)****June 30, 2018****Debt Statement**

The following table reflects a breakdown of the City's direct debt as of June 30, 2018.

To the extent necessary, the City may levy taxes on all taxable property within its boundaries without limitation as to rate or amount to pay the principal of and interest due on the bonds in the following table, which are designated as "UT." However, the City's ability to levy tax to pay the debt service on the bonds, which are designated as "LT," is subject to applicable charter, statutory, and constitutional limitations.

City Direct Debt	Gross	Self-supporting	Net
Building Authority Bonds:			
Dated March 27, 2003 (UT)	\$ 7,902,379	\$ 7,902,379	\$ -
Subtotal	7,902,379	7,902,379	-
Building Authority Bonds:			
Dated July 9, 2005 (LT)	35,000	35,000	-
Dated July 1, 1999 (LT)	100,000	100,000	-
Subtotal	135,000	135,000	-
Installment Purchase Obligations:			
2016 Street Sweeper	160,186	-	160,186
Revenue Bonds - 2012 Drinking Water			
Revolving Fund	2,220,000	-	2,220,000
Total	<u>\$ 10,417,565</u>	<u>\$ 8,037,379</u>	<u>\$ 2,380,186</u>
Per capita net City direct debt (1)		\$	210.13
Percent of net direct debt to SEV (2)			0.54%

(1) Based on the City's 2010 census population of 11,327

(2) Based on \$441,653,050, which is the City's SEV for the fiscal year ended June 30, 2018. See "Property Valuations" herein.

City of South Lyon, Michigan

Continuing Disclosure Undertaking (Continued)

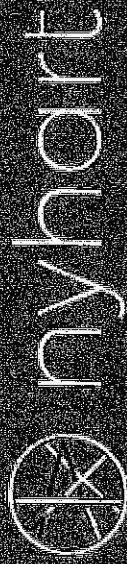
June 30, 2018

Overlapping Debt (3)	Gross	City's Share as	
		Percent of	Net
		Gross	
South Lyon Schools	\$ 159,380,000	17.42%	\$ 27,758,336
Oakland County	340,795,795	0.68%	2,307,628
Oakland Intermediate School District	44,695	641.28%	286,619
Total	<u>\$ 500,220,490</u>		<u>\$ 30,352,583</u>
Per capita net overlapping debt (1) (3)			\$ 2,679.67
Percent of net overlapping debt to SEV (2)			6.87%
Per capita net direct and overlapping debt (1)			\$ 2,889.80
Percent of net direct and overlapping debt to SEV (2)			7.41%

(1) Based on the City's 2010 Census population of 11,327

(2) Based on \$441,653,050, which is the City's SEV for the fiscal year ended June 30, 2018. See "Property Valuations" herein.

(3) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of the City are liable in addition to debt issued by the City



GASB 75 INTERIM ACTUARIAL VALUATION

Fiscal Year Ending June 30, 2019

CITY OF SOUTH LYON

CONTACT

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brian.nichols@nyhart.com

ADDRESS

Nyhart

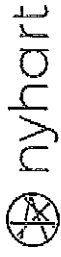
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Summary of Key Actuarial Assumptions	10
Actuary's Notes	12



August 2, 2019

**Chief Lloyd Collins
City of South Lyon
335 S. Warren
South Lyon, MI 48178**

This report summarizes the interim GASB actuarial valuation for the City of South Lyon 2018/19 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

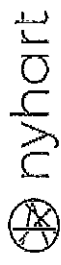
The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.



Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.

Randy Gomez, FSA, MAAA
Consulting Actuary

Brian Nichols, EA, MAAA, FCA
Valuation Actuary

DRAFT

Executive Summary

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2019 compared to the prior fiscal year as shown in the City's Notes to Financial Statement.

	As of June 30, 2018		As of June 30, 2019	
Total OPEB Liability	\$	464,775	\$	545,542
Actuarial Value of Assets	\$	0	\$	0
Net OPEB Liability	\$	464,775	\$	545,542
Funded Ratio		0.0%		0.0%
	FY 2017/18		FY 2018/19	
OPEB Expense	\$	32,593	\$	29,157
Annual Employer Contributions	\$	9,000	\$	13,622
	As of June 30, 2018		As of June 30, 2019	
Discount Rate		3.87%		3.51%
Expected Return on Assets		N/A		N/A

CASB Disclosures

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2018/19	FY 2017/18
Total OPEB Liability		
Total OPEB Liability - beginning of year	\$ 464,775	\$ 601,126
Service cost	23,545	28,001
Interest	18,637	22,363
Change of benefit terms	0	0
Changes in assumptions	13,697	(9,871)
Differences between expected and actual experience	38,510	(167,844)
Benefit payments	(13,622)	(9,000)
Net change in total OPEB liability	\$ 80,767	\$ (136,351)
Total OPEB Liability - end of year	\$ 545,542	\$ 464,775
Plan Fiduciary Net Position		
Plan fiduciary net position - beginning of year	\$ 0	\$ 0
Contributions - employer	13,622	9,000
Contributions - active employees	0	0
Net investment income	0	0
Benefit payments	(13,622)	(9,000)
Trust administrative expenses	0	0
Net change in plan fiduciary net position	\$ 0	\$ 0
Plan fiduciary net position - end of year	\$ 0	\$ 0
Net OPEB Liability - end of year	\$ 545,542	\$ 464,775
Plan fiduciary net position as % of total OPEB liability	0.0%	0.0%
Covered employee payroll	\$ 2,705,916	\$ 2,084,986
Net OPEB liability as % of covered payroll	20.2%	22.3%

GASB Disclosures

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

OPEB Expense

OPEB Expense	FY 2018/19		FY 2017/18
Discount Rate			
Beginning of year	3.87%		3.58%
End of year	3.51%		3.87%
Service cost	\$	23,545	\$ 28,001
Interest		18,637	22,363
Change of benefit terms		0	0
Projected earnings on OPEB plan investments		0	0
Reduction for contributions from active employees		0	0
OPEB plan administrative expenses		0	0
Current period recognition of deferred outflows / (inflows) of resources			
Differences between expected and actual experience	\$	(13,283)	\$ (16,784)
Changes in assumptions		258	(987)
Net difference between projected and actual earnings on OPEB plan investments		0	0
Total current period recognition	\$	(13,025)	\$ (17,771)
Total OPEB expense	\$	29,157	\$ 32,593

GASB Disclosures

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2019
June 30, 2018	\$ (167,844)	10	\$ (16,784)	\$ (134,276)
June 30, 2019	\$ 38,510	11	\$ 3,501	\$ 35,009

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2019
June 30, 2018	\$ (9,874)	10	\$ (987)	\$ (7,897)
June 30, 2019	\$ 13,697	11	\$ 1,245	\$ 12,452

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2019
June 30, 2018	\$ 0	N/A	\$ 0	\$ 0
June 30, 2019	\$ 0	N/A	\$ 0	\$ 0

GASB Disclosures

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending June 30, 2019	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 35,009	\$ (134,276)
Changes in assumptions	12,452	(7,897)
Net difference between projected and actual earnings in OPEB plan investments	N/A	N/A
Total	\$ 47,461	\$ (142,173)

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of June 30, 2019 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2020	\$ (13,025)
2021	\$ (13,025)
2022	\$ (13,025)
2023	\$ (13,025)
2024	\$ (13,025)
Thereafter	\$ (29,587)

GASB Disclosures

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Sensitivity Results

The following presents the net OPEB liability as of June 30, 2019, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.51%.
- The 1% decrease in discount rate would be 2.51%.
- The 1% increase in discount rate would be 4.51%.

As of June 30, 2019	Net OPEB Liability
1% Decrease	\$ 584,951
Current Discount Rate	\$ 545,542
1% Increase	\$ 508,153

The following presents the net OPEB liability as of June 30, 2019, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.50%, decreasing to an ultimate rate of 5.00%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.50%, decreasing to an ultimate rate of 4.00%.
- The 1% increase in health care trend rates would assume an initial rate of 9.50%, decreasing to an ultimate rate of 6.00%.

As of June 30, 2019	Net OPEB Liability
1% Decrease	\$ 500,395
Current Trend Rates	\$ 545,542
1% Increase	\$ 597,273

Discussion of Discount Rates

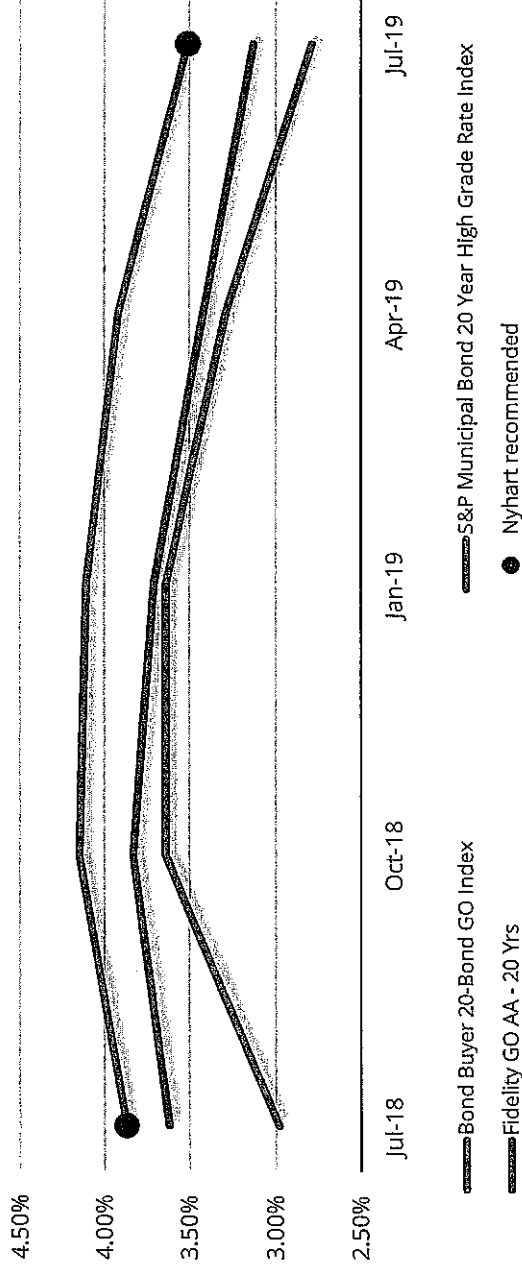
City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale).

For the current valuation, the discount rate was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

	Bond Buyer Go 20- Bond Municipal Bond Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity 20-Year Go Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Yield as of July 1, 2018	3.87%	2.98%	3.62%	2.98% - 3.87%	3.87%
Yield as of June 30, 2019	3.51%	2.79%	3.13%	2.79% - 3.51%	3.51%

20-Year Municipal Bond Indices



Summary of Key Actuarial Assumptions

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

For a complete summary of actuarial methods and assumptions, refer to the GASB 75 actuarial valuation report for the fiscal year ending June 30, 2018.

Measurement Date

For fiscal year ending June 30, 2019, June 30, 2019 measurement date was used.

Actuarial Valuation Date

July 1, 2018 with results actuarially projected on a "no gain / no loss" basis to get to the June 30, 2019 measurement date. Liabilities as of July 1, 2018 are based on an actuarial valuation date of July 1, 2018.

Discount Rate

3.51% as of June 30, 2019 and 3.87% as of July 1, 2018 for accounting disclosure purposes. Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.

Payroll Growth

From the MERS actuarial valuation as of December 31, 2016. Sample rates are as follows and include assumed inflation of 3.75%:

Age	Total Salary Growth Rate
20	14.75%
25	10.95%
30	6.85%
35	5.65%
40	4.95%
45	4.56%
50	4.27%
55	4.05%
60	3.75%

Inflation Rate

3.75% per year

Cost Method

Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Summary of Key Actuarial Assumptions

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Health Care Trend Rates

FYE	Medical/Rx	FYE	Medical/Rx
2020	8.5%	2024	6.5%
2021	8.0%	2025	6.0%
2022	7.5%	2026	5.5%
2023	7.0%	2027+	5.0%

HRA benefit per-capita costs and retiree contributions are assumed to increase at 2.0% per year.

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Actuary's Notes

City of South Lyon Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2019

Interim year valuation results have been projected from the prior year's valuation, with adjustments for actual premium and contribution increases from 2018/19 to 2019/20. The impact of these changes was an increase in liabilities.

Additionally, we have updated the discount rate assumption based on the yield for 20-year tax-exempt general obligation municipal bonds as of July 1, 2019 (measurement date). The discount rate is 3.51% as of June 30, 2019 and 3.87% as of July 1, 2018. Refer to the Discussion of Discount Rates section for more information on selection of discount rate. Making this change resulted in an increase in liabilities.

Premium Rates

Same benefits are available to retirees as active employees. The HRA PPO Gold plan is fully-insured and partially experience-rated. The monthly funding rates vary by age and are effective on July 1, 2019. The monthly premium rates effective July 1, 2019 and July 1, 2018 are as shown below.

Age	Eff. 7/1/2019	Eff. 7/1/2018
	Rate	Rate
55	\$ 580.27	\$ 570.59
60	\$ 706.21	\$ 694.43
64	\$ 780.63	\$ 767.61

Retiree Cost Sharing

Retirees pay for the portion of the premium rates not covered by the County's explicit subsidy.

Explicit Subsidy

Eligible Police retirees receive a stipend of up to \$700 per month for healthcare premiums. Eligible General Retirees receive a stipend of up to \$500 per month for healthcare premiums. To the extent the stipend exceeds the monthly healthcare premiums, the remainder may be used to offset spousal healthcare premiums. These amounts are assumed to remain flat in the future and do not increase with healthcare cost trend rates.

Dear Community Development Partner:

Our Community Development Block Grant partnership relies on a mutual commitment to affirmatively further fair housing and attain equal access to housing for all. To support this goal, the County is conducting an "Analysis of Impediments to Fair Housing Choice". Citizen participation is a key element of this effort.

Oakland County Community & Home Improvement is hosting a series of 6 public forums to hear from citizens on:

- Awareness of people's rights under fair housing laws
- Access to housing of their choice
- What can be done locally to address impediments to fair housing choice

Local CDBG representatives are asked to invite citizens, local officials and staff **AND** attend one or more of the public forums. Please help promote the dates, times and locations of the six meetings to your residents. Promotion can include:

- Distribute at public meetings or facilities where citizens frequent
- Post fliers on your website or cable network or in newsletters
- Announce through social media
- Post in strategic public locations

Please use the attached flyer to invite community members. Oakland County Community & Home Improvement will also be sending hard copies for distribution.

Thank you for your commitment to furthering fair housing on behalf of your citizens!

Respectfully,

Karry L. Rieth
Manager

Fair Housing Analysis of Impediments Public Forums



*Let Your
Voice Be
Heard!*

Oakland County
is committed
to affirmatively
furthering fair
housing.

Did you know that you have a right to choose housing – free from discrimination?

In October, help us identify whether barriers to fair housing choice exist in Oakland County. Your input is very important.

Fair housing laws apply to rental housing, homes for sale, advertising, home loans and home insurance.

Federal and state fair housing acts prohibit discrimination in housing based on race, color, national origin, religion, sex, family status, disability, age, height, weight and marital status.

There are several ways you can participate:

1 Attend a Public Forum

If you would like to share your housing experiences along with fellow residents in an interactive environment, attend one of the public forums:

October 22 | 10:30 a.m. – 12:30 p.m.
Springfield Township Library
1200 Davisburg Road, Davisburg

October 22 | 6 – 8:00 p.m.
Southfield Parks & Recreation Building
Room 223, 26000 Evergreen Road, Southfield
Sponsored by City of Southfield

October 23 | 9 – 11:00 a.m.
Wixom City Hall | 49045 Pontiac Trail, Wixom

October 23 | 1 – 3:00 p.m.
Orion Center | 1335 Joslyn Road, Lake Orion

November 12 | 6:00 – 8:00 p.m.
Madison Heights City Hall
300 W 13 Mile Road, Madison Heights

November 13 | 6:00 – 8:00 p.m.
Pontiac Library, Room 2225
60 E Pike Street, Pontiac

2 Complete and Return the Survey by 11/22/19

Share your experiences on getting access to housing. Your answers are anonymous. The survey should take less than 10 minutes to complete.

OakGov.com/FairHousingSurvey

3 Hear the Results

Plan to attend the public presentation of the “Draft Analysis of Impediments to Fair Housing Choice” hosted by the Citizens Advisory Council for Community & Home Improvement.

January 22 | 9:30 – 11:30 a.m.
L. Brooks Patterson Building
Conference Center, Building 41 West
2100 Pontiac Lake Road, Waterford

For more info, visit:
[OakGov.com/
FairHousingSurvey](http://OakGov.com/FairHousingSurvey)

Questions?
(888) 350-0900, ext. 80493
chi@oakgov.com