

Regular City Council Meeting

October 9, 2023

Agenda

7:30 p.m. **Call to Order**
 Pledge of Allegiance
 Roll Call
 Approval of Minutes: September 25, 2023
 Approval of Bills
 Approval of Agenda
 Consent Agenda
 1. Resignation of Judy Keeling from Housing Commission

 Capital Flag Presentation for 150th Anniversary

 Public Comment

 Discussion - Downtown

 Fire Chief Report
 Police Chief Report

 Audit Presentation – Plante Moran

I. Unfinished Business

II. New Business

- 1. Purchase of John Deere Gator with Plow**
- 2. Sanitary Sewer Evaluation**

III. Budget

IV. Public Comment

V. Manager's Report

VI. Council Comments

VII. Adjournment

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

Rules of Conduct for Public Comment at Council Meetings*

Members of the public may speak at a Council meeting upon recognition by the Mayor. Public comment may only occur during periods designated on the agenda for public comment or a public hearing. A person may speak for up to two (2) minutes during each of the two public comment periods on agenda items or non-agenda items. Waivers of the time requirement may only be granted in the discretion of the Mayor, and waivers to speak at a time other than a designated comment period may only be granted by the Council. Any person wishing to make a presentation longer than two minutes or requiring audio-visual equipment is asked to contact the City Clerk requesting to appear on a future agenda.

A person may only address Council from the podium. Only one person may occupy the podium at a time. All remarks are to be directed to the Mayor and Council. Speakers are not to engage in direct dialog with other meeting attendees.

Any person who violates the Rules of Conduct, disturbs the peace at the meeting, and/or interferes with the meeting may be warned, ordered to be seated, removed, and/or ticketed.

*This summarizes Council Resolution 04-18. Complete Rules, including guidelines for considering waivers, are available in the Council Chambers and from the City Clerk.

City of South Lyon
Regular City Council Meeting
September 25, 2023

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

Mayor Pelchat led those present in the Pledge of Allegiance

Roll Call: Mayor Pelchat, Councilmembers: Dilg, Kivell, Kurtzweil, Hansen, and Kennedy

Also present: City Manager Zelenak, Fire Chief Thorington, Police Chief Baaki, Finance and Benefit Administrator Tiernan, DDA Director Mack, and Deputy Clerk Pieper

Absent: Councilmember Mosier

CM 9-1-23 MOTION TO EXCUSE ABSENCE

Motion by Kennedy, supported by Kurtzweil

Motion to excuse absence of Councilmember Mosier

VOTE: MOTION CARRIED UNANIMOUSLY

MINUTES- 9/11/23

Councilmember Kivell stated the words to get back to 9/11 needs to be added to his council comments

CM 9-2-23 MOTION TO APPROVE MINUTES AS AMENDED

Motion by Kennedy, supported by Dilg

Motion to approve the minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

CM 9-3-23 MOTION TO APPROVE AGENDA

Motion by Dilg, supported by Hansen

Motion to approve the agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

1. Zoning Board of Appeals (Alternate) appointment
2. Downtown Trick or Treat
3. Ladies Night

CM 9-4-23 MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

Motion by Kurtzweil, supported by Dilg

Motion to approve the consent agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

PROCLAMATION- South Lyon Hotel

See attached proclamation

Larry Ledbetter then gave a presentation of pictures. He stated it was built in 1867 and after completion it was named the Commercial House. There were 2 hotels in South Lyon and because of the railroad, passengers from the train would stay in town. He then stated the two hotels were rivals when a train would come through, and they heard the whistle, they got into their horse and buggies, and raced to the train and upon arrival, they would persuade the passengers to stay the night at their hotel and it was exciting for the residents of South Lyon. The Commercial House whose name was changed to the

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Whipple House for a short time and eventually became the South Lyon Hotel. The hotel was rumored to be haunted based on the fact it was built on an old cemetery and the bodies had to be removed for the construction. In addition, a fire occurred in 1977 and it took the life of one of its residents. There were 13 that survived thanks to the efforts of Tony Solomon. He was banging on the doors getting people out, and the man that passed was Omar Duncan who went back in to get something. Another example of you never go back into a burning building. Some of the haunting rumors were probably intended to intimidate the younger employees. He then stated Paul Baker came to town in 1988 and he purchased the South Lyon Hotel, and anyone that knew him would say he was a very interesting man and he had a great foresight of things that would happen. He changed things a lot. The 12 rooms upstairs along with the community bathrooms were removed, and the upstairs was converted to a banquet hall. Several years later, it became a general dining room with a bar. After the massive fire it was determined the structure couldn't be salvaged and the Bakers and Corry Bala went ahead with the new building. Because of the Baker family and Corry Bala, the hotel is a fine place to dine, to meet up with friends, to celebrate special occasions as he did for his retirement in 2014. Corry Bala stated a lot of thanks goes to Chris's dad and his family when they took it over in 1988. He further stated there has been a lot of craziness, and he likes to tell people we had a fire, we rebuilt, we opened up, then we had covid. We have gotten good at getting beat up. He further stated he doesn't know if that is a business strategy, but maybe it is, being a team that adapts and moves forward is who wins. He then stated we are only as strong as the people we brought up with us. We try our best to have a good team, and the Baker family has been great to him. And everyone knows when it burned down, we would not have been able to rebuild without everyone coming out to help out. He stated he had landscapers come out and offer their services without pay, we had drywallers help without pay. He then stated he appreciates the Mayor and Council for their support. He then stated when they were trying to rebuild, he would go to Council and ask for favors and the city has always been great to help them move along. He further stated they would be nothing without the community and everyone here. Chris Baker thanked City Council. He spoke about watching the hotel burn down, but he said South Lyon pride and South Lyon strong. He said they rebuilt and he hopes everyone loves the Hotel.

PUBLIC COMMENT

Erin Cottongim of 601 Lafayette thanked Councilmember Dilg for her time and efforts for organizing information about No Mow May. She then thanked all of Council for taking the time to discuss this and consider a change. She stated the overall idea is to get the word out about our pollinators being in danger and to have a conversation about how to help them. It has a small but positive impact and our biggest impact is having a conversation starter. No Mow May is working in Ann Arbor, Royal Oak, Ferndale, East Lansing and many more local cities with no negative effects. She stated she would like one word changed in the Ordinance, from May to June. That would be enough to let her and any other citizen participate without the fear of being cited or fined, and its time to help our pollinators, and baby bunnies, ducklings, and so many would benefit from the extra time. She then said some cities are suspending their lawn ordinances until June 1st. She is worried that suspending the lawn ordinance wouldn't be long standing like actually changing the ordinance, but the most important thing to do is to make a positive change here and now. The worst thing that could come of this is nothing. We have learned so much since it was written in the 1980's, we know now that our pollinators are in trouble, and she thinks we can all agree on that. We can do something that would stop our pollinators from hurting that we need to live the life we live today. She then said she wants to participate in this positive initiative without fear of being charged with a municipal civil infraction.

Ryan Cottingim of 601 S Lafayette also thanked Councilmember Dilg for all her working and bringing this before Council. He stated he agrees with everything Erin said, and changing the Ordinance is the best

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way to guarantee this initiative can be practiced in the city without repercussion. It's just one month and it will guarantee those that want to participate are allowed to do so on the property that they own, and pay taxes on in our city. To add natural beauty to our town, and lessen noise population and landscaping and carbon emissions from landscaping equipment for our families and neighbors to bring awareness to others that our pollinators are in danger, and to lead by example showing how one small act of not mowing our grass for an extra month can help so much with this. This is not negligence, it's the exact opposite, it is a purposeful act to help all of us and to help pollinators that supply our food. He said he doesn't want short tidy grass; he wants to do everything he can to protect our food and food supply for our kids. He then said that is what is important to him, not what anyone else thinks about his lawn or how his property looks. He further stated it is property he pays taxes on and he should be able participate in this if he wants to. Changing the ordinance is the best way because policies can be easily changed or dropped. Planting perennial gardens are a great idea, but it's expensive and it takes a while to achieve and not everyone has the ability to do that. He then said limiting to the backyards or certain areas still restricts too many people and properties too. He said it also hinders the ability to spread awareness to let people know, it really is the biggest part of the initiative is to spread awareness and getting conversations and dialogue going. He then said changing the ordinance is the best way to keep the initiative alive.

Susan Dreffs of 412 Washington Street stated she would like a text amendment Housing Commission Ordinance, Chapter 34 article 4 changed to age restriction 62 and older.

Judy Keeling of 62180 Arlington Circle stated she would the ordinance to stay the same so younger, handicapped or less financial people can also live at Washington Manor.

Mary Eilola of 416 Washington Street stated she would like a text amendment Housing Commission Ordinance, Chapter 34 article 4 changed to age restriction 62 and older, but also allow younger or older handicapped or disabled to be allowed in.

Jean Dendel of 321 Hagadorn stated she wanted to let everyone know that the street is coming along great, and she wanted to commend not only the workers on the street, but also the day after the huge storm, she sat on her porch and watched the delicate dance between the workers and the people coming out to remove trees, and the Police Department. Everyone was cordial, no one was honking their horns. She stated she does have 2 items about the street. She stated people are wondering what the purpose of the black piping is that is going in the ditches because it isn't being connected to anything. It's laying in the ditch then dirt is going over it. She doesn't understand how something can drain. She further stated it not only affect people on the streets and students, but several of the workers have complained that there are people picking up their kids and flying down the street. She thinks its pretty bad when the workers complain about that. She further stated she just wanted to let everyone know that speeding is still a problem.

Leslie Conatser of 418 Washington Street stated she would like a text amendment Housing Commission Ordinance, Chapter 34 article 4 changed to age restriction 62.

DISCUSSION- Downtown

DDA Director Mack stated they had a ribbon cutting for Jodea Bella on Friday. They have been at their new location in town for a few months, but were now able to get the ribbon cutting done and he was happy to assist them. He then stated the Social District is now open which is fantastic. He stated they had a little ribbon cutting there at 5:00 which took place in the Farmers Market parking lot. He then stated DPW did some work back there to spruce it up and it looks really nice and he is grateful for their

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assistance, especially with all the work they've been doing since the storm. He then stated the DDA Board approved a contract for the Christmas lights downtown for this winter and they expect the work to begin late October. He asked for a quote for extension cords to replace the white ones.

Councilmember Hansen stated he is happy the Social District is now open and it is creating a stir on social media as well as news articles. He then asked about an Indian Restaurant coming to town. Mr. Mack stated they just submitted documents for their site plan, so they are waiting to hear back if they have been approved, but he can say the owner has another restaurant in Novi.

Councilmember Dilg stated the area for the Social District looked great, and it was fun to be there, but she was surprised by the fencing that was done. She then thanked him and the DPW for doing that. She further stated she was in town for a while Friday night, and she saw quite a few people outside in different areas having drinks and spoke with several people and they were very excited about it. She further stated it may take a while for people to get it, but it was a good start. She then asked about the people working on the roof on the corner of Lake and Lafayette Street. Mr. Mack stated their building permits are still open and they are still doing work there, but he doesn't have any new information.

Councilmember Kurtzweil stated she had the opportunity to be downtown Saturday night and individuals were very pleased about the Social District, and she thinks we are moving into Fall, so you may not see as many people. It seems like a more spring or summer activity to be outside more often. She then congratulated him on all his hard work he put into it and the community is noticing which is a good thing. She then stated she ran into someone from Farmington so it seems word got out that we were opening it up this weekend and maybe they wanted to compare notes. And there could be other cities that have Social Districts that may come to look at ours to see how theirs gauge how their district is to ours.

FIRE CHIEF REPORT

Chief Thorington stated they are at 971 instances for the year. He then stated Aiden Branigan Brown successfully completed his EMT class and he completed firefighter in the past so he is now a full-fledged firefighter. We had ISO in last week which comes in every 3 years to assess the department. They look at our dispatch center, the water supply system, mutual aid agreements, our policies and procedures for our fire equipment. Hopefully we'll get good news in a few months. We currently at a 3 and our target is to stay there. He further stated they integrated with the Police server, so now we have a backup for our system.

POLICE CHIEF REPORT

Chief Baaki congratulated Corry and the hotel. He then stated about 15 years ago he was working midnights and he saw some activity at the Hotel. He checked it out and it was ghost hunters and they were filming trying to find ghosts. He was tempted to dress up like a ghost and run through there, but chose not to. He then stated the Lahoe should be on the road mid-October. He then stated he heard a lot of good comments about the Social District, and reminded everyone about the Lake Street Cruise in and Pumpkinfest but the boundaries for the Social District do not change. Even though the footprint of the events may be bigger, the boundaries remain the same.

UNFINISHED BUSINESS

1. Hagadorn paving project- addition of Warren Street

City Manager Zelenak stated as part of our efforts to make further improvements to roads within the City of South Lyon and as the first project associated with our Road Bond project, we have solicited bids and awarded the Hagadorn paving and sewer project to DiPonio Contracting. The original bid was \$3,874,858.79. We recently increased the project cost due to changes in the reconstruction method for

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East, West and North Crest Lanes and Orchard Ridge from half-width mill and overlay to full depth reconstruction. Now we are proposing to add Warren Street to the project and pave from West Lake Street all the way to McHattie Park, including the paving of McHattie Park parking lot. Based upon this change in estimated quantities, it will increase the cost of the project approximately \$264,000.

Councilmember Kennedy asked if this will extend the time frame for completion. Mr. Darga of HRC stated it will not. Councilmember Kennedy then asked if he has a response to the black tubes that was mentioned by a resident during public comment. Mr. Darga stated that is the edge drain, it goes closer to the intersection near the curbs and we extended it up to the ditch line. It will help to drain the ditches quicker. It is connected to the storm system. Councilmember Kivell asked about the funding source for the parking lot and what is the cost. City Manager Zelenak stated the funding is from the Parks and Recreation fund, so it does come out of the general fund. He then stated the cost is \$77,899.67

CM 9-5-23 MOTION TO APPROVE CHANGE IN THE SCOPE OF PROJECT

Motion by Kennedy, supported by Kurtzweil

Motion to approve the change in the scope of the project to add Warren Street and McHattie Park parking lot to the project cost for an amount of approximately \$264,000. For DiPonio

Contracting from account # 204-451-802, and 101-751-978

ROLL CALL VOTE:

Dill- Yes

Hansen- Yes

Kennedy- Yes

Kivell- Yes

Kurtzweil- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. EV charging station contract

City Manager Zelenak stated city staff have been working with Charge EV, an Oakland County based company to provide turnkey solutions for the General Motors Community Charging Program. The initiative encourages municipalities to identify EV charging locations in their communities. Local dealerships provide 80-amp EV chargers from General Motors and will dispatch State Electric Company to install the equipment and commission the chargers upon completion. Equipment procurement and materials, site preparation, utility coordination, and the scheduling and commission of the units are coordinated by Charge EV. State Electric Company will also maintain the equipment and troubleshoot any issues that may arise, decreasing the amount of time the chargers are not in use. There have been 5 locations identified that can be utilized for EV charging. They are 390 S Lafayette St (Lafayette Park), McHattie Park parking lot (502 Washington), McHattie Park near the freight house (300 Dorothy), Whipple Street parking lot and Wells Street parking lot. Councilmember Kivell stated there is a push right now in US and Europe so that everything has the same kind of plug in it. Will the chargers be able to transition to those standards once they are in place. Mr. Mack stated they will be able to be updated. Councilmember Kivell stated being essentially designed for the GM platform, he understands there are adapters. Mr. Mack stated there is a push to have all the charger plugs the same, the only difference is Tesla. Councilmember Kennedy stated the paperwork talks about advertising on the units and he asked if it is a video screen or some kind of static advertising. Mr. Mack stated there will not be a video playing, it will be the logo of the dealership. He further stated the city has a wide latitude of what is allowed to be advertised on the charging stations. If they want to do some sort of advertisement, the city would have to approve it first. Councilmember Hansen asked about the commencement date in the contract. The contract states they have 150 days to bring the charger online, is there any wiggle room on that. Mr. Mack stated we don't push them because there is a lot of work that has to be done, such as calling Miss Dig, and

getting all the infrastructure in place. Councilmember Hansen then asked about the locations, his opinion is the Wells Street parking lot and by McHattie Park seem like the most logical places, and we could advertise for our events. Councilmember Kivell stated having 5 locations will spread the word more. Do we designate the parking places to be used or do they? Mr. Mack stated it will be the city and the company. City Manager Zelenak stated we came up with the locations, but they will have to work with our utility company regarding pole placement so that may designate the parking places.

CM 9-6-23 MOTION TO APPROVE CONTRACT

Motion by Hansen, supported by Kurtzweil

Motion to approve the EV charging contract with Charge EV for electric vehicle charging stations in the City of South Lyon

ROLL CALL VOTE:

Kivell- Yes

Dilg- Yes

Hansen- Yes

Kurtzweil- Yes

Kennedy- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

2. No Mow May discussion

City Manager Zelenak stated for several months we have had brief discussions and received information on No Mow May. The packet includes several articles on the subject listing the pros and the cons of the possibility of initiation of this in South Lyon. He then said our options are to change our ordinance, create a policy, or we can look at additional options. Councilmember Dilg stated she thinks the best thing to do would be to change the ordinance to June, but there are a lot of other options we could be doing. Do we want people to register or just require it to be done in backyards, or change the length in the ordinance. She brought this up to hear other councilmembers thoughts. Councilmember Kivell stated there are a lot of generic things we can talk about. He further stated we can talk about trying to come up with something right now, you can find endless stories about this. He understands the idea of helping the pollinators, but if you have been in your home for 20 years and you take great care of your lawn, and the idea of having a neighbor letting theirs grow and seeds end up flying into their yard, seems like an intrusion on them. He further stated he likes the idea of starting out allowing it in the backyards. He stated that might be a good way to ease into it and see if there is any pushback. He stated he has a lot of pollinators in his yard, and he likes the idea, but he is concerned about what homeowner associations are likely to end up doing. He then stated there is a lot of room for more discussion. He then stated he has been pushing for using our parkland for that, it doesn't have to go into residential areas, but although you can, as long as it doesn't go into your neighbor's yard. With the parks we have, we can have much more impact on making sure there are enough viable places for pollinators to be nourished. He doesn't think that has to be an expensive event. Councilmember Hansen stated he can see both arguments, but he does appreciate this conversation has started. Some of his ideas is having folks register and gauging what kind of interest there is and maybe having the city supply them with a sign so they know what they are showcasing. Reflecting why their yards are larger, or maybe even donating to a fund for using the city park. It may be something to consider next year to see what kind of interest it generates. He further stated until we can gauge the public, and all the other communities trying it out. Councilmember Kurtzweil stated she is glad this discussion is being held. She has been involved in this for almost 15 years and she is happy people are getting interested. She stated she sees both sides of the argument. She said she has a lot of knowledge on this. She plants these types of gardens. The argument for No May is about pollinators. We need to understand the facts. We have ground bees and they dig holes in the ground, but the average bee doesn't fly around in the grass. You aren't helping to pollinate. When you have grass and it is grown, and you

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cut the grass in June, you will be mowing the nest and the yellow bees coming out of the ground, which is a negative impact. Additionally, bees are interesting and when they find a place for food, they tend to continue to come back each year. If you encourage bees to come back to your yard, and you now destroy that habitat they have to find a different location to go. That is an argument for a temporary solution to provide bees for a certain habitat. She further stated if you help nature, help them survive, not only in May. There is no evidence to support that. The pollinator issue is solved by long term management of providing pollinator gardens. It isn't that expensive. She has one in her yard and one at the church. If you say you don't want to cut your grass in May to help the pollinators, you're on the wrong path. She further stated you have to follow the research and science. She further stated if you're doing No Mow May, and you let your grass grow, sometimes animals will nest there. Such as rabbits. She stated she had a friend that went to cut her grass in June, and there were things coming out of the mower, and she hit a rabbit's nest and they were gone. She further stated you have to understand even though you're providing a place for nature to nest in a taller grass environment, what you're doing is when you come back to the pattern of cutting grass, you need to be careful of what has nested in the area. She also reminded everyone that mosquitoes and ticks live in the tall grass. She spent the weekend going over the advantages, and one of the issues was carbon sequestration and it is the process of capturing carbon and storing it. When you allow your grass to grow, it is absorbing carbon and the theory is because of climate changes, we have more carbon in the atmosphere, therefore if you grow your grass tall, the carbon will make more nutrients into the soil. She further stated, she hasn't found any research that when your grass is 7 inches tall, and then you cut it to 3 inches, there is no research showing that the 4 inches of grass have resulting in any carbon sequestration during that time. It is important to understand. Another argument people use is it saves on water usage. She stated she seeds her yard every year with drought resistant grass seed, which requires less watering. She then stated if you want to reserve water, you can use the drought resistant grass seed so you're not watering your grass in June, July, August and September. She further stated we can build pollinator gardens, and it's not that expensive, she has them in her yard and she gives plants away every month, and she goes to organizations that give perennials away. You have to be careful about the plants you choose, because you want to engage the pollinators. She further stated she isn't opposed to people turning their front yards into gardens. Councilmember Dilg stated she likes the ideas of the gardens, but who would be responsible for the maintenance of the gardens, would we allow people to have a public garden. Councilmember Kivell stated it would be a wonderful project for Eagle Scouts, or Girl Scouts. It would get the ball rolling and try to entice people to be a participant. He further stated he spoke with Parks and Recreation and they seem to be on board with it, it is a good starting point, and they didn't have any misgivings about it. Councilmember Kurtzweil stated we have to applaud people that recognize that we have an issue with things that keep us alive. City Manager Zelenak stated he will bring this back at a future meeting for a discussion with things that were brought up tonight. Further discussion was held regarding the future meetings and the additional information that will be discussed.

BUDGET- No discussion was held

PUBLIC COMMENT

Jean Dendel of 321 Hagadorn stated she loves the idea of the gardens, but she isn't keen on not mowing the grass. She is highly allergic to bees, but if someone is willing to help the community and help plant flowers that will beautify the community, it is a wonderful idea. So many people are afraid of not adding the right plants.

MANAGER'S REPORT

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City Manager Zelenak stated Plante Moran will be at the next meeting to present the audit and we will also have the mutual agreement with South Lyon Schools for the Senior Center. He then stated the contractor is continuing to work on repairs at the DPW building and they are trying to get the building closed up before the snow comes. All of the repairs are being handled by MMRMA, our insurance company. He then stated we went out for bid for crack sealing a few weeks ago and we didn't receive any bids so we are reaching out to the companies that were going to bid, to see if we change it to a multiyear contract will encourage them to bid the job. They have started the sanitary sewer project near the railroad tracks, so far, they have done tree removal, minor excavation, and building the bore pits. He then stated the Housing Commission met a few weeks ago, and discussed the proposed redevelopment of the property on Washington and procedures for approval. It looks as though it will still go through as a PUD, so it will have to come before Council for approval. We will have a public hearing, and the final steps will include the applicant submitting a PUD site plan for review for our engineers and consultants, planning commission, and ultimately city council for approval. Councilmember Dilg stated the sidewalk program was a hit in her neighborhood, they look amazing, there were so many that were messed up and they look terrific. They did a wonderful job and thank you to the contractors. Councilmember Kurtzweil stated that is important because as we move into the budget season, that has been the number one thing discussed besides fixing the roads. Everyone is happy about it. The only thing we learned from COVID is to get outside and get healthy and having good sidewalks is important. There are beneficial things that happen when you get out and walk. She may ask to have a little more money being spent. City Manager Zelenak stated he has spoken with Jeff and they talked about extending it for future years, and it was an excellent program and the professional job the contractor did. We will continue the program, not only just for sidewalks damaged by city trees. We want to have a walkable town, and we will continue to try to make some big leaps with this. Councilmember Kurtzweil asked about the manholes covers that are in people's driveways. What is the process if one is cracking their driveway. City Manager Zelenak stated if it is caused by the city manhole cover, the DPW will look at it and decide if it needs to be replaced or removed. Councilmember Kennedy asked for an update on what is taking place on S Lafayette where there are steel grates across the road and the hole in the sidewalk on the east side of S Lafayette. City Manager Zelenak stated that is some utility work being done, they are doing some additional boring in that area. The permits and work are being done by the Road Commission, but we may have done some Miss Diggs identifying the utilities. Councilmember Kivell stated he loves the idea of the sidewalk program and he would love us to find equally important thing to start doing the tree supplement so we can remove trees that are tearing up our sidewalks and putting in less intrusive trees and not ruin all of our stuff. He further stated we have to start somewhere. City Manager Zelenak stated city staff met to look at specific species of trees we should be planting within the rights-of-way instead of some of the old types that were planted. Immediately after the storms we started to discuss a tree replacement program and we will be doing that for several years because we had so much damage within so many areas of the city, we still need to identify what trees need to be taken down. The work is ongoing and the staff have worked over 1,000 hours on just tree and debris removal.

COUNCIL COMMENTS

Councilmember Kivell stated he'd like to expose the often bad and dangerous driving over by Bartlett that's putting a lot of other drivers, pedestrians and children walking home in jeopardy. The road construction has made it worse than normal, but the only acceptable solution is to take a deep breath and do your part to make sure nobody gets hurt. Please be focused on driving with reasonable gaps between you and the other cars and smile. It's harder to ram into someone if you're smiling, unless maybe you drive in demolition derbies.

Councilmember Kennedy reminded everyone that this Wednesday will be the last Lake Street Cruise-in for this season and that it will begin at 4:30pm rather than 6:30pm. So, make plans to come downtown and see some great cars and enjoy a dinner at one of the restaurants downtown. He then stated the Salem-South Lyon District Library will again be offering notary services tomorrow evening. Brad Heist from Comerica Bank will be available from 6pm until 7pm. No appointment is necessary, just bring a photo id and do not sign your documents before arrival. He then stated Larry Ledbetter asked him to pass along a message that the South Lyon Area Historical Society is collecting items to be included in the new time capsule. The items should be non-perishable, no liquids, looking for photographs, letters and other such items of interest. You can drop off the items at the Witch's Hat Museum or you can call 248.437.9929 to make arrangements for someone to pick them up. The deadline is October 15th to make a contribution. He then reminded everyone that Pumpkinfest is this weekend, with the Pumpkinfest Parade on Saturday starting at 10am. There will be lots of activities and entertainment for the entire family so make plans now to be downtown this weekend. You won't want to miss it.

Councilmember Kurtzweil stated South Lyon is a great place to be and town has been packed with people every weekend this month with some great events. She further stated Pumpkinfest is this weekend and it is a great event. She then thanked all the individuals and volunteers that keep the events going. She then stated the weather is going to be great and she hopes everyone stays in downtown this weekend.

Councilmember Hansen stated he is excited to have the EV Chargers on the agenda and he was surprised by the locations, and some people may not notice them, but we will be getting put on the maps when the service is offered for shoppers, travelers and he is thrilled to see this. He then thanked the City Manager and Nate for all their work and he will be there with their family car.

Councilmember Dilg thanked all the volunteers and workers and the Pumpkinfest committee will begin to meet next month for next year and there are so many people that are doing so much work to make this happen. She then gave a shout out to our city staff for all the work they will be doing for the Election season.

Mayor Pelchat stated people in general need to treat each other with respect.

ADJOURNMENT

CM 9-7-23 MOTION TO ADJOURN

Motion by Kurtzweil

Motion to adjourn at 8:57p.m.

Respectfully submitted,

Mayor Dan Pelchat

Deputy Clerk Judy Pieper

REVENUE REPORT FOR CITY OF SOUTH LYON
PERIOD ENDING 09/30/2023

FINANCIAL STATEMENT FOR SEPTEMBER 2023

GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDGT USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2023	NORMAL (ABNORMAL)	MONTH 09/30/2023	INCREASE (DECREASE)	NORMAL (ABNORMAL)	BALANCE	
Fund 101 - GENERAL FUND										
Revenues										
Dept 000.000		5,732,735.00	1,030,851.13			526,383.85		4,701,883.87		17.98
101-000.000-402.000	REAL PROPERTY TAX	0.00	3,483.57			3,483.57		(3,483.57)		100.00
101-000.000-432.000	PAYMENT IN LIEU OF TAXES	1,100.00	652.50			82.00		447.50		59.32
101-000.000-434.000	SOUTH LYON WOODS TAX	10,000.00	0.00			0.00		10,000.00		0.00
101-000.000-445.000	PENALTIES & INTEREST	105,000.00	23,928.50			12,975.73		81,071.50		22.79
101-000.000-447.000	ADMIN FEE PROPERTY TAX	3,000.00	1,000.00			315.00		2,000.00		33.33
101-000.000-476.000	LICENSES & BUSINESS MISC.	425,000.00	216,264.15			125,518.00		208,735.85		50.89
101-000.000-490.000	BUILDING PERMITS	40,000.00	13,577.00			7,521.00		26,423.00		33.94
101-000.000-490.100	HEATING & PLUMB. REFG. PERMI	40,000.00	8,123.00			2,327.00		31,877.00		20.31
101-000.000-490.200	ELECTRICAL PERMITS	1,300.00	450.00			0.00		850.00		34.62
101-000.000-491.000	BOARD OF APPEALS	0.00	1,276.48			0.00		(1,276.48)		100.00
101-000.000-491.100	REZONING FEES	0.00	4,455.00			2,805.00		(4,455.00)		100.00
101-000.000-498.000	FINAL INSPECTIONS	0.00	179,189.75			179,189.75		586,610.25		23.40
101-000.000-528.000	OTHER FEDERAL GRANTS	765,800.00	0.00			0.00		100,000.00		0.00
101-000.000-573.000	STATE REVS	100,000.00	0.00			0.00		100,000.00		0.00
101-000.000-574.000	STATE SHARED REV.	1,361,606.00	209,917.00			209,917.00		1,151,689.00		15.42
101-000.000-590.100	OAKLAND COUNTY TRANSIT REVENUE	92,000.00	0.00			0.00		92,000.00		0.00
101-000.000-592.200	OAKLAND TOGETHER CVT COVID FUNDING	0.00	0.00			0.00		0.00		0.00
101-000.000-634.000	GRAVE OPENINGS & FOUNDATIONS	35,000.00	6,955.00			3,850.00		28,045.00		19.87
101-000.000-635.000	W & S ADMIN. CHARGES	0.00	0.00			0.00		0.00		0.00
101-000.000-655.301	PARKING VIOLATION	100.00	110.00			10.00		(10.00)		110.00
101-000.000-659.000	LOCAL COURT FINES	16,000.00	2,531.20			0.00		13,468.80		15.82
101-000.000-659.100	REFUND-(FOR COST OF ARREST)	0.00	0.00			0.00		0.00		0.00
101-000.000-665.000	INTEREST	50,000.00	137,109.10			42,749.03		(87,109.10)		274.22
101-000.000-665.001	INTEREST-TRANS.CEMETERY INTRE	0.00	0.00			0.00		0.00		0.00
101-000.000-665.007	INTEREST-TRANSFER FROM C&S	0.00	0.00			0.00		0.00		0.00
101-000.000-665.200	INTEREST-EQUALIZ.& CONTINGENC	300.00	0.00			0.00		300.00		0.00
101-000.000-665.300	LGIP INTEREST	0.00	1,282.53			0.00		(1,282.53)		100.00
101-000.000-665.700	INTEREST-MOBILE TOWER	0.00	0.00			0.00		0.00		0.00
101-000.000-665.751	PARK AND REC. INTEREST	0.00	0.00			0.00		0.00		0.00
101-000.000-666.220	MMRMA DIVIDENDS	30,000.00	0.00			0.00		30,000.00		0.00
101-000.000-668.000	RENTS & ROYALTIES	0.00	0.00			0.00		0.00		0.00
101-000.000-668.200	RENTS AND ROYALTIES-CABLE	125,000.00	29,837.95			0.00		95,162.05		23.87
101-000.000-671.300	LEASE--ANTENNA	40,000.00	9,397.99			4,721.50		30,602.01		23.49
101-000.000-671.500	RENTAL PROPERTIES	0.00	0.00			0.00		0.00		0.00
101-000.000-673.000	SALES OF FIXED ASSETS	0.00	0.00			0.00		0.00		0.00
101-000.000-674.209	CONTRIBUTION-PERPETUAL CARE	50,626.00	0.00			0.00		50,626.00		0.00
101-000.000-674.400	FIRST RESPONDERS MONUMENT	38,000.00	49.00			0.00		37,951.00		0.13
101-000.000-674.751	CONTRIB. FOR PARK BENCHES	0.00	0.00			0.00		0.00		0.00
101-000.000-675.200	CONTRIBUTIONS-WINTER EVENTS	0.00	0.00			0.00		0.00		0.00
101-000.000-675.751	CONTRIBUTION TO PARKS & REC	50,000.00	0.00			0.00		50,000.00		0.00
101-000.000-675.802	CULTURAL ARTS REVENUES	300.00	0.00			0.00		300.00		0.00

FINANCIAL STATEMENT FOR SEPTEMBER 2023

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	YTD BALANCE 09/30/2023		ACTIVITY FOR MONTH 09/30/2023 INCREASE (DECREASE)	AVAILABLE BALANCE		% BDGT USED
			NORMAL	(ABNORMAL)		NORMAL	(ABNORMAL)	
Fund 101 - GENERAL FUND								
Revenues								
101-000.000-675.820	VETERANS MEMORIAL PROJECT	1,000.00	0.00		0.00	1,000.00	0.00	0.00
101-000.000-676.346	REIMBURSEMENT FROM HVA	0.00	0.00		0.00	0.00	0.00	0.00
101-000.000-680.000	MISCELLANEOUS	45,000.00	55,190.47		24,809.13	(10,190.47)	122.65	122.65
101-000.000-680.210	WEDDING PROCEEDS	0.00	0.00		0.00	0.00	0.00	0.00
101-000.000-680.301	POLICE	60,000.00	21,801.98		14,718.88	38,198.02	36.34	36.34
101-000.000-680.336	FIRE MISC.	4,500.00	100.00		0.00	4,400.00	2.22	2.22
101-000.000-680.703	PRIOR YEARS TAXES	2,500.00	47.57		0.00	2,452.43	1.90	1.90
101-000.000-682.000	GRANT MONEY	0.00	0.00		0.00	0.00	0.00	0.00
101-000.000-682.301	GRANT MONIES-POLICE DEPT.	20,000.00	0.00		0.00	20,000.00	0.00	0.00
101-000.000-682.336	GRANT MONIES--FIRE DEPT.	20,000.00	0.00		0.00	20,000.00	0.00	0.00
101-000.000-682.802	GRANT MONIES-CULTURAL ARTS	0.00	0.00		0.00	0.00	0.00	0.00
101-000.000-683.300	PYMT. OF SIDEWALKS BY RESIDEN	25,000.00	685.00		0.00	24,315.00	2.74	2.74
101-000.000-685.000	OPTOID SETTLEMENT REVENUE	0.00	1,175.53		0.00	(1,175.53)	100.00	100.00
101-000.000-687.230	SMART CREDITS	0.00	78,226.30		38,040.50	(78,226.30)	100.00	100.00
101-000.000-691.000	OTHER FINANCING SOURCES	0.00	0.00		0.00	0.00	0.00	0.00
101-000.000-692.300	PROCEEDS FROM DEBT	0.00	0.00		0.00	0.00	0.00	0.00
101-000.000-696.000	PROCEEDS FROM SALES OF BONDS/NOTES	0.00	0.00		0.00	0.00	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

9,290,867.00 2,037,667.70 1,199,416.94 7,253,199.30 21.93

TOTAL REVENUES

9,290,867.00 2,037,667.70 1,199,416.94 7,253,199.30 21.93

Fund 101 - GENERAL FUND:

TOTAL REVENUES

9,290,867.00 2,037,667.70 1,199,416.94 7,253,199.30 21.93

PERIOD ENDING 09/30/2023

FINANCIAL STATEMENT FOR SEPTEMBER 2023

GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDGT USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2023	NORMAL (ABNORMAL)	MONTH 09/30/2023 INCREASE (DECREASE)	NORMAL (ABNORMAL)	BALANCE		
Fund 101 - GENERAL FUND										
000.000		0.00		0.00		0.00		0.00		0.00
222.000	- ADMINISTRATION	2,025,452.00		432,639.64		156,440.56		1,592,812.36		21.36
301.000	- POLICE	3,386,998.00		758,297.92		281,449.63		2,628,700.08		22.39
336.000	- FIRE	1,258,010.00		207,618.31		68,502.42		1,050,391.69		16.50
346.000	- AMBULANCE	5,680.00		0.00		0.00		5,680.00		0.00
441.000	- DEPT. OF PUBLIC WORKS	1,284,131.00		243,808.43		97,896.12		1,040,322.57		18.99
567.000	- CEMETERY	189,454.00		35,247.04		9,998.84		154,206.96		18.60
596.000	- SENIOR TRANSPORTATION	92,000.00		14,962.00		7,481.00		77,038.00		16.26
751.000	- PARKS AND RECREATION	822,986.00		55,024.27		19,548.12		767,961.73		6.69
800.000	- CABLE COMMISSION	8,925.00		406.25		0.00		8,518.75		4.55
802.000	- CULTURAL ARTS	5,375.00		370.00		30.00		5,005.00		6.88
803.000	- HISTORICAL DEPOT	51,500.00		3,793.73		1,914.09		47,706.27		7.37
820.000	- VETERANS MEMORIAL PROJECT	48,000.00		0.00		0.00		48,000.00		0.00
TOTAL EXPENDITURES		9,178,511.00		1,752,167.59		643,260.78		7,426,343.41		19.09
Fund 101 - GENERAL FUND:										
TOTAL EXPENDITURES		9,178,511.00		1,752,167.59		643,260.78		7,426,343.41		19.09

FINANCIAL STATEMENT FOR SEPTEMBER 2023

GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDGT USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2023	NORMAL (ABNORMAL)	MONTH 09/30/2023	INCREASE (DECREASE)	BALANCE	(ABNORMAL)	
Fund 202 - MAJOR STREETS										
000.000		0.00		0.00		0.00		0.00		0.00
223.000	- ACCOUNTANT	6,200.00		3,212.00		17.50		2,988.00		51.81
451.000	- STREET CONSTRUCTION	20,000.00		0.00		0.00		20,000.00		0.00
463.000	- STREET-ROUTINE MAINT.	208,507.00		61,335.89		28,718.79		147,171.11		29.42
474.000	- TRAFFIC SERVICES	50,479.00		1,025.13		445.34		49,453.87		2.03
478.000	- SNOW PLOWING	90,022.00		3,224.32		1,791.32		86,797.68		3.58
479.000	- SNOW REMOVAL	4,604.00		359.00		0.00		4,245.00		7.80
485.000	- TRANSFER BETWEEN FUNDS	100,000.00		0.00		0.00		100,000.00		0.00
491.000	- STORM SEWER	11,710.00		968.44		598.69		10,741.56		8.27
TOTAL EXPENDITURES		491,522.00		70,124.78		31,571.64		421,397.22		14.27
Fund 202 - MAJOR STREETS:										
TOTAL EXPENDITURES		491,522.00		70,124.78		31,571.64		421,397.22		14.27
Fund 203 - LOCAL STREETS										
000.000		0.00		0.00		0.00		0.00		0.00
223.000	- ACCOUNTANT	5,600.00		3,160.00		0.00		2,440.00		56.43
451.000	- STREET CONSTRUCTION	120,000.00		205,124.50		25,934.75		(85,124.50)		170.94
463.000	- STREET-ROUTINE MAINT.	190,767.00		56,557.56		21,867.70		134,209.44		29.65
474.000	- TRAFFIC SERVICES	13,078.00		1,671.84		1,210.27		11,406.16		12.78
478.000	- SNOW PLOWING	82,648.00		1,828.55		964.55		80,819.45		2.21
485.000	- TRANSFER BETWEEN FUNDS	0.00		0.00		0.00		0.00		0.00
491.000	- STORM SEWER	20,909.00		886.77		608.18		20,022.23		4.24
TOTAL EXPENDITURES		433,002.00		269,229.22		50,585.45		163,772.78		62.18
Fund 203 - LOCAL STREETS:										
TOTAL EXPENDITURES		433,002.00		269,229.22		50,585.45		163,772.78		62.18
TOTAL EXPENDITURES - ALL FUNDS										
TOTAL EXPENDITURES - ALL FUNDS		924,524.00		339,354.00		82,157.09		585,170.00		36.71

EXPENDITURE REPORT FOR CITY OF SOUTH LYON

PERIOD ENDING 09/30/2023

FINANCIAL STATEMENT FOR SEPTEMBER 2023

GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE		ACTIVITY FOR		AVAILABLE	% BDDT USED
		AMENDED BUDGET		09/30/2023		MONTH 09/30/2023			
				NORMAL	(ABNORMAL)	INCREASE	(DECREASE)	NORMAL	(ABNORMAL)
Fund 592 -- WATER & SEWER									
452.000	-- WATER & SEWER CONSTRUCTION	500,000.00		911,480.30		464,811.30		(411,480.30)	182.30
528.000	-- REFUSE COLLECTION	621,204.00		152,060.96		50,821.01		469,143.04	24.48
540.000	-- WATER / REPAIR	247,780.00		27,992.70		19,310.67		219,787.30	11.30
550.000	-- SEWER / REPAIR	232,797.00		12,964.29		5,258.04		219,832.71	5.57
556.000	-- WATER	1,297,750.00		266,642.80		121,962.92		1,031,107.20	20.55
557.000	-- WASTEWATER	3,341,749.00		300,151.98		112,675.87		3,041,597.02	8.98
TOTAL EXPENDITURES		6,241,280.00		1,671,293.03		774,839.81		4,569,986.97	26.78
Fund 592 -- WATER & SEWER:									
TOTAL EXPENDIURES		6,241,280.00		1,671,293.03		774,839.81		4,569,986.97	26.78

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CHECK REGISTER FOR CITY OF SOUTH LYON
CHECK DATE FROM 09/14/2023 - 10/05/2023

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Check Date	Check	Vendor Name	Description	Amount	Status
Bank 01 GEN FUND CHECKING					
09/14/2023	88369	ALLIE BROTHERS	UNIFORM BREAST BADGE, UNIFORM COLLAR BR	106.99	Cleared
09/14/2023	88370	AMAZON CAPITAL SERVICES	FRAME AIR FRESHENERS, HAND TOWELS, LYSOL-TOIL BATTERIES FOR WEAPON LIGHTS	15.57 220.47 73.08 309.12	Cleared Cleared Cleared
09/14/2023	88371	ASCENSION MICHIGAN EMPLOYER SOL.	POST OFFER - PRE HIRE PHYSICAL (J. BURC MEDICAL TEST - BRIAN HAYES	195.00 560.00 755.00	Cleared Cleared
09/14/2023	88372	BUSCH'S	CASE OF WATER	23.94	Cleared
09/14/2023	88373	CHRISTOPHER EHRESMAN	COUNCIL RECORDING 9/11/2023	75.00	Cleared
09/14/2023	88374	CIVICPLUS LLC	ONLINE CODE HOSTING 10/01/2023 - 9/30/2	945.00	Cleared
09/14/2023	88375	CONSUMERS ENERGY	300 DOROTHY ST # B SERVICE PERIOD 8/3/2	1.40	Cleared
09/14/2023	88376	CONSUMERS ENERGY	300 DOROTHY ST SERVICE PERIOD 8/3/2023	1.40	Cleared
09/14/2023	88377	CONSUMERS ENERGY	250 DOROTHY ST SERVICE PERIOD 8/3/2023	44.35	Cleared
09/14/2023	88378	CONSUMERS ENERGY	214 W LAKE ST SERVICE PERIOD 8/3/2023 -	1.40	Cleared
09/14/2023	88379	CONSUMERS ENERGY	219 WHIPPLE ST SERVICE PERIOD 8/3/2023	105.33	Cleared
09/14/2023	88380	CONSUMERS ENERGY	SERVICE PERIOD 8/3/2023 - 8/31/2023	74.82	Cleared
09/14/2023	88381	DTE ENERGY	215 WHIPPLE ST SERVICE PERIOD 7/26/2023	647.56	Cleared
09/14/2023	88382	EMPLOYEE HEALTH INSURANCE MGMT	AUGUST 2023 ADMINISTRATIVE MEDICAL WRAP	851.00	Cleared
09/14/2023	88383	HURON VALLEY AMBULANCE. INC	STATEMENT 7/31/2023 - BLOOD DRAW SERVIC	65.00	Cleared
09/14/2023	88384	HURON VALLEY GUNS	UNIFORM	69.99	Cleared
09/14/2023	88385	UPRISE HEALTH	EAP PREMIUMS FOR THE MONTHS OF SEPT, O	123.00	Cleared
09/14/2023	88386	KENSINGTON VALLEY VARSITY	UNIFORMS (TEES AND PRINTING)	178.08	Cleared
09/14/2023	88387	MARTIN'S DO IT BEST	AUGUST 2023 STATEMENT	635.18	Cleared
09/14/2023	88388	OAKLAND COUNTY TREASURER	TRAILER PARK TAX MONTHLY TAX REPORT AUG	410.00	Cleared
09/14/2023	88389	PEOPLES EXPRESS	AUGUST 2023 FARES	7,481.00	Cleared
09/14/2023	88390	PETER'S TRUE VALUE HARDWARE	AUGUST 2023 STATEMENT RIBBON AND HOSE EYEGUASS REPAIR KIT	2,534.77 63.28 2.49 2,600.54	Cleared Cleared Cleared
09/14/2023	88391	PURCHASE POWER	POSTAGE REFILL 8/18/2023	400.00	Cleared
09/14/2023	88392	PITNEY BOWES INC	INK CARTRIDGE	132.79	Cleared
09/14/2023	88393	R.R.A.S.O.C.	AUGUST HAZARDOUS WASTE	252.50	Cleared
09/14/2023	88394	SAFEBUILT, LLC LOCKBOX # 88135	AUGUST PERMIT FEES AND CLERK	55,146.15	Cleared
09/14/2023	88395	STAPLES	SUMMARY INVOICE 8/28/23	104.86	Cleared
09/14/2023	88396	THE UPS STORE	SHIPPING OF LAB EQUIPMENT	453.60	Cleared
09/14/2023	88397	VC3, INC.	CLOUD AGREEMENT & 576 DATA RECOVERY, AN	876.00	Cleared
09/14/2023	88398	WOW! BUSINESS	SERVICE PERIOD 8/18/2023 - 9/17/2023	146.14	Cleared
09/14/2023	88399	WOW! BUSINESS	CABLE TV SERVICE PERIOD 9/6/23 - 10/5/2	54.97	Cleared

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CHECK REGISTER FOR CITY OF SOUTH LYON
CHECK DATE FROM 09/14/2023 - 10/05/2023

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Check Date	Check	Vendor Name	Description	Amount	Status
09/14/2023	88400	YOURMEMBERSHIP.COM, INC	DPW AD - MML	150.00	Cleared
09/15/2023	88401	CITY OF NOVI TREASURER	FD PORTION FOR DISPATCH SERVICES 7/1/23	5,905.33	Cleared
09/15/2023	88402	CONSUMERS ENERGY	SERVICE PERIOD 8/3/2023 - 8/31/2023, VA	435.14	Cleared
09/15/2023	88403	RYAN ROSE	REIMBURSEMENT FOR DOT PHYSICAL	129.00	Open
09/21/2023	88404	JAMES REEVES	UB Receipt Refund for Account #: BWRD-0	41.88	Open
09/21/2023	88405	ALLIIE BROTHERS	UNIFORMS (NAME TAG, SERVING SINCE BAR A	123.98	Cleared
09/21/2023	88406	AMAZON CAPITAL SERVICES	AXIE KIT	319.99	Cleared
09/21/2023	88407	ATA NATIONAL TITLE GROUP	TAX REFUND 80-21-20-328-010	3,984.09	Open
09/21/2023	88408	BLUE CROSS BLUE SHIELD OF MICH	OCTOBER 2023 INSURANCE PREMIUMS	46,267.65	Cleared
09/21/2023	88409	BLUE CROSS BLUE SHIELD OF MICH	OCTOBER 2023 RETIREE HEALTH INS PREMIUM	5,565.16	Cleared
09/21/2023	88410	AEDAN BRANIGAN-BROWN	REIMBURSEMENT FOR STATE EMT-B TEST	104.00	Cleared
			REIMBURSEMENT FOR EMT STATE LICENSE FEE	40.00	Cleared
				144.00	
09/21/2023	88411	COMCAST	ETHERNET DEDICATED LINE 9/15/2023 - 10/	1,500.00	Open
09/21/2023	88412	CONSUMERS ENERGY	215 WHIPPLE ST SERVICE PERIOD 8/3/2023	71.91	Cleared
09/21/2023	88413	CONSUMERS ENERGY	215 WHIPPLE ST GENERATOR SERVICE PERIOD	196.87	Cleared
09/21/2023	88414	CORELOGIC CENTRALIZED REFUNDS	OVERPAYMENT OF TAX, MULTIPLE PROPERTIES	52,026.61	Open
09/21/2023	88415	D & G NATURES WAY LAWN CARE	FALL - PERIMETER TREATMENT	187.52	Cleared
09/21/2023	88416	EMPLOYEE HEALTH INSURANCE MGMT	AUGUST 2023 CLAIMS FUNDING	5,737.64	Cleared
09/21/2023	88417	FIRST AMERICAN TITLE	TAX REFUND 80-21-19-329-006	10,485.61	Cleared
09/21/2023	88418	GALLAGHER FIRE EQUIPT.CO.	FIRE EXTINGUISHER PURCHASE AND INSPECTI	207.00	Open
09/21/2023	88419	GUARDIAN	INSURANCE PREMIUMS OCTOBER 2023	9,467.82	Open
09/21/2023	88420	BRIAN HAYES	REIMBURSEMENT FOR JOB SHIRT	73.14	Cleared
09/21/2023	88421	HOME DEPOT CREDIT SERVICES	STATEMENT 9/13/23	236.11	Cleared
09/21/2023	88422	INTL UNION OF OPERATING ENG	PAYROLL DEDUCTION UNION DUES SEPTEMBER	222.50	Cleared
09/21/2023	88423	AYDIN JOHNSON	REIMBURSEMENT FOR JOB SHIRT	85.99	Open
09/21/2023	88424	DEBBIE KADWELL	REIMBURSEMENT FOR CABLED SEWER LINE 212	483.00	Cleared
09/21/2023	88425	KELLER THOMA	GENERAL MATTERS - PROFESSIONAL SERVICES	285.00	Cleared
09/21/2023	88426	KENSINGTON VALLEY VARSITY	UNIFORM EMBROIDERY	36.00	Open
09/21/2023	88427	MICHIGAN GOVERNMENT FINANCE	MGFOA MEMBERSHIP RENEWAL FOR PATRICIA T	130.00	Cleared
09/21/2023	88428	MISDU	PAYROLL DEDUCTION ID 913297993	61.84	Cleared
			PAYROLL DEDUCTION ID 913659641	123.91	Cleared
			PAYROLL DEDUCTION ID 913616706	150.00	Cleared
				335.75	
09/21/2023	88429	MISSIONSQUARE - 301149	MISSIONSQUARE PLAN # 301149 457 TRANSFE	3,466.17	Cleared
09/21/2023	88430	PITNEY BOWES INC	RED INK CARTRIDGE	132.79	Cleared
09/21/2023	88431	PLUMBER'S SERVICE	CABLED SANITARY SEWER LINE 212 E LIBERT	193.50	Cleared
09/21/2023	88432	ROSATI, SCHULTZ, JOPFICH	PROSECUTIONS - PROFESSIONAL SERVICES RE	3,146.00	Cleared
			GENERAL LABOR MATTERS - PROFESSIONAL SE	2,673.00	Cleared
			CITY ATTORNEY GENERAL WORK - PROFESSION	4,980.00	Cleared
				10,799.00	
09/21/2023	88433	SALEM-SOUTH LYON DISTRICT	TAX DISBURSEMENT/TAXES DUE TO LIBRARY	358,019.51	Cleared

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09/21/2023	88434	SOUTH LYON COMMUNITY SCHOOLS	TAX DISBURSEMENT/TAXES DUE TO SCHOOLS	2,141,730.91	Cleared
09/21/2023	88435	CHRISTOPHER SOVIK	TESTING SERVICES FOR PROMOTIONAL EXAM -	200.00	Cleared
09/21/2023	88436	STATE OF MICHIGAN**	LIVE SCAN SERVICES JUNE 2023	300.75	Cleared
			LIVE SCAN SERVICES FOR AUGUST AND SEPT	2,026.75	Cleared
				2,327.50	
09/21/2023	88437	TRUGREEN PROCESSING CENTER	LAWN SERVICE AT PAUL BAKER AND VOLUNTEER	1,140.62	Cleared
09/21/2023	88438	ROBIN WEAVER	REFUND OF DUPLICATE PAYMENT PARCEL ID 8	0.00	Cleared
09/21/2023	88439	WOW! BUSINESS	PARK SECURITY SEPT; 520 ADA CABLE, INTE	405.12	Cleared
09/21/2023	88440	VERN MOEN	MUSIC AT FARMERS MARKET 9/16/2023	100.00	Cleared
09/28/2023	88441	ADAMS OUTDOOR ADVERTISING	DIGITAL BILLBOARD ADVERTISEMENT DURING	4,250.00	Open
09/28/2023	88442	ALEXANDER'S FARM MARKET	POCKET PARK ON E LAKE ST FALL ENHANCEME	206.34	Open
09/28/2023	88443	AMAZON CAPITAL SERVICES	HELMET STICKERS	49.76	Open
			COFFEE	71.84	Open
			PHONE HOLDERS/MOUNTS FOR VEHICLES (2)	43.18	Open
				164.78	
09/28/2023	88444	AT&T MOBILITY	SERVICE PERIOD AUG 7 - SEP 6	167.10	Open
09/28/2023	88445	CSC	ANNUAL MONITORING SERVICE AT DEPOT	180.00	Open
09/28/2023	88446	COMMUNITY PUBLISHING & MARKETING	LYON TODAY PUMPKINFEST AD	650.00	Open
09/28/2023	88447	DANIEL PELCHAT	MONTHLY COUNCIL PAY SEPTEMBER 2023	220.00	Cleared
09/28/2023	88448	DTE ENERGY	200 DOROTHY ST SERVICE PERIOD 8/18/2023	21.95	Open
09/28/2023	88449	CHRISTOPHER EHRESMAN	COUNCIL RECORDING 9/25/2023	75.00	Open
09/28/2023	88450	GALLS, LLC	UNIFORM RETURN DIFFERENCE	9.54	Open
09/28/2023	88451	GFL ENVIRONMENTAL USA	ROLL OFF DUMPSTER FOR STORM DAMAGE	720.00	Open
09/28/2023	88452	GFL ENVIRONMENTAL USA	DUMPSTER & RECYCLING 10/1/2023 - 10/31/	1,498.85	Open
09/28/2023	88453	ALEX HANSEN	MONTHLY COUNCIL PAY SEPTEMBER 2023	180.00	Open
09/28/2023	88454	HURON VALLEY GUNS	WINTER COAT FOR CADET	149.99	Open
09/28/2023	88455	KENNINGTON VALLEY VARSITY	SHIRTS	662.05	Open
09/28/2023	88456	GLENN KIVELL	MONTHLY COUNCIL PAY SEPTEMBER 2023	180.00	Open
09/28/2023	88457	MARGARET KURTZWELL	MONTHLY COUNCIL PAY SEPTEMBER 2023	180.00	Open
09/28/2023	88458	LISA DILG	MONTHLY COUNCIL PAY SEPTEMBER 2023	180.00	Open
09/28/2023	88459	LORI MOSIER	MONTHLY COUNCIL PAY SEPTEMBER 2023	180.00	Open
09/28/2023	88460	MSA SAFETY SALES, LLC	SCBA MAINTENANCE CLASS (NICAH DEMEYER)	1,020.00	Open
09/28/2023	88461	NEC FINANCIAL SERVICES, LLC	OCT BILLINGS WW & DPW PHONE SYSTEM	177.81	Open
09/28/2023	88462	PETER'S TRUE VALUE HARDWARE	DUCT TAPE, METAL DISC, METAL WHEEL	42.55	Open
			DUCT TAPE FOR ASR TRAINING	13.99	Open
				56.54	
09/28/2023	88463	PNC BANK	BUSINESS CARD STATEMENT 9/18/23	1,668.37	Open
09/28/2023	88464	POSTMASTER	POSTAGE FOR OCTOBER 2023 WATER BILLS	1,717.92	Open
09/28/2023	88465	STAPLES	SUMMARY INVOICE 9/11/23	98.04	Open
09/28/2023	88466	STEPHEN KENNEDY	MONTHLY COUNCIL PAY SEPTEMBER 2023	180.00	Open
09/28/2023	88467	THE ADAMS GROUP, INC.	DEMOLITION 464 LAFAYETTE BALANCE DUE 10	3,508.00	Open
09/28/2023	88468	TOSHIBA FINANCIAL SERVICES	COPPER CONTRACT SERVICE PERIOD 9/15/202	169.68	Open

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09/28/2023	88469	TOSHIBA FINANCIAL SERVICES	COPIER CONTRACT SERVICE PERIOD 9/15/202	1,464.57	Open
09/28/2023	88470	WOW! BUSINESS	SERVICE PERIOD 9/16/2023 - 10/15/2023	12.12	Open
09/28/2023	88471	WOW! BUSINESS	LATE FEE	10.00	Open
09/28/2023	88472	YOURMEMBERSHIP.COM, INC	DPW AD	150.00	Open
10/04/2023	88473	SZOTT M-59 DODGE	2023 DODGE DURANGO POLICE DEPT VEHICLE	39,893.00	Open
10/05/2023	88474	A.F.S.C.M.E. COUNCIL 25	PAYROLL DEDUCTION UNION DUES OCTOBER 20	552.50	Open
10/05/2023	88475	AMAZON CAPITAL SERVICES	DRUG BOXES FOR NEEDLE DISPOSAL	54.57	Open
			PAPER TOWELS, BLEACH, PAPER CLIPS	64.68	Open
			SHIRTS (4)	79.96	Open
			FAKE SECURITY CAMERA FOR VOLUNTEER PARK	48.99	Open
				248.20	
10/05/2023	88476	AT&T	SERVICE PERIOD SEP 24 - OCT 23	77.07	Open
10/05/2023	88477	AT&T	PHONE LINES AT NOVI DISPATCH SERVICE PE	350.68	Open
10/05/2023	88478	AT&T MOBILITY	SERVICE PERIOD AUG 20 - SEP 19	344.58	Open
10/05/2023	88479	CIB PLANNING	PLANNING ADMINISTRATION & SITE PLAN FEE	9,543.00	Open
10/05/2023	88480	CITY OF SOUTH LYON	214 WEST LAKE ADMIN BLDG WATER SERVICE	52.83	Open
10/05/2023	88481	CITY OF SOUTH LYON	219 WHIPPLE STATION WATER SERVICE PERIO	129.84	Open
10/05/2023	88482	COMCAST	SERVICE PERIOD 9/27/2023 - 10/26/2023	98.75	Open
10/05/2023	88483	CULLIGAN OF ANN ARBOR/DETROIT	ICE/WATER MACHINE RENTAL WITH SERVICE C	110.00	Open
10/05/2023	88484	DTE ENERGY	219 WHIPPLE ST SERVICE PERIOD 8/24/2023	548.01	Open
10/05/2023	88485	DTE ENERGY	214 W LAKE ST SERVICE PERIOD 8/24/2023	146.79	Open
10/05/2023	88486	DTE ENERGY	250 DOROTHY ST SERVICE PERIOD 8/24/2023	114.28	Open
10/05/2023	88487	DTE ENERGY	300 DOROTHY ST SERVICE PERIOD 8/24/2023	119.51	Open
10/05/2023	88488	DTE ENERGY	SERVICE PERIOD 8/24/2023 - 9/22/2023, V	1,179.05	Open
10/05/2023	88489	DTE ENERGY	SERVICE PERIOD 8/24/2023 - 9/22/2023	2,082.76	Open
10/05/2023	88490	DTE ENERGY	23500 DIXBORO & 376 DOROTHY SERVICE PER	28,777.38	Open
10/05/2023	88491	DTE ENERGY	SERVICE PERIOD 8/29/2023 - 9/27/2023, V	916.24	Open
10/05/2023	88492	HR MANAGEMENT GROUP, INC.	BACKGROUND SCREENING FOR DPW LABORER PO	137.50	Open
10/05/2023	88493	NATHAN MACK	MILEAGE REIMBURSEMENT SEPTEMBER 2023	136.84	Open
10/05/2023	88494	MARTIN'S DO IT BEST	STATEMENT 9/30/2023	37.97	Open
			STATEMENT 9/30/2023	87.71	Open
				125.68	
10/05/2023	88495	MICHIGAN ECONOMIC DEVELOPERS ASSOC.	MEDA ANNUAL MEMBERSHIP 2023	325.00	Open
10/05/2023	88496	MICHIGAN MUNICIPAL RISK	CITY RETENTION FUND CONTRIBUTION 10/14/ ANNUAL POLICY PERIOD CONTRIBUTION 10/14	20,000.00 139,348.00	Open Open
				159,348.00	
10/05/2023	88497	MISDU	PAYROLL DEDUCTION ID 913616706	150.00	Open
			PAYROLL DEDUCTION ID 913659641	123.91	Open
			PAYROLL DEDUCTION ID 913297993	61.84	Open
				335.75	

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10/05/2023	88498	MISSIONSQUARE - 301149	MISSIONSQUARE 457 PLAN # 301149 PPE 10/	3,725.02	Open
10/05/2023	88499	MMTA	MEMBERSHIP RENEWAL THROUGH 12/31/2024	99.00	Open
10/05/2023	88500	VERN MOEN	FARMERS MARKET MUSIC 9/23/23	100.00	Open
10/05/2023	88501	OAKLAND COMMUNITY COLLEGE/CREST*	STATE TRAINING FUNDS TRANSFERRED TO OCC	2,678.41	Open
10/05/2023	88502	PARKSIDE CLEANERS	STATEMENT PERIOD 9/1/23 - 9/30/23	82.00	Open
10/05/2023	88503	PETER'S TRUE VALUE HARDWARE	LOCK BOX FOR GUN BOX	38.99	Open
10/05/2023	88504	PLANTE & MORAN, PLLC	FINAL BILL FOR AUDIT OF THE CITY'S JUNE	18,500.00	Open
10/05/2023	88505	POLICE OFFICERS ASSOC. OF MICHIGAN	PAYROLL DEDUCTION UNION DUES OCTOBER 20	665.86	Open
10/05/2023	88506	POLICE OFFICERS LABOR COUNCIL	PAYROLL DEDUCTION UNION DUES OCTOBER 20	301.50	Open
10/05/2023	88507	PRINTING SYSTEMS, INC.	SHUT OFF NOTICE POSTCARDS 5,000	291.48	Open
10/05/2023	88508	ROAD COMMISSION FOR OAKLAND COUNTY	TRAFFIC SIGNAL MAINT. AUG 2023	178.52	Open
10/05/2023	88509	SALEM-SOUTH LYON DISTRICT	TAX DISBURSEMENT/TAXES DUE TO LIBRARY	231,994.42	Open
10/05/2023	88510	SOUTH LYON COMMUNITY SCHOOLS	TAX DISBURSEMENT/TAXES DUE TO SCHOOLS	1,734,098.62	Open
10/05/2023	88511	TOSHIBA FINANCIAL SERVICES	COPIER SERVICES FOR ADMIN BLDG 9/16/202	150.14	Open
10/05/2023	88512	VC3, INC.	EPOLL BOOKS FOR ELECTION	5,040.00	Open
10/05/2023	88513	JAMES WALKER	REFUND OF OVERPAYMENT OF TAX 21-20-356-	135.78	Open
10/05/2023	88514	RYAN WEBB	REIMBURSEMENT FOR LICENSE FEE	42.87	Open
10/05/2023	88515	WOW! BUSINESS	INTERNET AND PHONE SERVICE PERIOD 9/24/	140.56	Open
10/05/2023	88516	WOW! BUSINESS	SERVICE PERIOD 9/27/2023 - 10/26/2023	171.58	Open

01 TOTALS:

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Total of 147 Disbursements:

5,000,658.56

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Fund 101 GENERAL FUND							
Dept 301.000 POLICE							
101-301.000-740.000	OPERATING EXPENSE	GALLAGHER FIRE EQUIPT	STATION FIRE ALARM INSPECTION	MB67355	10/09/23	280.00	
101-301.000-820.000	COMPUTER	VC3, INC.	UPGRADE AND ADD MEMORY TO STATION	125088	10/09/23	1,280.00	
101-301.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE PARTS, FUEL CAPS, FUEL LINE	8195325539460	10/09/23	2.89	
101-301.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE FLUID, BRAKE CLEANER, PENETR	8195326139705	10/09/23	15.85	
101-301.000-863.000	VEHICLE MAINTENANCE	CERTIFIED LABORATORIE	PREMALUBE RED, BLUE BEAST AEROSOL,	8356898	10/09/23	164.00	
101-301.000-863.000	VEHICLE MAINTENANCE	COOK AUTOMOTIVE	FIX REAR BEARINGS AND ROTORS ON LT	54188	10/09/23	1,118.46	
101-301.000-863.000	VEHICLE MAINTENANCE	GREEN OAK TIRE, INC.	REPAIR/PATCH FLAT TIRE	1-137807, 1-137	10/09/23	47.00	
101-301.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS	ZEP O-SHINE 5 GAL (5)	9310851441	10/09/23	55.73	
101-301.000-863.000	VEHICLE MAINTENANCE	ROYAL TRUCK & UTILITY	12-PC. COMBINATION INT/EXT RETAINI	30018693	10/09/23	26.98	
101-301.000-863.000	VEHICLE MAINTENANCE	WALKER SERVICE, INC.	TOWING FROM DPW YARD TO COOKS AUTO	8/24/2023	10/09/23	150.00	
101-301.000-863.000	VEHICLE MAINTENANCE	CYNERGY PRODUCTS	TEARDOWN AND GRAPHIC REMOVAL OF 25	37262	10/09/23	1,114.75	
101-301.000-978.000	CAPITAL EQUIPMENT	CYNERGY PRODUCTS	COMPLETE STRIP OUT FOR 282	37270	10/09/23	1,106.80	
101-301.000-978.000	CAPITAL EQUIPMENT		Total For Dept 301.000 POLICE			5,362.46	
Dept 336.000 FIRE							
101-336.000-740.000	OPERATING EXPENSE	BOUND TREE MEDICAL, L	DEFIB/PACING/ECG PADS (2)	85080682	10/09/23	59.84	
101-336.000-740.000	OPERATING EXPENSE	BOUND TREE MEDICAL, L	CURAPLEX TRITONGRIP SE GLOVES 100/	85078759	10/09/23	73.60	
101-336.000-740.000	OPERATING EXPENSE	MACQUEEN EMERGENCY	K12 RESCUE SAW AND 14" BLADE	P19803	10/09/23	2,496.46	
101-336.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE FLUID, BRAKE CLEANER, PENETR	8195326139705	10/09/23	11.88	
101-336.000-863.000	VEHICLE MAINTENANCE	CERTIFIED LABORATORIE	PREMALUBE RED, BLUE BEAST AEROSOL,	8356898	10/09/23	123.00	
101-336.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS	ZEP O-SHINE 5 GAL (5)	9310851441	10/09/23	41.80	
101-336.000-863.000	VEHICLE MAINTENANCE	R & R FIRE TRUCK REPA	WINDSHIELD	66327	10/09/23	616.43	
101-336.000-863.000	VEHICLE MAINTENANCE	ROYAL TRUCK & UTILITY	12-PC. COMBINATION INT/EXT RETAINI	30018693	10/09/23	20.24	
101-336.000-931.000	BUILDING MAINTENANCE	GALLAGHER FIRE EQUIPT	BUILDING FIRE EXTINGUISHER MAINTEN	MB67136	10/09/23	97.00	
101-336.000-957.000	EDUCATION & TRAINING	IPL MANAGEMENT	20' STANDARD USED CARGO STORAGE ST	35449	10/09/23	1,950.00	
			Total For Dept 336.000 FIRE			5,490.25	
Dept 441.000 DEPT. OF PUBLIC WORKS							
101-441.000-740.000	OPERATING EXPENSE	ADVANCE AUTO PARTS	CLAY OIL ABSORBENT (2)	8195325045096	10/09/23	31.98	
101-441.000-740.000	OPERATING EXPENSE	CONTRACTORS CONNECTIO	MARKING PAINT FOR SEWER & WATER LI	7178310	10/09/23	54.00	
101-441.000-740.000	OPERATING EXPENSE	DIAMOND SPEED PRODUCT	SPEED BLADE	80410	10/09/23	225.00	
101-441.000-740.000	OPERATING EXPENSE	GRAINGER	BARRICADES AND REFLECTIVE TAPE	9843169682	10/09/23	1,277.91	
101-441.000-740.000	OPERATING EXPENSE	LINDE GAS & EQUIPMENT	CYLINDER RENTAL 8/20/2023 - 9/20/2	38363468	10/09/23	167.10	
101-441.000-860.000	GAS & OIL	QUALITY FIRST AID & S	GLOVES (20) AND SAFETY GLASSES (48	75012	10/09/23	337.11	
101-441.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (186.80) AND DIESEL (114.70)	7904926-IN	10/09/23	933.48	
101-441.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	DIESEL (328.30) AND GAS (220.30)	7887690-IN	10/09/23	1,859.16	
101-441.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (104.70) AND DIESEL (121.00)	7893555-IN	10/09/23	759.71	
101-441.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (141.90)	7890990-IN	10/09/23	449.45	
101-441.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	DIESEL (109.40) & GAS (342.60)	789836-IN	10/09/23	1,000.10	
101-441.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE PARTS, FUEL CAPS, FUEL LINE	8195325539460	10/09/23	590.07	
101-441.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE FLUID, BRAKE CLEANER, PENETR	8195326139705	10/09/23	56.29	

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Fund 101 GENERAL FUND							
Dept 441.000 DEPT. OF PUBLIC WORKS							
101-441.000-863.000	VEHICLE MAINTENANCE	BELL EQUIPMENT CO.	SIDE BROOM LINK PIN, SB LINK-NU AC	W02124	10/09/23	4,571.00	
101-441.000-863.000	VEHICLE MAINTENANCE	CAPITAL ONE TRADE CRE	TRAILER ASSIST	52599915	10/09/23	167.44	
101-441.000-863.000	VEHICLE MAINTENANCE	CERTIFIED LABORATORIE	PREMALUBE RED, BLUE BEAST AEROSOL,	8356898	10/09/23	450.98	
101-441.000-863.000	VEHICLE MAINTENANCE	COMMERCE AUTO & RADIA	RADIATOR	26218	10/09/23	297.80	
101-441.000-863.000	VEHICLE MAINTENANCE	DOUBLE EQUIPMENT INC.	FUEL CAP	8777	10/09/23	12.00	
101-441.000-863.000	VEHICLE MAINTENANCE	GREEN OAK TIRE, INC.	REPAIR/PATCH FLAT TIRE	1-137807, 1-137	10/09/23	41.00	
101-441.000-863.000	VEHICLE MAINTENANCE	HINES PARK FORD, INC.	CAP	164111	10/09/23	22.34	
101-441.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS	ZEP O-SHINE 5 GAL (5)	9310851441	10/09/23	153.25	
101-441.000-863.000	VEHICLE MAINTENANCE	MICHIGAN CAT	RESTOCKING CHARGE FOR RETURN OF RE	PD15218641	10/09/23	7.24	
101-441.000-863.000	VEHICLE MAINTENANCE	ROYAL TRUCK & UTILITY	FILTER	30019449	10/09/23	34.68	
101-441.000-974.000	LAND IMPROVEMENTS	ROYAL TRUCK & UTILITY	12-PC. COMBINATION INT/EXT RETAINI	30018693	10/09/23	74.20	
101-441.000-974.000	LAND IMPROVEMENTS	ALL AMERICAN TREE SER	TREE REMOVAL FROM STORM DAMAGE 265	9636, 9637	10/09/23	2,800.00	
101-441.000-974.000	LAND IMPROVEMENTS	ALL AMERICAN TREE SER	REMOVE 3 TREES WITH STUMP GRINDING	9662	10/09/23	2,900.00	
101-441.000-974.000	LAND IMPROVEMENTS	ALL AMERICAN TREE SER	TREE REMOVAL, MULTIPLE LOCATIONS	9633, 9634, 963	10/09/23	5,850.00	
101-441.000-974.000	LAND IMPROVEMENTS	ALL AMERICAN TREE SER	TREE REMOVAL AND GRIND STUMP AT 20	9682	10/09/23	1,500.00	
101-441.000-974.000	LAND IMPROVEMENTS	STONE DEPOT LANDSCAPE	TOP SOIL (2)	077605	10/09/23	45.00	
Total For Dept 441.000 DEPT. OF PUBLIC WORKS						26,668.29	
Dept 567.000 CEMETERY							
101-567.000-740.000	OPERATING EXPENSE	ADVANCE AUTO PARTS	BRAKE FLUID, BRAKE CLEANER, PENETR	8195326139705	10/09/23	9.90	
101-567.000-740.000	OPERATING EXPENSE	CERTIFIED LABORATORIE	PREMALUBE RED, BLUE BEAST AEROSOL,	8356898	10/09/23	102.50	
101-567.000-740.000	OPERATING EXPENSE	HUTSON, INC.	FLANGE LOCK NUT, ANTI-SCALP WHEEL,	10110267, 10119	10/09/23	14.07	
101-567.000-740.000	OPERATING EXPENSE	HUTSON, INC.	SPINDLE AND WEED WHIP HEAD	10123002, 10123	10/09/23	48.96	
101-567.000-740.000	OPERATING EXPENSE	LAWSON PRODUCTS	ZEP O-SHINE 5 GAL (5)	9310851441	10/09/23	34.83	
101-567.000-740.000	OPERATING EXPENSE	MILAN VAULT	MARKER BASES FOR CEMETERY (44)	1176	10/09/23	5,768.00	
101-567.000-740.000	OPERATING EXPENSE	ROYAL TRUCK & UTILITY	12-PC. COMBINATION INT/EXT RETAINI	30018693	10/09/23	16.87	
101-567.000-740.000	OPERATING EXPENSE	STONE DEPOT LANDSCAPE	TOP SOIL (3)	078790	10/09/23	67.50	
Total For Dept 567.000 CEMETERY						6,062.63	
Dept 751.000 PARKS AND RECREATION							
101-751.000-801.000	PROFESSIONAL SERVICE	JOHN'S SANITATION	PORTA JOHN RENTALS MCHATTIE 8/17/2	I13351, I13402	10/09/23	380.00	
101-751.000-801.000	PROFESSIONAL SERVICE	ROAD COMMISSION FOR O	GRADE & CHLORINE SPREAD APPLICATION	103515	10/09/23	506.40	
101-751.000-802.000	CONTRACTUAL SVCS	JOHN'S SANITATION	PORTA JOHN RENTALS VOLUNTEER PARK	I13183, I13184	10/09/23	405.00	
101-751.000-978.000	CAPITAL EQUIPMENT	SNIDER RECREATION INC	SOUND GARDEN (PIANO, RAIN WHEEL, D	7957	10/09/23	14,318.00	
Total For Dept 751.000 PARKS AND RECREATION						15,609.40	
Total For Fund 101 GENERAL FUND						59,193.03	
Fund 202 MAJOR STREETS							
Dept 463.000 STREET-ROUTINE MAINT.							
202-463.000-740.000	OPERATING EXPENSE	CONTRACTORS CONNECTIO	MARKING PAINT FOR SEWER & WATER LI	7178310	10/09/23	54.00	

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF SOUTH LYON
EXP CHECK RUN DATES 10/09/2023 - 10/09/2023
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CHECKS TO BE APPROVED ON 10/09/2023

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Due Date	Amount	Check
Fund 202 MAJOR STREETS							
Dept 463.000	STREET-ROUTINE MAINT.						
202-463.000-740.000	OPERATING EXPENSE	SHERWIN-WILLIAMS	MATERIALS FOR STRIPING	0922-6	10/09/23	295.73	
			Total For Dept 463.000 STREET-ROUTINE MAINT.			349.73	
Dept 474.000 TRAFFIC SERVICES							
202-474.000-740.000	OPERATING EXPENSE	HUNT SIGN COMPANY	DETOUR SIGNS (5)	90913	10/09/23	329.40	
			Total For Dept 474.000 TRAFFIC SERVICES			329.40	
			Total For Fund 202 MAJOR STREETS			679.13	
Fund 203 LOCAL STREETS							
Dept 463.000	STREET-ROUTINE MAINT.						
203-463.000-740.000	OPERATING EXPENSE	CONTRACTORS CONNECTIO	MARKING PAINT FOR SEWER & WATER LI	7178310	10/09/23	54.00	
203-463.000-740.000	OPERATING EXPENSE	SHERWIN-WILLIAMS	MATERIALS FOR STRIPING	0922-6	10/09/23	295.72	
			Total For Dept 463.000 STREET-ROUTINE MAINT.			349.72	
Dept 474.000 TRAFFIC SERVICES							
203-474.000-740.000	OPERATING EXPENSE	HUNT SIGN COMPANY	DETOUR SIGNS (5)	90913	10/09/23	329.40	
			Total For Dept 474.000 TRAFFIC SERVICES			329.40	
			Total For Fund 203 LOCAL STREETS			679.12	
Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY							
Dept 000.000							
248-000.000-740.000	OPERATING EXPENSE	CONTRACTORS CONNECTIO	PLASTIC T-BOARD	7177922	10/09/23	179.25	
248-000.000-740.000	OPERATING EXPENSE	ULINE	PLASTIC PARKING STOP & HARDWARE (5	1672	10/09/23	534.81	
248-000.000-740.200	SEASONAL IMPROVEMENTS	JOHN'S SANITATION	PORTA JOHN RENTAL FOR FARMER'S MAR	I13506	10/09/23	210.00	
			Total For Dept 000.000			924.06	
			Total For Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY			924.06	
Fund 592 WATER & SEWER							
Dept 540.000	WATER / REPAIR						
592-540.000-740.000	OPERATING EXPENSE	CONTRACTORS CONNECTIO	MARKING PAINT FOR SEWER & WATER LI	7178310	10/09/23	54.00	
592-540.000-801.000	PROFESSIONAL SERVICE	TRANS-TEK TRANSPORT,	HAUL AWAY DEBRIS FROM LINE INSPECT	13211	10/09/23	425.00	
592-540.000-930.000	REPAIR MAINTENANCE	ASHLEY LAND DEVELOPME	STONE FOR SEWER/WATER & SIDEWALK R	20728	10/09/23	762.72	
592-540.000-930.000	REPAIR MAINTENANCE	DIPONIO CONTRACTING,	REPAIRED WATER LEAK AND CAP OLD WA	23003	10/09/23	12,684.18	
			Total For Dept 540.000 WATER / REPAIR			13,925.90	
Dept 550.000 SEWER / REPAIR							
592-550.000-740.000	OPERATING EXPENSE	CONTRACTORS CONNECTIO	MARKING PAINT FOR SEWER & WATER LI	7178310	10/09/23	54.00	
592-550.000-930.000	REPAIR MAINTENANCE	ASHLEY LAND DEVELOPME	STONE FOR SEWER/WATER & SIDEWALK R	20728	10/09/23	762.72	
			Total For Dept 550.000 SEWER / REPAIR			816.72	

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Due Date	Amount	Check
Fund 592 WATER & SEWER							
Dept 556.000 WATER							
592-556.000-740.000	OPERATING EXPENSE	ELHORN ENGINEERING CO	FLUORIDE 15-GAL DRUM (9) AND PHOSP	299131	10/09/23	6,010.00	
592-556.000-740.000	OPERATING EXPENSE	FISHER SCIENTIFIC	PH STORAGE SOLN 500ML	6457758	10/09/23	36.82	
592-556.000-740.000	OPERATING EXPENSE	FISHER SCIENTIFIC	CYLIND WHITE ENAMEL GRAD 50ML (2)	6308321	10/09/23	30.27	
592-556.000-740.000	OPERATING EXPENSE	FISHER SCIENTIFIC	BREAKER COVER, BRUSH FOR 1000ML FL	6231574	10/09/23	76.24	
592-556.000-740.000	OPERATING EXPENSE	HAVILAND PRODUCTS COM	CHLORINE GAS CYLINDER 150 LB (6)	483555	10/09/23	2,295.00	
592-556.000-740.000	OPERATING EXPENSE	HUTSON, INC.	SPINDLE AND WEED WHIP HEAD	10123002, 10123	10/09/23	21.49	
592-556.000-740.000	OPERATING EXPENSE	IDEXX LABORATORIES*	GAMMA IRRAD COLILERT 100ML 200PK,	3137112943	10/09/23	1,952.90	
592-556.000-740.000	OPERATING EXPENSE	NCL OF WISCONSIN, INC	1 PK PS-550 STEAROTHERM AMPULES FO	492826	10/09/23	241.71	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES,	WATER ANALYSIS (1 LEAD & COPPER)	43488-239740	10/09/23	75.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES,	WATER ANALYSIS (9LEAD & COPPERS)	43488-239592	10/09/23	1,713.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES,	WATER ANALYSIS (8 LEAD & COPPERS)	43488-239455	10/09/23	258.00	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES,	WATER ANALYSIS	43488-239478	10/09/23	75.00	
592-556.000-740.000	OPERATING EXPENSE	REAGENTS HOLDINGS LXB	HYDROCHLORIC ACID (4)	177351	10/09/23	220.95	
592-556.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	PH BUFFER PACK, AMMONIA, HACH HARD	INV00128590	10/09/23	1,387.38	
592-556.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	POCKET TIMER (2), M-FC BROTH WITH	INV00137805	10/09/23	361.18	
592-556.000-740.000	OPERATING EXPENSE	USA BLUE BOOK	HACH BOD NUTRIENT BUFFER PILLOWS (INV00145768	10/09/23	257.00	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (146.80)	7907113-IN	10/09/23	424.38	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (114.30)	7892266-IN	10/09/23	365.75	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	DIESEL (1,000.00)	7881135-IN	10/09/23	3,337.60	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (110.60)	7889961-IN	10/09/23	350.60	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	DIESEL (328.30) AND GAS (220.30)	7887690-IN	10/09/23	1,348.26	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (98.60)	7895756-IN	10/09/23	328.75	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	DIESEL (109.40) & GAS (342.60)	7899836-IN	10/09/23	451.27	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (19.60)	7901435-IN	10/09/23	69.46	
592-556.000-860.000	GAS & OIL	CORRIGAN OIL II, INC.	GAS (228.20)	7903670-IN	10/09/23	684.47	
592-556.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE PARTS, FUEL CAPS, FUEL LINE	8195325539460	10/09/23	330.78	
592-556.000-863.000	VEHICLE MAINTENANCE	ADVANCE AUTO PARTS	BRAKE FLUID, BRAKE CLEANER, PENETR	8195326139705	10/09/23	17.83	
592-556.000-863.000	VEHICLE MAINTENANCE	CERTIFIED LABORATORIE	PREMALUBE RED, BLUE BEAST AEROSOL,	8356898	10/09/23	184.49	
592-556.000-863.000	VEHICLE MAINTENANCE	HUTSON, INC.	FLANGE LOCK NUT, ANTI-SCALP WHEEL,	10110267, 10119	10/09/23	7.99	
592-556.000-863.000	VEHICLE MAINTENANCE	HUTSON, INC.	HAND OPERA	10141102	10/09/23	48.57	
592-556.000-863.000	VEHICLE MAINTENANCE	LAWSON PRODUCTS	ZEP O-SHINE 5 GAL (5)	9310851441	10/09/23	62.69	
592-556.000-863.000	VEHICLE MAINTENANCE	ROYAL TRUCK & UTILITY	12-PC. COMBINATION INT/EXT RETAINI	30018693	10/09/23	30.36	
592-556.000-863.000	VEHICLE MAINTENANCE	DEBORD BROS. FENCE CO	REPAIR TO WATER PLANT FENCE	2355	10/09/23	975.00	
592-556.000-931.000	BUILDING MAINTENANCE	PEERLESS-MIDWEST, INC	LOW SERVICE PUMP # 3 OVERHAUL	74292	10/09/23	23,333.96	
592-556.000-931.000	BUILDING MAINTENANCE	STATE OF MICHIGAN	LAB RECERTIFICATION (MICROBIOLOGY)	761-11106645	10/09/23	3,180.48	
592-556.000-962.000	MISCELLANEOUS EXPENSE		Total For Dept 556.000 WATER			50,544.63	
Dept 557.000 WASTEWATER							
592-557.000-740.000	OPERATING EXPENSE	CHEMTRADE CHEMICALS U	ALUM SULFATE LIQ (11.669)	93603194	10/09/23	5,167.67	
592-557.000-740.000	OPERATING EXPENSE	DUBOIS CHEMICALS INC	POLYMER DRUM (4)	IN-30181508	10/09/23	5,645.91	
592-557.000-740.000	OPERATING EXPENSE	FISHER SCIENTIFIC	PH STORAGE SOLN 500ML	6457758	10/09/23	36.82	

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF SOUTH LYON
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CHECKS TO BE APPROVED ON 10/09/2023

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Due Date	Amount	Check
Fund Totals:							
			Fund 101 GENERAL FUND			59,193.03	
			Fund 202 MAJOR STREETS			679.13	
			Fund 203 LOCAL STREETS			679.12	
			Fund 248 DOWNTOWN DEVELOPMENT AUTHOR			924.06	
			Fund 592 WATER & SEWER			247,182.40	
			Total For All Funds:			308,657.74	

The above checks have been approved for payment.

Lisa Deaton, City Clerk/Treasurer

Daniel L. Pelchat, Mayor

September 2023 Payroll Report

Department		Total Pay
Administration	\$	43,092.76
Cemetery	\$	5,468.00
Police	\$	125,756.52
Fire	\$	43,498.59
D.P.W.	\$	64,252.36
Water & Wastewater	\$	52,931.37
 Total Wages	 \$	 334,999.60

**Please note 2 pay periods in the month of September 2023*

AGENDA NOTE

Consent Agenda: Item #1

MEETING DATE: October 9, 2023

PERSON PLACING ITEM ON AGENDA: City Manager

AGENDA TOPIC: Resignation of Judy Keeling from Housing Commission

EXPLANATION OF TOPIC: We have received a letter from Judy Keeling resigning from Housing Commission.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS: Letter received September 25, 2023 from Judy Keeling stating she is resigning from the Housing Commission

POSSIBLE COURSES OF ACTION: Accept the resignation of Judy Keeling from the Housing Commission

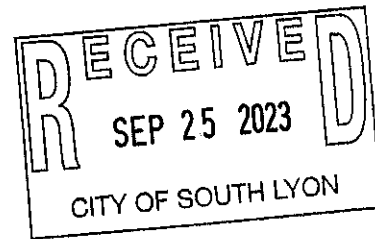
SUGGESTED MOTION: Motion by _____ supported by _____ to accept the resignation of Judy Keeling from the Housing Commission.

Mayor Daniel L. Pelchat
City of South Lyon
335 S. Warren Street
South Lyon, MI 48178

September 25, 2023

Mrs. Judy E. Keeling

South Lyon, MI 48178



Dear Mayor,

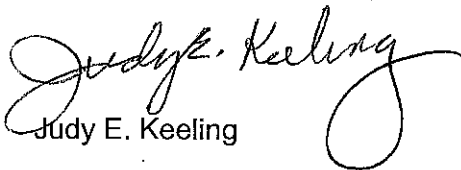
I need to let you know that I am not going to be able to serve on the Housing Commission.

I don't feel that I am qualified to do a knowable job on this South Lyon Housing Commission. I do not want to make a mistake for the City and the people of South Lyon.

I will not leave the Commision until they find a replacement for me.

Thank you for letting me have a chance to serve on the Commission.

Sincerely,


Judy E. Keeling

AGENDA NOTE

New Business: 1

MEETING DATE: October 9, 2023

PERSON PLACING ITEM ON AGENDA: Ronald Beason, Water/Sewer Department Superintendent

AGENDA TOPIC: Purchase of John Deere Gator (Model XUV835M) with plow

EXPLANATION OF TOPIC: South Lyon Water/Wastewater Department is requesting to purchase a new John Deere Gator with snowplow. This will be replacing the current 2003 John Deere Gator. This UTV is essential to department operations, it is used daily for maintenance, samplings & grounds keeping. This is a budgeted item for the current fiscal year. This purchase will be made under the equipment replacement line 642-979.910. This item is available through MIDEAL as itemized on the quote.

SUPPORTING DOCUMENTS: Attachment 1: Quote
Attachment 2: Image of the Gator

POSSIBLE COURSES OF ACTION: Approve/Not approve purchase of John Deere Gator w/snowplow (Model XUV835M) through MIDEAL at the cost not to exceed \$36,281.70.

SUGGESTED MOTION:

1. Motion by _____, supported by _____ to approve the purchase of a John Deere Gator (Model XUV835M) with plow at the delivered cost of \$36,281.70 under account number 642-979.910.



JOHN DEERE

ALL PURCHASE ORDERS MUST BE MADE OUT TO (VENDOR):

Deere & Company
2000 John Deere Run
Cary, NC 27513
FED ID: 36-2382580
UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT TO DELIVERING DEALER:

Hutson, Inc.
20801 Pontiac Trail
South Lyon, MI 48178
248-437-2091
southlyon@hutsoninc.com

Quote Summary

Prepared For:

CITY OF SOUTH LYON WATER DEPARTMENT
23500 N DIXBORO RD
SOUTH LYON, MI 48178
Business: 248-437-1735

Delivering Dealer:

Hutson, Inc.
David White
20801 Pontiac Trail
South Lyon, MI 48178
Phone: 248-437-2091
dwhite@hutsoninc.com

Quote ID: 29361241
Created On: 04 August 2023
Last Modified On: 27 September 2023
Expiration Date: 11 October 2023

Equipment Summary	Suggested List	Selling Price	Qty	Extended
JOHN DEERE GATOR™ XUV835M HVAC (Model Year 2023) - 1M0835MDLPM062255 Contract: MI Ag, Grounds, and Roadside 071B7700085 (PG 3W CG 22) Price Effective Date: November 4, 2022	\$ 33,765.96	\$ 30,051.70 X	1 =	\$ 30,051.70
BOSS 6'6" V-PLOW COMPLETE WITH SNOW DEFLECTOR Contract: Price Effective Date:	\$ 6,230.00	\$ 6,230.00 X	1 =	\$ 6,230.00
Equipment Total				\$ 36,281.70

* Includes Fees and Non-contract items

Quote Summary

Equipment Total	\$ 36,281.70
Trade In	
SubTotal	\$ 36,281.70
Est. Service	\$ 0.00
Agreement Tax	
Total	\$ 36,281.70
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	\$ 36,281.70

Salesperson : X _____

Accepted By : X _____

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JOHN DEERE

Selling Equipment

Quote Id: 29361241

Customer Name: CITY OF SOUTH LYON WATER DEPARTMENT

ALL PURCHASE ORDERS MUST BE MADE OUT TO (VENDOR):

Deere & Company
2000 John Deere Run
Cary, NC 27513
FED ID: 36-2382580
UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT TO DELIVERING DEALER:

Hutson, Inc.
20801 Pontiac Trail
South Lyon, MI 48178
248-437-2091
southlyon@hutsoninc.com

JOHN DEERE GATOR™ XUV835M HVAC (Model Year 2023) -

Hours:

Suggested List *

Stock Number: 350552

\$ 33,765.96

Contract: MI Ag, Grounds, and Roadside 071B7700085 (PG
3W CG 22)

Selling Price *

\$ 30,051.70

Price Effective Date: November 4, 2022

* Price per item - includes Fees and Non-contract items

Code	Description	Qty	List Price	Discount%	Discount Amount	Contract Price	Extended Contract Price
57KAM	GATOR™ XUV835M HVAC (Model Year 2023)	1	\$ 28,769.00	11.00	\$ 3,164.59	\$ 25,604.41	\$ 25,604.41
Standard Options - Per Unit							
001A	US/Canada	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
182A	Less AutoTrac™/GreenStar™ Harness	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
183B	Less JDLink™ Hardware	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
0505	Build To Order	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
1060	27" Predator Heavy-Duty all-terrain radial tires on 14" Yellow Steel Wheels	1	\$ 175.00	11.00	\$ 19.25	\$ 155.75	\$ 155.75
1950	Less Application	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
2031	Split Bench Seat - Black Vinyl	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
2350	Park Position in Transmission	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
2500	Green and Yellow	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
3003	Cargo Box with Spray In Liner, Brake, and Tail Lights	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
3101	Cargo Box Power Lift	1	\$ 1,048.00	11.00	\$ 115.28	\$ 932.72	\$ 932.72
4022	Full Door with Side Mirrors	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
4062	HVAC Cab	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
5006	Front Brush Guard	1	\$ 426.00	11.00	\$ 46.86	\$ 379.14	\$ 379.14
6313	Winch	1	\$ 1,056.00	11.00	\$ 116.16	\$ 939.84	\$ 939.84
Standard Options Total			\$ 2,705.00		\$ 297.55	\$ 2,407.45	\$ 2,407.45
Technology Options/Non-Contract/Open Market							
1880	Less Receiver	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00
1900	Less Display	1	\$ 0.00	11.00	\$ 0.00	\$ 0.00	\$ 0.00

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JOHN DEERE

Selling Equipment

Quote Id: 29361241

Customer Name: CITY OF SOUTH LYON WATER DEPARTMENT

ALL PURCHASE ORDERS MUST BE MADE OUT TO (VENDOR):

Deere & Company
2000 John Deere Run
Cary, NC 27513
FED ID: 36-2382580
UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT TO DELIVERING DEALER:

Hutson, Inc.
20801 Pontiac Trail
South Lyon, MI 48178
248-437-2091
southlyon@hutsoninc.com

Technology Options Total			\$ 0.00		\$ 0.00	\$ 0.00	\$ 0.00
Dealer Attachments/Non-Contract/Open Market							
BM26477	Rear View Mirror	1	\$ 239.69	11.00	\$ 26.37	\$ 213.32	\$ 213.32
BM22773	Tail Light Protectors	1	\$ 128.40	11.00	\$ 14.12	\$ 114.28	\$ 114.28
BUC10245	Rear panel glass protector	1	\$ 260.01	11.00	\$ 28.60	\$ 231.41	\$ 231.41
BUC10809	Front Attachment Harness	1	\$ 206.51	11.00	\$ 22.72	\$ 183.79	\$ 183.79
BM26739	Rear Cab Attachment Harness	1	\$ 88.81	11.00	\$ 9.77	\$ 79.04	\$ 79.04
BM26391	Horn Kit	1	\$ 39.59	11.00	\$ 4.35	\$ 35.24	\$ 35.24
BM26216	LED Work Lights (2 Lights)	1	\$ 453.69	11.00	\$ 49.91	\$ 403.78	\$ 403.78
BM26215	LED Driving Lights (2 Lights)	1	\$ 453.69	11.00	\$ 49.91	\$ 403.78	\$ 403.78
BM26185	Beacon Light	1	\$ 316.71	11.00	\$ 34.84	\$ 281.87	\$ 281.87
BUC10608	Front Turn Signal Light Kit	1	\$ 104.86	11.00	\$ 11.53	\$ 93.33	\$ 93.33
Dealer Attachments Total			\$ 2,291.96		\$ 252.12	\$ 2,039.84	\$ 2,039.84
Value Added Services			\$ 0.00			\$ 0.00	\$ 0.00
Total							
Total Selling Price			\$ 33,765.96		\$ 3,714.26	\$ 30,051.70	\$ 30,051.70

BOSS 6'6" V-PLOW COMPLETE WITH SNOW DEFLECTOR

Equipment Notes:

Hours: 0

Stock Number:

Contract:

Price Effective Date:

Suggested List *

\$ 6,230.00

Selling Price *

\$ 6,230.00

* Price per item - includes Fees and Non-contract items

Code	Description	Qty	List Price	Discount%	Discount Amount	Contract Price	Extended Contract Price
MSC124 80	BOSS 6'6V PLOW COMPLETE WITH DEFLECTOR	1	\$ 5,150.00	0.00	\$ 0.00	\$ 5,150.00	\$ 5,150.00
Standard Options - Per Unit							
MSC130 99	SNOW DEFLECTOR	1	\$ 0.00	0.00	\$ 0.00	\$ 0.00	\$ 0.00
Standard Options Total			\$ 0.00		\$ 0.00	\$ 0.00	\$ 0.00
Other Charges							

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AGENDA NOTE

New Business # 2

MEETING DATE: October 9, 2023

PERSON PLACING ITEM ON AGENDA: City Manager

AGENDA TOPIC: Sanitary Sewer Evaluation

EXPLANATION OF TOPIC: As part of a multi-year plan to inspect our infrastructure, in preparation for road improvements, the City has gone out for bid for Sanitary Sewer Inspection. The areas to be inspected as part of this project are locations that are on our radar for upcoming road paving (and potentially sewer) improvements, and were not part of previous evaluations.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS: A Letter from Mike Darga of HRC explaining the project and the Bid Tab is attached. We received two bids and are recommending to hire DVM Utilities in the amount of \$33,370.50. The funding from the project will come from the Water / Sewer Professional Services Acct. No. 592-557-801.

POSSIBLE COURSES OF ACTION: Approve or not approve the award of Sanitary Sewer Evaluation Study to DVM Utilities in the amount of \$33,370.50 from Water / Sewer Professional Services Acct. No. 592-557-801.

SUGGESTED MOTION: Motion by _____, supported by _____ to approve the award of Sanitary Sewer Evaluation Study to DVM Utilities in the amount of \$33,370.50 Water / Sewer Professional Services Acct. No. 592-557-801.



105 W Grand River Avenue
Howell, MI 48843

517-552-9199

www.hrcengr.com



October 2, 2023

City of South Lyon
335 South Warren Street
South Lyon, MI 48178

Attn: Mr. Paul Zelenak, City Manager

Re: Contract Award Recommendation
2023 Sanitary Sewer Evaluation Study

HRC Job No. 20220855

Dear Mr. Zelenak:

On October 2, 2023, the City received bids for the 2023 Sanitary Sewer Evaluation Study to clean and televise the sanitary sewers in two (2) subdivisions. A total of two (2) contractors submitted bids of \$33,370 and \$43,741.20. The low bid was submitted by DVM Utilities of Sterling Heights. Attached is one (1) copy of the bid tab for your records.

DVM Utilities has worked on similar projects with the City in the past and have completed the projects in accordance with the contract documents. Therefore, based on this information we would recommend that the City award the contract for the 2023 Sanitary Sewer Evaluation Study to DVM Utilities in the amount of \$33,370.50.

If you have any questions or require any additional information, please contact the undersigned at 248-535-3350.

Very truly yours,

HUBBELL, ROTH & CLARK, INC.

Michael P. Darga, P.E.

MPD

Attachment

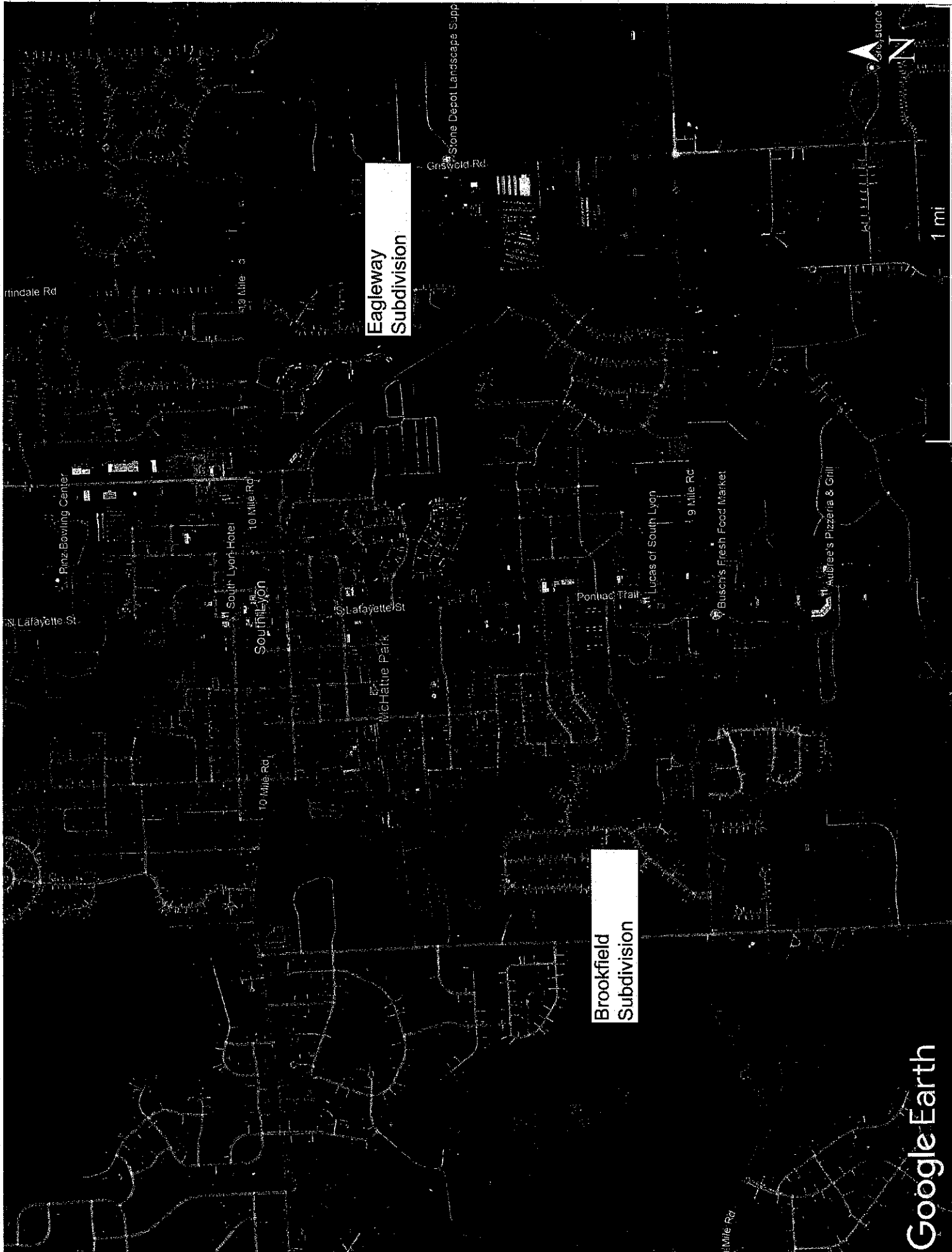
pc: City of South Lyon; J. Archey
HRC; R. Alix, file

BID TABULATION
CITY OF SOUTH LYON
2023 SANITARY SEWER EVALUATION STUDY

Bids Due: October 2, 2023
HRC Job # 20220855

				DVM Utilities		PipeTek	
Item		Quantity		Unit Price	Total Cost	Unit Price	Total Cost
1.	Mobilization	1	LS	\$2,800.00	\$2,800.00	\$0.00	\$0.00
2.	Clean & Televis 8 inch Sanitary Sewer	6,606	Lft	\$2.75	\$18,166.50	\$4.60	\$30,387.60
3.	Clean & Televis 10 inch Sanitary Sewer	2,176	Lft	\$4.00	\$8,704.00	\$4.85	\$10,553.60
4.	Heavy Cleaning, 8-10 inch Diameter Sewer	800	Lft	\$2.75	\$2,200.00	\$2.50	\$2,000.00
5.	Traffic Mainenance	1	LS	\$1,500.00	\$1,500.00	\$800.00	\$800.00
				\$33,370.50		\$43,741.20	

ENGINEER: Michael Darga
Hubbell, Roth & Clark, Inc.
105 W Grand River Ave
Howell, MI 48843

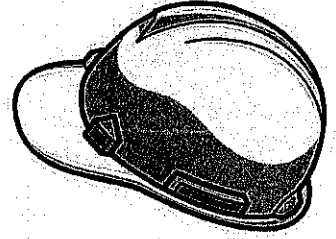


Eagleway
Subdivision

Brookfield
Subdivision



**The City of South Lyon
2023 Road Improvement Program
N. Hagadorn Subdivision**



**PROJECT FLYER
OCTOBER 3, 2023**

Hello residents! The City of South Lyon will be resurfacing both Warren Street and McHattie Park (parking lot) in the coming weeks.

Things to expect:

- **Loud Construction Equipment**
- **Occasional Road Delays**
- **Pavement Removal and Asphalt Paving**

Upcoming Activities:

- **Pavement Pulverizing and Removal**
 - **To begin Monday October 23rd**
 - **Does not include driveways or curb and gutter**

IF YOU WISH TO STAY UP-TO-DATE ON CONSTRUCTION ACTIVITY, PLEASE EMAIL THE PROJECT ENGINEER (INFO BELOW) WITH THE SUBJECT "Warren Street Construction" TO BE ADDED TO THE RECIPIENT LIST.

If you have any questions, special needs, and/or concerns, please contact:

City of South Lyon

335 S Warren St
South Lyon, MI
248-437-1735

On-Site Project Observer

(Main Contact)

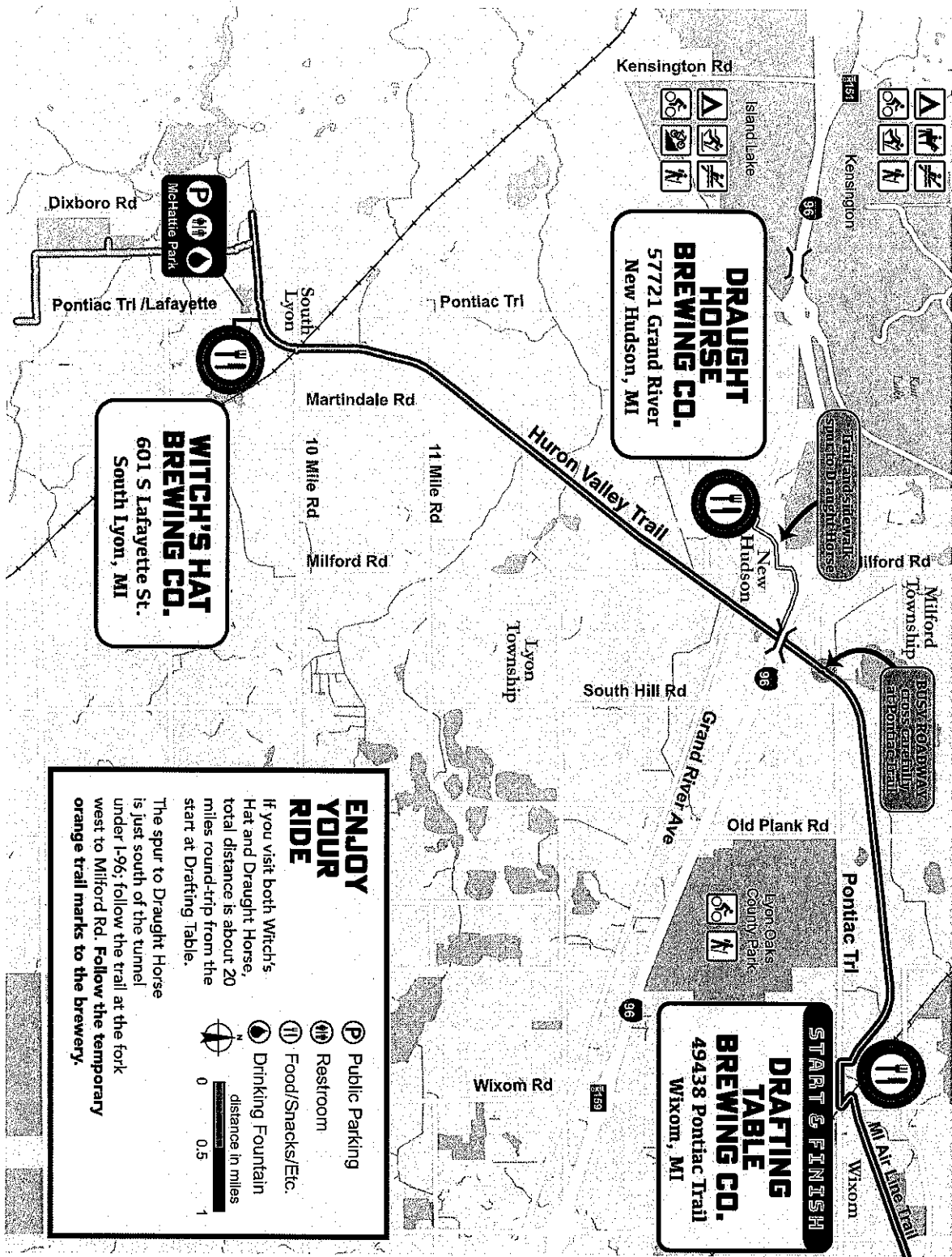
Hubbell, Roth & Clark, Inc.
Jeff Parks
248-310-0000

Contractor

DiPonio Contracting
Avery Bartlett
586-997-4150

Project Engineer

Hubbell, Roth & Clark, Inc.
Lukas Gallup
105 W. Grand River
Howell, MI 48843
lgallup@hrcengr.com



MEAL VOUCHER:

GOOD FOR \$10 **FOOD CREDIT** AT **EITHER** DRAUGHT HORSE OR WITCH'S HAT
NOT VALID FOR ALCOHOL PURCHASES.
VALID **ONLY** OCTOBER 8, 2023.

**PLEASE PRESENT
TO SERVER**

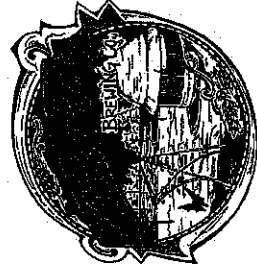
Voucher #

2023 HAT TRICK RIDE GUIDE & MAP

THANKS TO OUR TOUR PARTNERS



draught ★ horse ★ brewery



EVENT NOTES:

- The order in which you tour is completely up to you; if you only want to visit one destination instead of two, that's fine.
- Please demonstrate good trail etiquette; announce when passing pedestrians.
- The road crossing at Pontiac Trail is a busy one; please use caution and look both ways before crossing.
- Food voucher (on the back) is good at **either** Witch's Hat or Draught Horse, but can't be split between the two. Please detach and present to your server. Good for food only, cannot be used for alcoholic purchases.

HAVE FUN!

September 13, 2023

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

We have audited the financial statements of the City of South Lyon, Michigan (the "City") as of and for the year ended June 30, 2023 and have issued our report thereon dated September 13, 2023. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance. This section includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the mayor and the City Council of the City of South Lyon, Michigan.

Section II - Other Recommendations and Related Information. This section presents recommendations related to certain internal control matters, city processes and procedures, and other matters noted during our current year audit. These comments, including State of Michigan legislative updates, are offered in the interest of helping the City in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

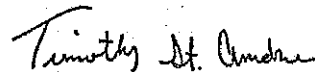
We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the mayor, the City Council, and management of the City of South Lyon, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

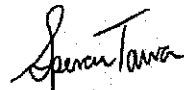
We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC



Timothy St. Andrew



Spencer Tawa

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 8, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated August 10, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements are the assumptions used by the City to estimate of the unbilled Water and Sewer Fund utility receivables, the various estimates utilized related to the City's use of and inclusion in the Michigan Municipal Employees' Retirement System (MERS) defined benefit pension plan, and the estimated liability related to the other postemployment benefit (OPEB) (retiree health care). For the utility billing, management's estimates and assumptions are based on actual previous similar calendar period utility billings. For the pension plan, estimates and assumptions are determined by MERS and its actuary based on the City's negotiations with its bargaining units and resolutions of the City Council. For retiree health care, the estimates and assumptions are determined by the actuary in conjunction with city management and established City Council resolutions. We evaluated the key factors and assumptions used to develop the various estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Section I - Required Communications with Those Charged with Governance (Continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 13, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the statistical section, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Section II - Other Recommendations and Related Information

We commend the City for considering and implementing a number of previously communicated improvement suggestions from prior audit engagements. We also understand that not all recommendations can be fully adopted due to the City's smaller office staff limitations. During this year's audit, we noted areas where we believe there are opportunities for the City to further strengthen internal control or to improve operating results and/or efficiencies. Our observations on those areas are presented below for your consideration:

- **Customer Deposits Payable** - The City's general ledger asset and liability account balances are composed of an accumulation of numerous transactions taking place over a period of time. At any one point in time, the City should be able to reconcile the balances in these accounts to a detailed list. For the customer deposits payable account, this reconciliation was not able to be completed. The City is working with its software vendor to be able to produce reports necessary to perform a detailed reconciliation on the customer deposits payable account.
- **Equipment and Other Interfund Charges** - The City allocates equipment rental charges from the Equipment Replacement Fund to some of the other city funds. These charges have been the same amount for the past several years. In addition, the services provided by employees that are traditionally charged to the General Fund, like treasury, finance, HR, etc., oftentimes significantly benefit other funds. As a result, it is a fairly common practice to allocate a portion of these costs via an administrative charge to other funds of the government. The City should perform an analysis to determine if the amount allocated to each fund is still reasonable. It is our understanding that this analysis is currently underway with direct involvement by accounting, department heads, and the city manager.

COVID-19 Resource Center and ARPA

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our ARPA and COVID-19 resource center for governments. Following is a link to various ARPA-related articles that we believe will be of interest to you: <https://www.plantemoran.com/explore-our-thinking/search?skip=10&keyword=arpa&type=all&professional=all&practice=all&industry=85a5df97-9c41-4000-86d3-db25835731a6&areaOfFocus=all&daterange=all&sortBy=DateDesc>.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), represents a \$350 billion top-line allocation for state and local governments. Funding was provided in two tranches beginning in May 2021, with the second tranche not being released until 12 months after the first payment. Effective April 1, 2022, the U.S. Department of the Treasury published the final rule for determining the types of programs and services that are eligible uses of the SLFRF funding. Overall information about the program, including a frequently asked questions document and an overview of the final rule, is available on the U.S. Department of the Treasury's website at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>.

The ARPA award terms provide that payments from the Fiscal Recovery Funds as a general matter will be subject to the provision of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), including the cost principles and restrictions on general provisions for selected items of cost. The City will need to understand these reforms and may be required to evaluate, document, and monitor internal procedures around compliance, including maintaining certain required policies.

Plante & Moran, PLLC's COVID-19 resource center is being continuously updated for the latest guidance and strategy related to SLFRF and will help keep the City running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at <https://www.plantemoran.com/subscribe> where you can customize your subscription preferences based on your specific interests and industry selection.

Section II - Other Recommendations and Related Information (Continued)

Michigan's COVID-19 Updates and Related Grant Programs

The Michigan Department of Treasury has developed a webpage with numbered letters, memorandums, webinars, and resources regarding COVID-19 updates and related grant programs: https://www.michigan.gov/treasury/0,4679,7-121-1751_98769---,00.html.

Coronavirus State and Local Fiscal Recovery Funds Alternative Compliance Examination

In April 2022, the Office of Management and Budget amended its compliance rules to allow for a simplified single audit process for municipalities that would not be required to undergo a single audit if it were not for the expenditures of SLFRF. This alternative applies to fiscal year audits beginning after June 30, 2020. SLFRF recipients that expend \$750,000 or more during their fiscal years and meet the following two criteria have the option for their auditor to follow the alternative compliance examination engagement guidance:

1. The recipient's total SLFRF award received directly from the U.S. Department of the Treasury or received as a nonentitlement unit is \$10 million or less.
2. Other federal award funds expended by the recipient (excluding SLFRF award funds) are less than \$750,000 during its fiscal year.

We are happy to assist in evaluating the application of the changes and answer any questions about how the changes impact the City.

Monitoring Lease Activity

GASB Statement No. 87, *Leases*, was effective in fiscal year 2022. Although significant analyses were performed to determine the applicability of the new standard and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease activity. When the City enters into new leases, existing leases are modified, or other facts and circumstances change, consideration must be given to the impact those changes will have on lease accounting. In order to do so, the City must ensure there is a process in place to identify and appropriately account for new leases or changes to existing leases on an ongoing basis or least at the end of each year.

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Federal Procurement Threshold Changes

The Office of Management and Budget has issued significant reforms to the compliance requirements that must be followed by nonfederal entities. The Office of Management and Budget recently issued Memorandum M-18-18, which provides guidance on changes to micropurchases and simplified acquisition threshold requirements. The key changes are as follows:

- Threshold for micropurchases is increased to \$10,000.
- Threshold for simplified acquisitions (small purchase procedures limit) increased to \$250,000.

Section II - Other Recommendations and Related Information (Continued)

Key adoption considerations for micropurchase and simplified acquisition thresholds include the following:

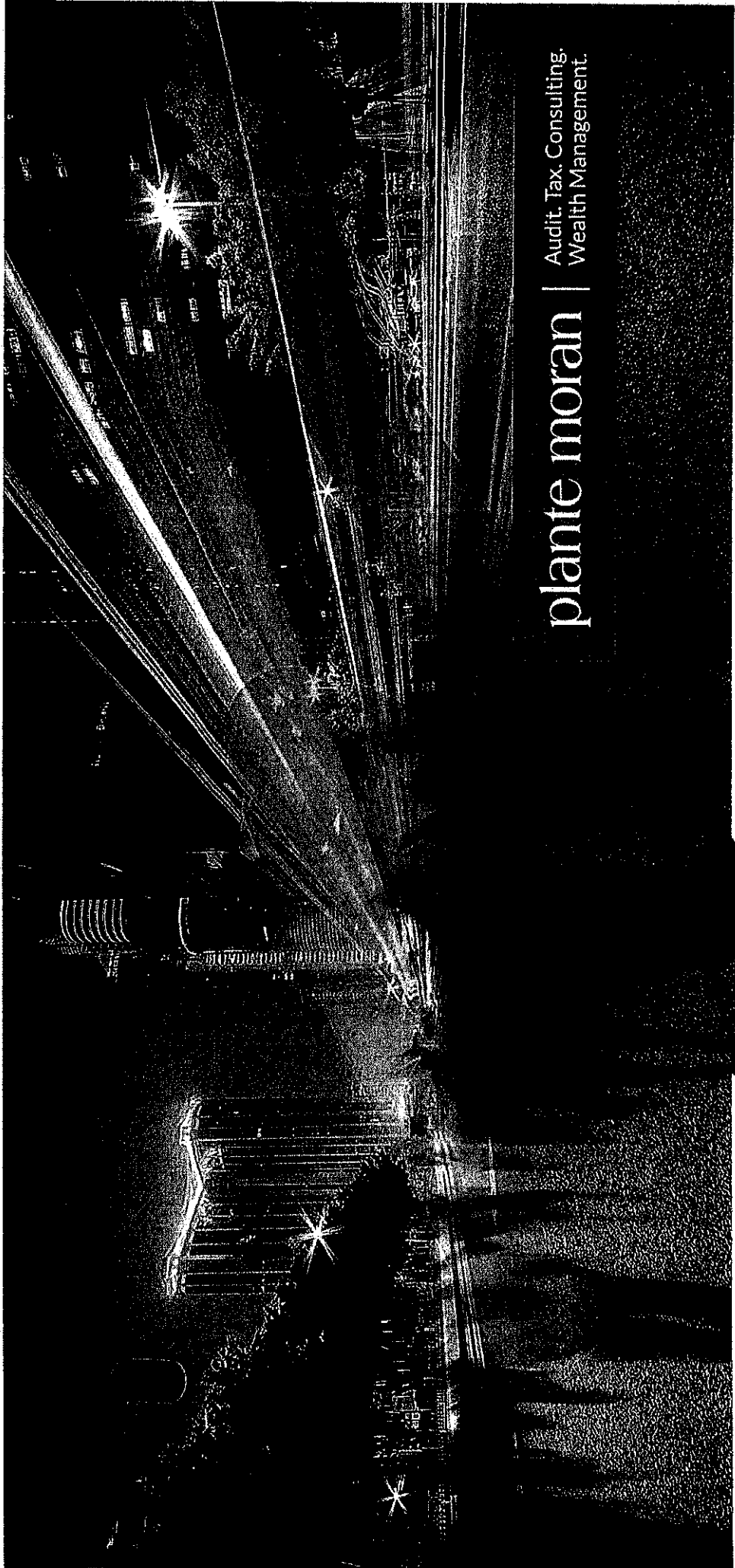
- During the original adoption of the Uniform Guidance procurement standards, were specific amounts included within the City's procurement policy, or were references to the Uniform Guidance sections or amounts as adjusted referenced? If specific amounts were referenced, the procurement policy will need to be updated to take advantage of the changes.
- If the City's procurement policy was written to allow for changes in amounts, the procedures will need to be updated to conform.
- If this change is inconsistent with other procurement policies within the organization, the City must decide how the policy will be enacted. Remember local ordinances in place may limit full utilization of changes.
- If the City has chosen not to fully adopt the change and maintain a lower threshold, then the City is not required to use these thresholds but cannot exceed them.

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the City. In addition to the summaries below and to stay up to date, Plante & Moran, PLLC issues a biannual GASB accounting standard update. The most recent spring 2023 update and a link to previous fall and spring updates are available [here](#).

GASB Statement No. 101 - Compensated Absences

This new accounting pronouncement will be effective for fiscal years ending December 31, 2024 and after. This statement updates the recognition and measurement guidance for compensated absences under a unified model, requiring that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used and updates disclosure requirements for compensated absences.



plante moran | Audit, Tax, Consulting,
Wealth Management.

City of South Lyon Audit Presentation to the City Council

For Year Ended June 30, 2023



City of South Lyon Agenda

- Executive Summary
- Financial Graphs
- Communication with Those Charged
with Governance – End of Audit Letter
- Questions

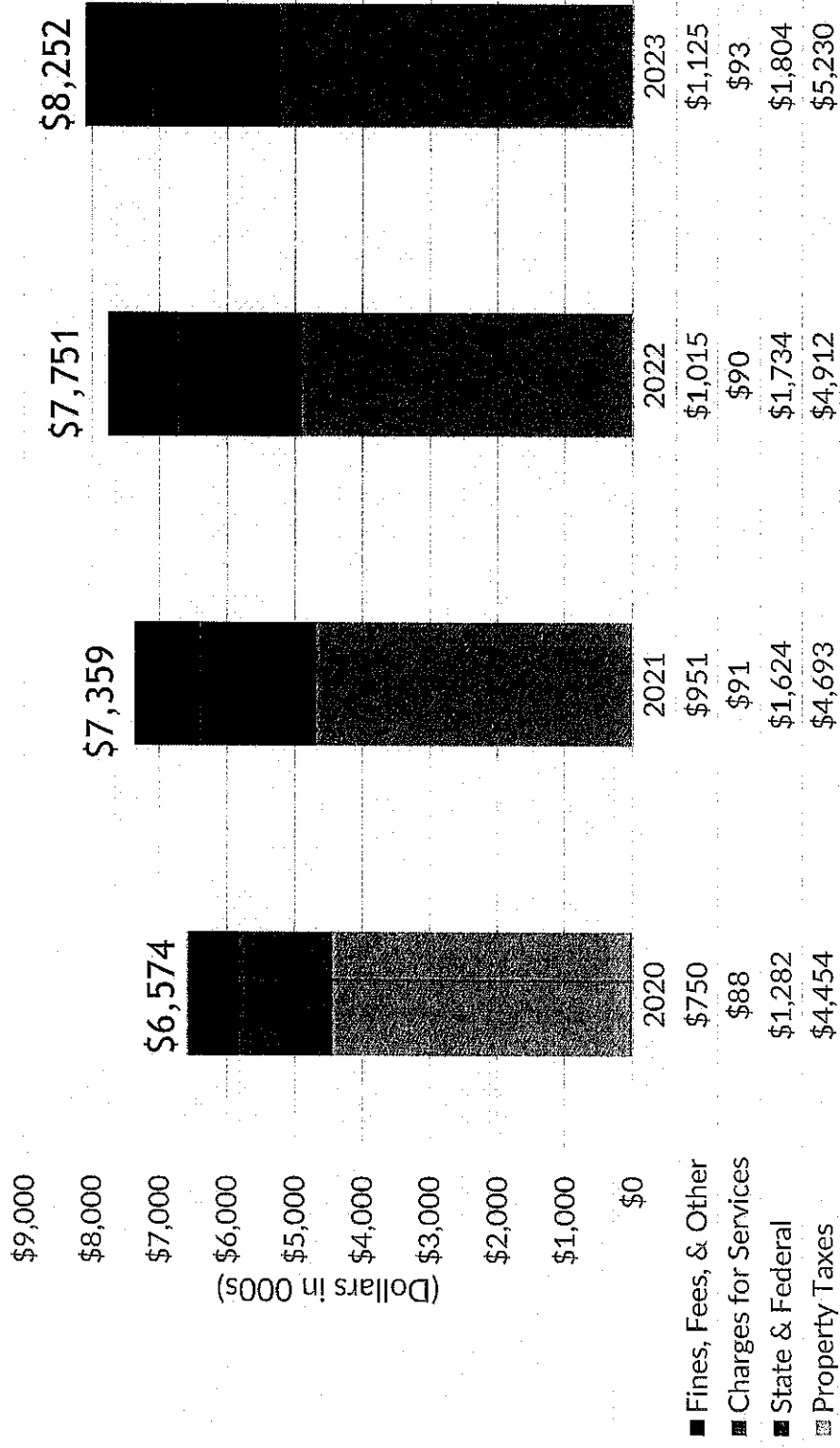


City of South Lyon 2023 Executive Summary

- **Financial Statement Audit**
 - Unmodified opinion – Highest form of assurance
 - General Fund continues to be financially sound, with an unassigned fund balance of \$5.7 million
 - Capital additions during the year of \$5.1 million (\$4.6 million in 2022). Increase due to placing firetruck into service as well as City Hall building renovations, DPW Complex Improvements, and utility system improvements
 - Capital projects funds - \$2.1 million in fund balance that is available to fund a portion of planned future capital outlay expenditures
 - Debt paydown of \$1.67 million. New debt issued related to road bonds for \$7.525 million
 - Water and Sewer Fund - \$580 thousand operating loss (includes depreciation).
 - New road millage was approved during fiscal year 2022. New debt related to road improvements was issued in fiscal year 2023 with revenue relating to the new millage first being levied and recorded in fiscal year 2024.



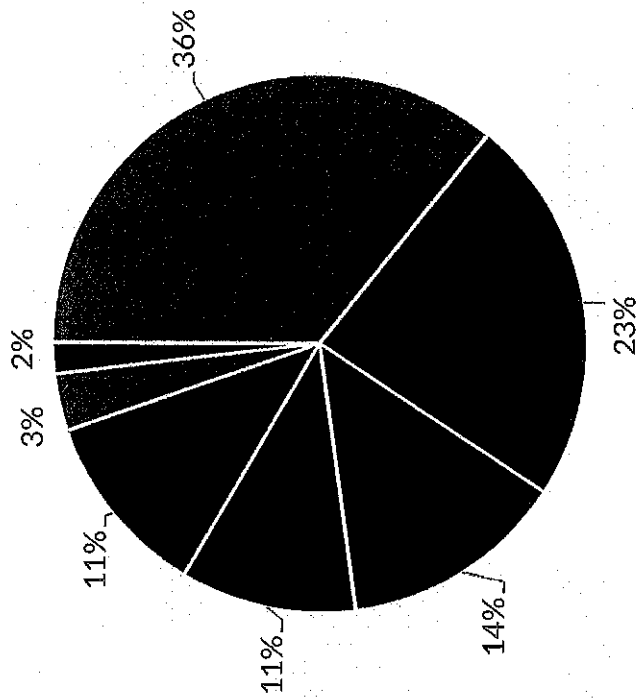
City of South Lyon General Fund - Revenue Years Ended June 30





Homestead Property Tax Analysis 2022 Levy City of South Lyon – Year Ended June 30, 2023

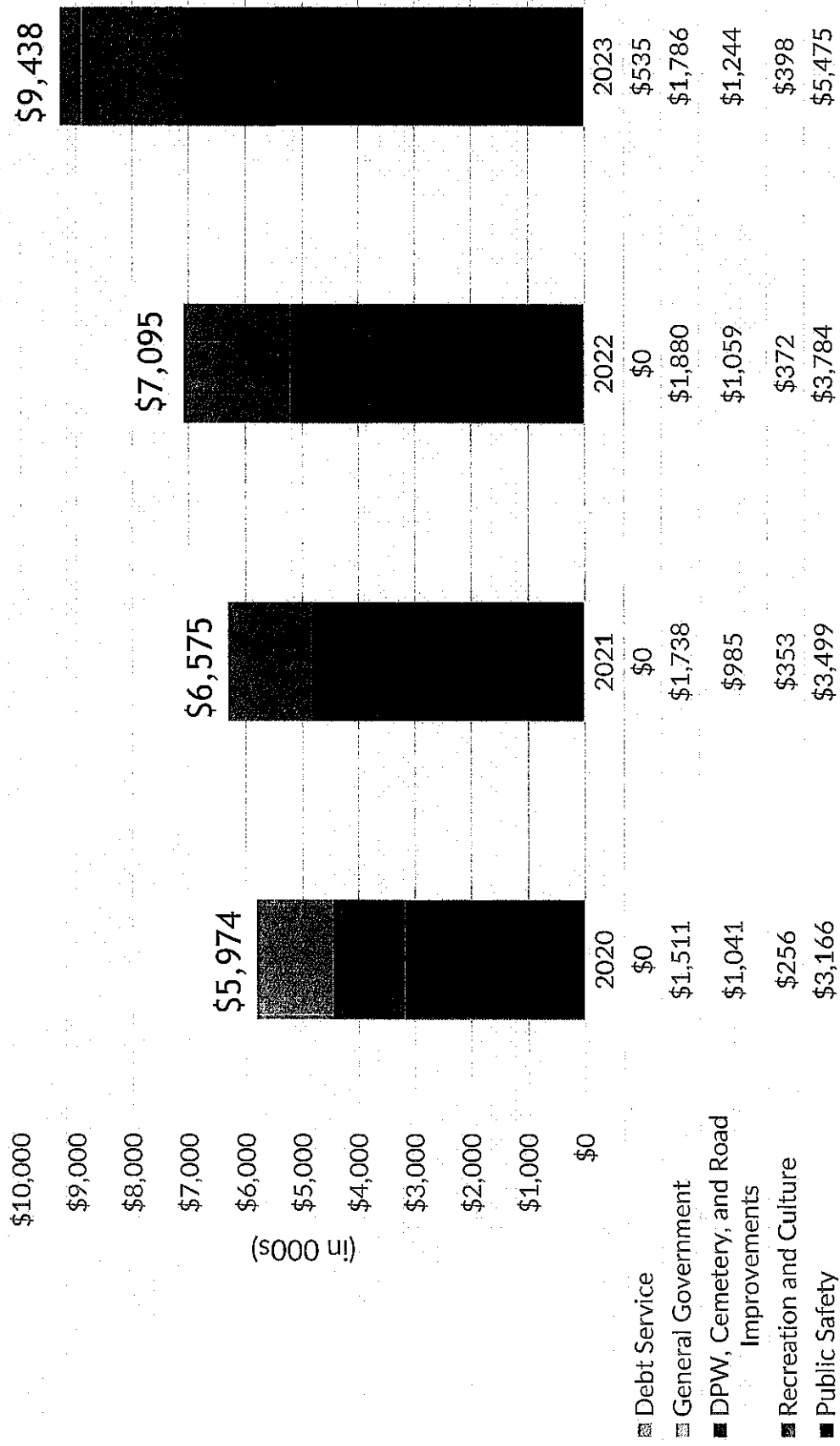
Property Tax Collections - \$19.5 million collected



- City (includes operating, debt service, DDA)
- South Lyon Schools
- State Education
- Intermediate School District and Oakland County Community College
- County
- Library
- Art/Zoo/Huron Clinton Metro Park/Oakland County Parks and Recreation

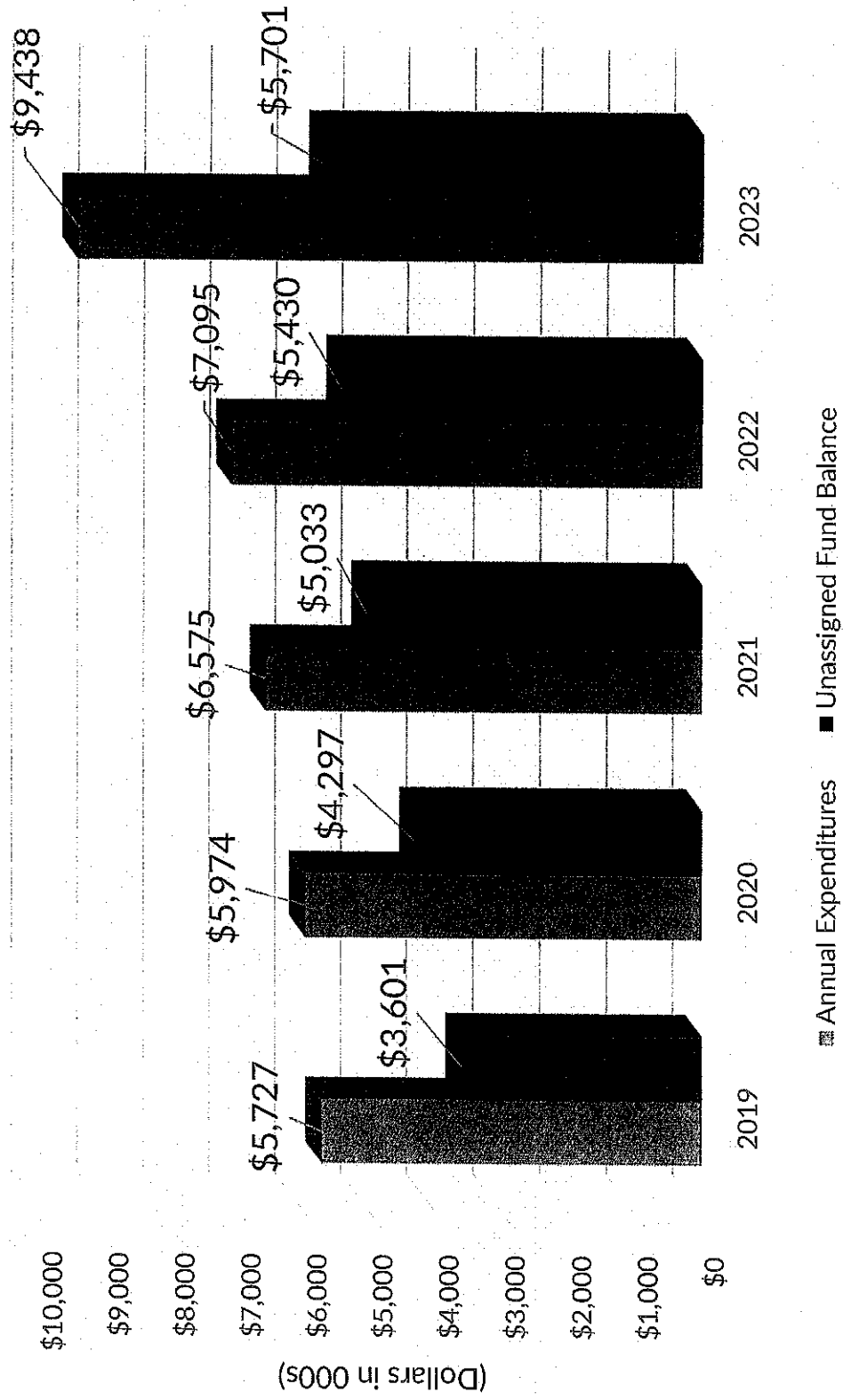


City of South Lyon General Fund – Expenditures Years Ended June 30





City of South Lyon General Fund-Fund Balance Years Ended June 30





City of South Lyon

General Fund - Fire Truck Accounting

June 30, 2022

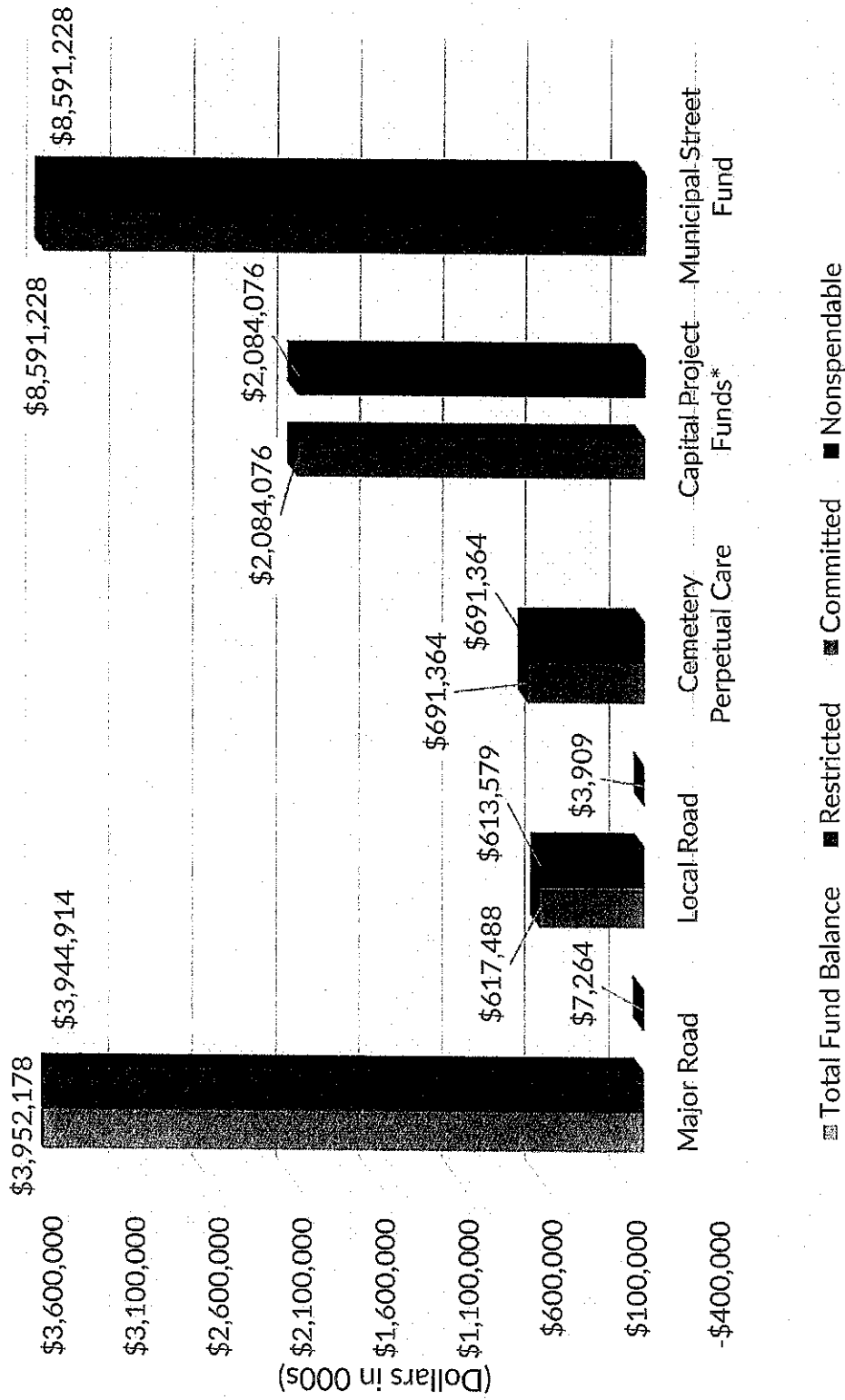
June 30, 2023

Revenue	General Fund
Expenditures	\$ 7,750,684
Excess of Revenue Over Expenditures	7,095,422
Other Financing Sources (Uses)	655,262
Transfers in	-
Transfers out	-
New debt issued	1,250,000
Total other financing sources (uses)	1,250,000
Net Change in Fund Balances	1,905,262
Fund Balances - Beginning of year	5,347,920
Fund Balances - End of year	\$ 7,253,182

Revenue	General Fund
Expenditures	\$ 8,251,861
Excess of Revenue (Under) Over Expenditures	9,438,158
Other Financing Sources (Uses)	(1,186,297)
Net Change in Fund Balances	6,765
Fund Balances - Beginning of year	(1,179,532)
Fund Balances - End of year	7,253,182
	\$ 6,073,650



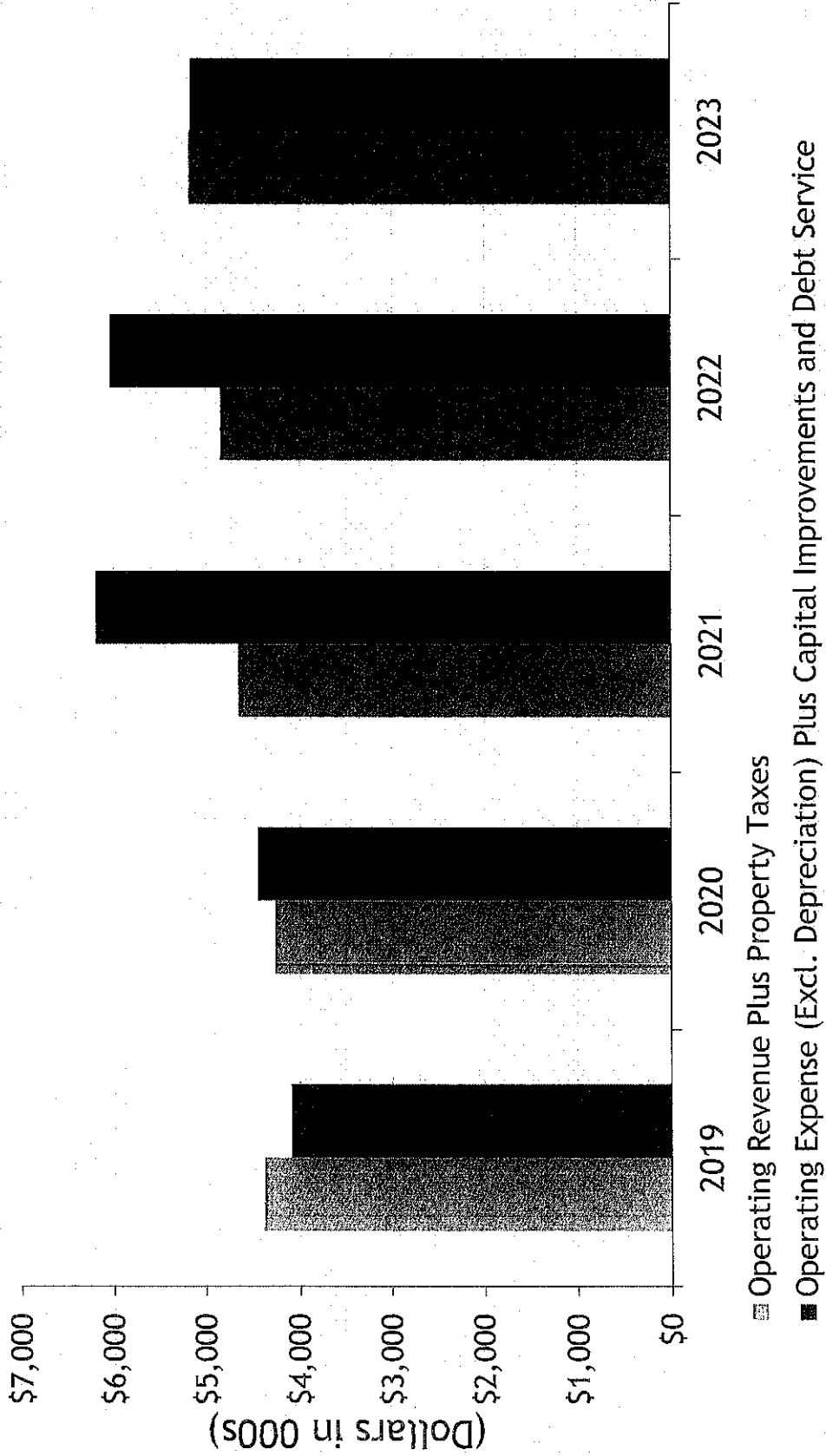
City of South Lyon Other Governmental Funds - Fund Balance Years Ended June 30



- Capital Project funds include Capital Improvement, Equipment Replacement, and Land Acquisition funds
- Graph above excludes Drug Forfeiture fund balance of \$3,275 restricted for Police activity and Community Development Block Grant fund balance of -\$28,511 (due to timing of receipts)



City of South Lyon Water & Sewer Fund Years Ended June 30





City of South Lyon Legacy Costs

Unfunded Liability

Pension

OPEB

\$8,427,867 (61.5% Funded) \$397,276 (42.1% Funded)

	Pension	OPEB	Revenue ***	% of Revenue
FY22/23	777,674	63,467	12,081,616	6.96%
FY23/24	733,860 *	60,296 *	12,444,100	6.38%
FY24/25	792,384 *	60,899 **	12,817,400	6.66%
FY25/26	856,000 *	61,508 **	13,201,900	6.95%
FY26/27	922,000 *	62,123 **	13,598,000	7.24%

* Estimates per MERS Valuations for Pension or Nyhart Valuation for OPEB

** Estimated at 3% increases

*** Only includes General Fund and operating revenues of the Water and Sewer Fund.
Estimated at 3% annual increase

Note - Water and Sewer Fund accounts for approximately 15-20% of the liability and contributions.



City of South Lyon Communication With Those Charged With Governance

- Internal Control Related Matters Identified
 - None
- Required Communication with Those Charged with Governance
 - No transactions entered into for which there was a lack of authoritative guidance
 - No significant transactions recognized in a different period than when the transaction occurred
 - Management estimates included within the financial statements
 - Unbilled Water and Sewer Fund utility receivable
 - Actuarial assumptions
 - Pension
 - OPEB
 - No difficulties or disagreements with management in performing the audit

*Please see separate letter to Mayor and City Council dated September 13, 2023 for more details.



City of South Lyon

Communication With Those Charged With Governance

(Continued)

- Other Recommendations and Related Information
 - Customer Deposits Payable
 - Equipment and Other Interfund Charges
 - Federal Grants
 - Other pertinent information – See pages 4 – 6

* Please see separate letter to Mayor and City Council dated September 13, 2023 for more details.



Thank you for the opportunity to serve as auditors for the City of South Lyon

For more information, please contact:

Timothy St. Andrew, CPA

313.496.8542

Timothy.StAndrew@plantemoran.com

Spencer Tawa, CPA

248.223.3232

Spencer.Tawa@plantemoran.com

Philip Femminineo, CPA

248.223.3152

Philip.Femminineo@plantemoran.com

City of South Lyon, Michigan

**Financial Report
with Supplementary Information
June 30, 2023**

**City of South Lyon, Michigan
Financial Report
June 30, 2023**

Mayor Daniel L. Pelchat

City Council

Stephen Kennedy, Mayor Pro-Tem

Lisa Dilg

Alex Hansen

Glenn Kivell

Margaret Kurtzweil

Lori Mosier

City Administration

City Manager

City Clerk/Treasurer

Fire Chief

Police Chief

Finance & Benefit Administrator

Paul Zelenak

Lisa Deaton

Joey Thorington

Doug Baaki

Patricia Tiernan

City of South Lyon, Michigan

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Independent Auditor's Report

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

Opinions

We have audited the 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, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the statistical section schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Plante & Moran, PLLC

September 13, 2023

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, 2023.

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, 2023:

- Revenue and other financing sources were below expenditures in the General Fund, thus decreasing fund balance by approximately \$1,180,000. This was lower than the final amended budget, which expected a decrease of approximately \$1,517,000.
- Total net position related to the City's governmental activities decreased by \$96,164.

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 \$53,670,193 at the close of the most recent fiscal year.

City of South Lyon, Michigan

Management's Discussion and Analysis (Continued)

The City's Net Position

The following table shows, in a condensed format, the net position as of June 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 25,870,066	\$ 17,971,877	\$ 9,669,279	\$ 9,507,192	\$ 35,539,345	\$ 27,479,069
Capital assets	17,206,778	14,987,826	26,584,226	26,957,088	43,791,004	41,944,914
Total assets	43,076,844	32,959,703	36,253,505	36,464,280	79,330,349	69,423,983
Deferred Outflows of Resources	1,884,298	1,261,517	308,107	216,929	2,192,405	1,478,446
Liabilities						
Current liabilities	3,451,352	2,241,792	362,143	567,863	3,813,495	2,809,655
Noncurrent liabilities	17,648,927	6,929,803	6,073,091	6,855,762	23,722,018	13,785,565
Total liabilities	21,100,279	9,171,595	6,435,234	7,423,625	27,535,513	16,595,220
Deferred Inflows of Resources	268,033	1,360,631	49,015	234,848	317,048	1,595,479
Net Position						
Net investment in capital assets	15,344,400	14,987,826	21,816,847	21,064,709	37,161,247	36,052,535
Restricted	5,273,246	6,437,430	1,312,477	1,040,109	6,585,723	7,477,539
Unrestricted	2,975,184	2,263,738	6,948,039	6,917,918	9,923,223	9,181,656
Total net position	<u>\$ 23,592,830</u>	<u>\$ 23,688,994</u>	<u>\$ 30,077,363</u>	<u>\$ 29,022,736</u>	<u>\$ 53,670,193</u>	<u>\$ 52,711,730</u>

City of South Lyon, Michigan

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

The following table shows the changes in the net position during the years ended June 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenue:						
Charges for services	\$ 715,249	\$ 915,159	\$ 3,829,755	\$ 3,587,133	\$ 4,545,004	\$ 4,502,292
Operating grants	1,406,803	1,367,242	-	-	1,406,803	1,367,242
Capital grants	-	-	261,800	471,800	261,800	471,800
General revenue:						
Taxes	5,678,144	5,329,214	1,345,673	1,251,431	7,023,817	6,580,645
Intergovernmental	1,597,784	1,607,179	-	-	1,597,784	1,607,179
Investment earnings	368,167	6,363	138,060	3,880	506,227	10,243
Other revenue	435,857	302,531	-	-	435,857	302,531
Total revenue	10,202,004	9,527,688	5,575,288	5,314,244	15,777,292	14,841,932
Expenses						
General government	2,028,798	1,915,859	-	-	2,028,798	1,915,859
Public safety	4,632,141	3,767,895	-	-	4,632,141	3,767,895
Public works	2,917,402	2,751,151	-	-	2,917,402	2,751,151
Community and economic development	153,587	105,869	-	-	153,587	105,869
Recreation and culture	409,353	364,433	-	-	409,353	364,433
Debt service	141,152	26,445	-	-	141,152	26,445
Water and sewer	-	-	4,536,396	4,700,020	4,536,396	4,700,020
Total expenses	10,282,433	8,931,652	4,536,396	4,700,020	14,818,829	13,631,672
Transfers	(15,735)	-	15,735	-	-	-
Change in Net Position	(96,164)	596,036	1,054,627	614,224	958,463	1,210,260
Net Position - Beginning of year	23,688,994	23,092,958	29,022,736	28,408,512	52,711,730	51,501,470
Net Position - End of year	<u>\$ 23,592,830</u>	<u>\$ 23,688,994</u>	<u>\$ 30,077,363</u>	<u>\$ 29,022,736</u>	<u>\$ 53,670,193</u>	<u>\$ 52,711,730</u>

Governmental Activities

The City's total governmental expenses increased year over year by approximately \$1,351,000. The significant increase is principally due to recognizing the full costs of the new firetruck placed into service during the year, which totaled \$1,250,000.

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 decreased by approximately \$164,000.

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. The amended budget projected a decrease of approximately \$1,517,000 in fund balance. The actual decrease of fund balance was approximately \$1,180,000. This decrease is mainly related to expenditures by the City to purchase a firetruck in the amount of \$1,250,000.

City of South Lyon, Michigan

Management's Discussion and Analysis (Continued)

Total General Fund revenue was approximately \$13,000 more than the amended budget. This was primarily due to higher state-shared revenue and investment income than budgeted that was offset by lower property tax revenue than budgeted. General Fund expenditures were approximately \$334,000 less than the amended budget due primarily to police wages and fringe benefit expense amounts being lower than budgeted and park department capital equipment purchases being lower than budgeted.

Capital Assets and Debt Administration

At the end of 2023, the City had approximately \$44 million (after depreciation) invested in a broad range of capital assets, including buildings, roads, police and fire equipment, and water and sewer lines. During the year, the City issued \$7,525,000 in debt to help pay for future road projects within the City. Outstanding debt of the governmental and business-type activities totaled approximately \$14.4 million as of June 30, 2023. 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 steadily increasing property tax income, as taxable value (in both the housing and commercial markets) is projected to increase by approximately 10.6 percent in 2023. 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.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents (Note 3)	\$ 14,221,513	\$ 7,375,975	\$ 21,597,488	\$ 160,653
Investments	1,000,000	-	1,000,000	-
Receivables:				
Customer receivables	210,870	1,202,446	1,413,316	-
Other receivables	36,615	-	36,615	-
Due from other governments	690,956	15,523	706,479	-
Internal balances	261,058	(261,058)	-	-
Prepaid expenses and other assets	182,899	23,916	206,815	-
Restricted assets (Note 1)	8,899,748	1,312,477	10,212,225	-
Investment in joint venture (Note 8)	313,407	-	313,407	-
Land held for resale	53,000	-	53,000	-
Capital assets: (Note 4)				
Assets not subject to depreciation	4,195,420	170,745	4,366,165	-
Assets subject to depreciation - Net	13,011,358	26,413,481	39,424,839	-
Total assets	43,076,844	36,253,505	79,330,349	160,653
Deferred Outflows of Resources - Deferred pension and OPEB costs (Notes 9 and 10)	1,884,298	308,107	2,192,405	-
Liabilities				
Accounts payable	1,781,561	332,347	2,113,908	4,779
Due to other governmental units	3,628	-	3,628	-
Cash bonds and deposits	344,138	-	344,138	-
Accrued liabilities and other	280,959	29,796	310,755	-
Unearned revenue	1,041,066	-	1,041,066	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	202,500	35,600	238,100	-
Current portion of long-term debt (Note 6)	445,000	1,155,000	1,600,000	-
Due in more than one year:				
Compensated absences (Note 6)	202,487	35,630	238,117	-
Net pension liability (Note 10)	7,258,055	1,169,812	8,427,867	-
Net OPEB liability (Note 9)	332,606	64,670	397,276	-
Long-term debt (Note 6)	9,208,279	3,612,379	12,820,658	-
Total liabilities	21,100,279	6,435,234	27,535,513	4,779
Deferred Inflows of Resources - Deferred pension and OPEB cost reductions (Notes 9 and 10)	268,033	49,015	317,048	-
Net Position				
Net investment in capital assets	15,344,400	21,816,847	37,161,247	-
Restricted:				
Road improvements	4,569,666	-	4,569,666	-
Law enforcement	3,275	-	3,275	-
Cemetery	691,364	-	691,364	-
Opioid settlement	8,941	-	8,941	-
Debt service	-	1,312,477	1,312,477	-
Unrestricted	2,975,184	6,948,039	9,923,223	155,874
Total net position	\$ 23,592,830	\$ 30,077,363	\$ 53,670,193	\$ 155,874

City of South Lyon, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,028,798	\$ 698,596	\$ -	\$ -
Public safety - Police, fire, and EMS	4,632,141	16,653	201,187	-
Community maintenance and development	2,917,402	-	1,177,105	-
Community and economic development	153,587	-	28,511	-
Recreation and culture	409,353	-	-	-
Interest on long-term debt	141,152	-	-	-
Total governmental activities	10,282,433	715,249	1,406,803	-
Business-type activities - Water and sewer	4,536,396	3,829,755	-	261,800
Total primary government	<u>\$ 14,818,829</u>	<u>\$ 4,545,004</u>	<u>\$ 1,406,803</u>	<u>\$ 261,800</u>
Component units - Downtown Development Authority	<u>\$ 63,979</u>	<u>\$ -</u>	<u>\$ 58,222</u>	<u>\$ -</u>
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Transfers				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2023

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (1,330,202)	\$ -	\$ (1,330,202)	\$ -
(4,414,301)	-	(4,414,301)	-
(1,740,297)	-	(1,740,297)	-
(125,076)	-	(125,076)	-
(409,353)	-	(409,353)	-
(141,152)	-	(141,152)	-
(8,160,381)	-	(8,160,381)	-
-	(444,841)	(444,841)	-
(8,160,381)	(444,841)	(8,605,222)	-
-	-	-	(5,757)
5,678,144	1,345,673	7,023,817	57,289
1,597,784	-	1,597,784	-
368,167	138,060	506,227	2,147
129,128	-	129,128	-
22,500	-	22,500	-
284,229	-	284,229	-
8,079,952	1,483,733	9,563,685	59,436
(15,735)	15,735	-	-
(96,164)	1,054,627	958,463	53,679
23,688,994	29,022,736	52,711,730	102,195
\$ 23,592,830	\$ 30,077,363	\$ 53,670,193	\$ 155,874

City of South Lyon, Michigan

Governmental Funds Balance Sheet

June 30, 2023

	General Fund	Major Road Fund	Municipal Street Fund	Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents (Note 3)	\$ 5,805,359	\$ 3,862,978	\$ -	\$ 2,352,933	\$ 2,200,243	\$ 14,221,513
Investments (Note 3)	1,000,000	-	-	-	-	1,000,000
Receivables:						
Customer receivables	210,870	-	-	-	-	210,870
Other receivables	36,615	-	-	-	-	36,615
Due from other governments	462,976	139,577	-	-	88,403	690,956
Due from other funds (Note 5)	379,610	-	-	-	-	379,610
Prepaid expenses and other assets	171,726	7,264	-	-	3,909	182,899
Restricted assets (Note 1)	-	-	8,899,748	-	-	8,899,748
Land held for resale	-	-	-	-	53,000	53,000
Total assets	\$ 8,067,156	\$ 4,009,819	\$ 8,899,748	\$ 2,352,933	\$ 2,345,555	\$ 25,675,211
Liabilities						
Accounts payable	\$ 233,667	\$ 11,859	\$ 308,520	\$ 800,327	\$ 427,188	\$ 1,781,561
Due to other governmental units	3,310	-	-	318	-	3,628
Due to other funds	-	44,941	-	-	73,611	118,552
Cash bonds and deposits	344,138	-	-	-	-	344,138
Accrued liabilities and other	105,488	841	-	-	841	107,170
Unearned revenue	1,041,066	-	-	-	-	1,041,066
Total liabilities	1,727,669	57,641	308,520	800,645	501,640	3,396,115
Deferred Inflows of Resources -						
Unavailable revenue	265,837	-	-	-	28,511	294,348
Fund Balances						
Nonspendable	171,726	7,264	-	-	3,909	182,899
Restricted:						
Roads	-	3,944,914	8,591,228	-	613,579	13,149,721
Police	-	-	-	-	3,275	3,275
Cemetery perpetual care	-	-	-	-	691,364	691,364
Opioid settlement	8,941	-	-	-	-	8,941
Committed:						
Capital improvements	192,267	-	-	1,552,288	-	1,744,555
Land acquisition	-	-	-	-	132,930	132,930
Equipment replacement	-	-	-	-	398,858	398,858
Unassigned	5,700,716	-	-	-	(28,511)	5,672,205
Total fund balances	6,073,650	3,952,178	8,591,228	1,552,288	1,815,404	21,984,748
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,067,156	\$ 4,009,819	\$ 8,899,748	\$ 2,352,933	\$ 2,345,555	\$ 25,675,211

City of South Lyon, Michigan

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances Reported in Governmental Funds	\$ 21,984,748
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds	17,206,778
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	294,348
Investments in joint ventures are not financial resources and are not reported in the funds	313,407
Debt obligations are not due and payable in the current period and are not reported in the funds	(9,653,279)
Accrued interest is not due and payable in the current period and is not reported in the funds	(173,789)
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	(404,987)
Pension benefits	(5,599,463)
Retiree health care benefits	(374,933)
Net Position of Governmental Activities	<u>\$ 23,592,830</u>

City of South Lyon, Michigan

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

Year Ended June 30, 2023

	General Fund	Major Road Fund	Municipal Street Fund	Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Property taxes	\$ 5,229,586	\$ -	\$ -	\$ 448,558	\$ -	\$ 5,678,144
Intergovernmental:						
Federal grants	201,187	-	-	-	25,225	226,412
State sources:						
State-shared revenue	1,352,998	-	-	-	-	1,352,998
Act 51 gas and weight tax	-	822,650	-	-	352,927	1,175,577
Local Community Stabilization Authority	211,513	-	-	-	-	211,513
Metro act	-	39,294	-	-	-	39,294
Local grants and contributions	37,910	-	-	-	-	37,910
Charges for services	93,312	-	-	-	115,825	209,137
Fines and forfeitures	16,653	-	-	-	-	16,653
Licenses and permits	638,812	-	-	-	-	638,812
Investment income	258,658	639	65,157	33,858	9,855	368,167
Other revenue	211,232	-	-	-	44,600	255,832
Total revenue	8,251,861	862,583	65,157	482,416	548,432	10,210,449
Expenditures						
Current services:						
General government	1,786,439	-	-	-	-	1,786,439
Public safety	5,475,298	-	-	-	65,855	5,541,153
Public works	1,244,028	310,059	308,520	2,790	791,956	2,657,353
Community and economic development	-	-	-	-	28,511	28,511
Recreation and culture	397,525	-	-	-	-	397,525
Capital outlay	-	-	-	1,112,205	173,857	1,286,062
Debt service	534,868	-	109,953	-	-	644,821
Total expenditures	9,438,158	310,059	418,473	1,114,995	1,060,179	12,341,864
Excess of Revenue (Under) Over Expenditures	(1,186,297)	552,524	(353,316)	(632,579)	(511,747)	(2,131,415)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	100,000	100,000
Transfers out	(15,735)	(100,000)	-	-	-	(115,735)
New debt issued	-	-	8,944,544	-	-	8,944,544
Sale of capital assets	22,500	-	-	-	-	22,500
Total other financing sources (uses)	6,765	(100,000)	8,944,544	-	100,000	8,951,309
Net Change in Fund Balances	(1,179,532)	452,524	8,591,228	(632,579)	(411,747)	6,819,894
Fund Balances - Beginning of year	7,253,182	3,499,654	-	2,184,867	2,227,151	15,164,854
Fund Balances - End of year	\$ 6,073,650	\$ 3,952,178	\$ 8,591,228	\$ 1,552,288	\$ 1,815,404	\$ 21,984,748

City of South Lyon, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2023

Net Change in Fund Balances Reported in Governmental Funds \$ 6,819,894

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	4,054,402
Depreciation expense	(1,835,450)

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	33,880
--	--------

Change in investment in joint venture is not recorded in the governmental funds but is recorded in the statement of activities	(17,596)
--	----------

Issuing debt and entering into leases provide current financial resources to governmental funds but increase long-term liabilities in the statement of net position	(8,944,544)
---	-------------

Repayment of debt principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt). Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	541,265
---	---------

Interest expense is recognized in the government-wide statements as it accrues	(147,549)
--	-----------

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	(600,466)
--	-----------

Change in Net Position of Governmental Activities \$ (96,164)

City of South Lyon, Michigan**Proprietary Fund - Water and Sewer Fund
Statement of Net Position****June 30, 2023****Assets**

Current assets:

Cash and cash equivalents (Note 3)	\$ 7,375,975
Receivables - Customer receivables	1,217,969
Prepaid expenses and other assets	23,916

Total current assets 8,617,860

Noncurrent assets:

Restricted assets (Note 1) 1,312,477

Capital assets: (Note 4)

Assets not subject to depreciation 170,745

Assets subject to depreciation - Net 26,413,481

Total noncurrent assets 27,896,703

Total assets 36,514,563

Deferred Outflows of Resources - Deferred pension and OPEB costs (Notes 9 and 10) 308,107

Liabilities

Current liabilities:

Accounts payable 332,347

Due to other funds (Note 5) 261,058

Accrued liabilities and other 29,796

Compensated absences (Note 6) 35,600

Current portion of long-term debt (Note 6) 1,155,000

Total current liabilities 1,813,801

Noncurrent liabilities:

Compensated absences (Note 6) 35,630

Net pension liability (Note 10) 1,169,812

Net OPEB liability (Note 9) 64,670

Long-term debt (Note 6) 3,612,379

Total noncurrent liabilities 4,882,491

Total liabilities 6,696,292

Deferred Inflows of Resources - Deferred pension and OPEB cost reductions (Notes 9 and 10) 49,015

Net Position

Net investment in capital assets 21,816,847

Restricted - Debt service 1,312,477

Unrestricted 6,948,039

Total net position \$ 30,077,363

City of South Lyon, Michigan**Proprietary Fund - Water and Sewer Fund
Statement of Revenue, Expenses, and Changes in Net Position****Year Ended June 30, 2023****Operating Revenue**

Sale of water	\$ 1,535,851
Sewage disposal charges	1,659,803
Refuse collection	589,068
Billing and collection charges	41,640
Other income	3,393

Total operating revenue 3,829,755

Operating Expenses

Salaries and wages	737,427
Fringe benefits	423,709
Equipment repair and maintenance	309,339
Public utilities	444,842
Refuse collection	589,955
Professional services	208,945
Insurance	28,198
Other	241,918
Depreciation	1,425,066

Total operating expenses 4,409,399

Operating Loss

(579,644)

Nonoperating Revenue (Expense)

Property tax revenue	1,345,673
Investment income	138,060
Interest expense	(126,997)

Total nonoperating revenue 1,356,736

Income - Before capital contributions 777,092

Capital Contributions - Tap-in fees 261,800

Transfers In 15,735

Change in Net Position 1,054,627

Net Position - Beginning of year 29,022,736

Net Position - End of year \$ 30,077,363

City of South Lyon, Michigan**Proprietary Fund - Water and Sewer Fund
Statement of Cash Flows****Year Ended June 30, 2023****Cash Flows from Operating Activities**

Receipts from customers	\$ 3,700,646
Payments to suppliers	(1,961,685)
Payments to employees and fringes	(1,106,761)
Other payments	(2,797)

Net cash and cash equivalents provided by operating activities 629,403

Cash Flows Provided by Noncapital Financing Activities - Receipts from other funds 214,063

Cash Flows from Capital and Related Financing Activities

Collection of tap-in fees	261,800
Property taxes revenue received	1,345,673
Purchase of capital assets	(1,052,204)
Principal and interest paid on capital debt	(1,259,809)

Net cash and cash equivalents used in capital and related financing activities (704,540)

Cash Flows Provided by Investing Activities - Interest received on investments 138,060

Net Increase in Cash and Cash Equivalents 276,986

Cash and Cash Equivalents - Beginning of year 8,411,466

Cash and Cash Equivalents - End of year \$ 8,688,452

Classification of Cash and Cash Equivalents

Cash and investments	\$ 7,375,975
Restricted cash	1,312,477

Total cash and cash equivalents \$ 8,688,452

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (579,644)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	1,425,066
Changes in assets and liabilities:	
Receivables	(131,906)
Prepaid and other assets	48,477
Accounts payable	(197,908)
Net pension or OPEB liability	339,737
Deferrals related to pension or OPEB	(277,011)
Accrued and other liabilities	2,592

Total adjustments 1,209,047

Net cash and cash equivalents provided by operating activities \$ 629,403

City of South Lyon, Michigan**Statement of Fiduciary Net Position****June 30, 2023**

	Other Postemployment Benefits Fund	Custodial Fund - Tax Collection Fund	Total Fiduciary Funds
Assets - Interest in pooled investment	\$ 288,865	\$ -	\$ 288,865
Liabilities	-	-	-
Net Position - Restricted for postemployment benefits other than pension	<u>\$ 288,865</u>	<u>\$ -</u>	<u>\$ 288,865</u>

City of South Lyon, Michigan**Statement of Changes in Fiduciary Net Position****Year Ended June 30, 2023**

	Other Postemployment Benefits Fund	Custodial Fund - Tax Collection Fund	Total Fiduciary Funds
Additions			
Investment income (loss):			
Net increase in fair value of investments	\$ 22,562	\$ -	\$ 22,562
Investment expenses	(462)	-	(462)
Net investment income	22,100	-	22,100
Contributions	102,559	-	102,559
Property tax collections for other taxing authorities	-	12,244,074	12,244,074
Total additions	124,659	12,244,074	12,368,733
Deductions			
Benefit payments	30,559	-	30,559
Property tax disbursements to other taxing authorities	-	12,244,074	12,244,074
Total deductions	30,559	12,244,074	12,274,633
Net Increase in Fiduciary Net Position	94,100	-	94,100
Net Position - Beginning of year	194,765	-	194,765
Net Position - End of year	<u>\$ 288,865</u>	<u>\$ -</u>	<u>\$ 288,865</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 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 Unit

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 mayor 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 it spent certain resources; separate funds allow it to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three 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 reports the General Fund, the Major Road Fund, the Capital Improvement Fund, and the Municipal Street Fund as major governmental funds. 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. The Major Road Fund is a special revenue fund that accounts for the City's construction and maintenance of its major street system. The Major Road Fund is funded primarily through the receipt of State of Michigan motor vehicle fuel taxes. The Capital Improvement Fund is a capital project fund that accounts for the City's major capital improvement projects and is primarily funded through collection of property taxes. The Municipal Street Fund is a capital project fund that accounts for the City's construction of streets and was primarily funded by a debt issuance to be spent on future street projects. The fund will also collect property taxes to pay back the debt as voted by the tax payers.

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.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate the City's government programs. Activities that are reported as fiduciary include the following:

- The Other Postemployment Benefits Fund accumulates resources for future retiree health care payments to eligible employees.
- The Tax Collection Fund collects and distributes taxes on behalf of various taxing authorities (state, county, school district, and the various smaller authorities).

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.

Note 1 - Significant Accounting Policies (Continued)

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 health care-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.

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, certain grant revenue, and interest associated with the current fiscal period. Conversely, some state-shared revenue and grant revenue will be collected after the period of availability; receivables have been recorded for these amounts, along with a deferred inflow.

Proprietary funds and fiduciary 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.

Investments

Investments are reported at fair value or estimated fair value.

Restricted Assets

Restricted assets consist of cash and cash equivalents held for the following:

- Unspent property taxes levied and held in the Water and Sewer Fund required to be set aside for future bond principal and interest payments.
- Unspent bond proceeds held in the Municipal Street Fund to be spent on future road projects.

June 30, 2023**Note 1 - Significant Accounting Policies (Continued)****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.

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

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 and/or balance sheet 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 related to the pension and OPEB plans, as detailed in Notes 9 and 10.

In addition to liabilities, the statement of net position and/or balance sheet 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 related to the pension and OPEB plans, as detailed in Notes 9 and 10. 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 and opioid settlement revenue. The Community Development Block Grant Fund reports unavailable revenue from grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Significant Accounting Policies (Continued)

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).

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 exist only 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.

Water and Sewer Tap-in Fees Policy

Based on a city administrative policy amended in May 2022, 80 percent of funds collected for tap-in fees, developer contributions, or any other payment for a share of a capital improvement (e.g., cost-sharing fund, special assessments for water and sanitary sewer improvement, etc.) will be contributed to the water and sanitary sewer capital fund. The water and sanitary sewer capital fund is to be used by both the water and sanitary sewer departments for capital improvements to the systems. If at any time, the water and sanitary sewer capital fund is carrying a balance that exceeds more money than is needed for future planned improvements, the fund balance amounts will be reevaluated and, if necessary, proportionally reallocated to the related operating budgets to be used in accordance with best practices recommended by the City's professional service providers. At June 30, 2023, the water and sanitary sewer capital fund has a balance of \$2,635,460.

Note 1 - Significant Accounting Policies (Continued)

Property Tax Revenue

Properties are levied on July 1 and become an enforceable lien at that time. The tax is based on the taxable valuation of property as of the preceding December 31. Taxes are due on September 30 with the final collection date of February 28. Taxes are considered delinquent on October 1, at which time penalties and interest are assessed.

The City's 2022 property tax revenue was levied and collectible on July 1, 2022 and is recognized as revenue in the year ended June 30, 2023 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the City totaled \$449 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 12.3500 mills for operating purposes and 3.000 mills for debt service. This resulted in approximately \$5.5 million used for operations and \$1.3 million utilized for debt service. These amounts are recognized in the respective general, capital projects, 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 health care 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. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the City of South Lyon Other Postemployment Benefits Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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. Limits to accumulations are based on collective bargaining agreements for contract employees and personnel policies for administrative, nonunion contract employees. Once maximum accumulations are reached, unused days accumulated beyond that number shall be lost. The payment obligation for future absences (leave) is based on employee services already rendered. The amount of the obligation can be reasonably estimated. 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 Road Fund, Local Road Fund, and Water and Sewer Fund, primarily) are used to liquidate the obligations.

June 30, 2023

Note 1 - Significant Accounting Policies (Continued)

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 is 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 Pronouncement

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.

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
Debt service	\$ 267,434	\$ 534,868
Transfers	4,000	15,735

The debt service expenditures were over budget in the amount of \$267,434. This was attributed to prepayment of the July 30, 2023 installment payment on the firetruck that was paid in June 2023.

Transfers were over budget in the amount of \$11,735. This was attributable to the \$15,735 transfer made for payment of the Sanitary Sewer System Easement and Deposit of Estimated Just Compensation for construction of a new manhole, maintenance, and reconstruction of the existing sanitary sewer line and extension of the sanitary sewer main.

June 30, 2023

Note 2 - Stewardship, Compliance, and Accountability (Continued)

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:

Cumulative shortfall at July 1, 2022		\$	(999,213)
Current year permit revenue			502,699
Related expenses:			
Direct costs	\$	459,934	
Estimated indirect costs		9,389	469,323
			<u>33,376</u>
Current year surplus			<u>33,376</u>
Cumulative shortfall at June 30, 2023		\$	<u>(965,837)</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 that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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 other postemployment benefits fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

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 permitted by the statutes of the State of Michigan.

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 bank deposits of approximately \$30,960,000 (checking and savings accounts) that were 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.

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

Investment	Fair Value	Less Than 1 Year	1-5 Years
Oakland County Local Government Investment Pool	\$ 1,000,000	\$ -	\$ 1,000,000

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Oakland County Local Government Investment Pool	\$ 1,000,000	Not rated	Not rated

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The City does not have any investments within the fair value hierarchy above and only has an investment measured at fair value using net asset value per share (or its equivalent) as a practical expedient.

Investments in Entities that Calculate Net Asset Value per Share

The General Fund and Other Postemployment Benefits Fund holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS RHFV Total Market Portfolio	\$ 288,865	\$ -	N/A	N/A
Oakland County Local Government Investment Pool	1,000,000	-	N/A	N/A

The MERS RHFV Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS RHFV Total Market Portfolio.

Note 3 - Deposits and Investments (Continued)

The Oakland County Local Government Investment Pool (LGIP) is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares because the pool redeems shares at \$1 per share, regardless of current fair value.

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2022	Additions	Disposals and Reclassifications	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 3,436,792	\$ -	\$ -	\$ 3,436,792
Construction in progress	-	758,628	-	758,628
Subtotal	3,436,792	758,628	-	4,195,420
Capital assets being depreciated:				
Roads and sidewalks	24,293,386	151,383	-	24,444,769
Buildings and improvements	10,196,672	1,260,517	-	11,457,189
Furniture and equipment	6,899,278	1,883,874	(625,000)	8,158,152
Subtotal	41,389,336	3,295,774	(625,000)	44,060,110
Accumulated depreciation:				
Roads and sidewalks	18,550,052	919,912	-	19,469,964
Buildings and improvements	5,814,458	365,410	-	6,179,868
Furniture and equipment	5,473,792	550,128	(625,000)	5,398,920
Subtotal	29,838,302	1,835,450	(625,000)	31,048,752
Net governmental activities capital assets being depreciated	11,551,034	1,460,324	-	13,011,358
Net governmental activities capital assets	\$ 14,987,826	\$ 2,218,952	\$ -	\$ 17,206,778

City of South Lyon, Michigan

Notes to Financial Statements

June 30, 2023

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2022	Additions	Disposals and Reclassifications	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 147,317	\$ 9,525	\$ -	\$ 156,842
Construction in progress	-	13,903	-	13,903
Subtotal	147,317	23,428	-	170,745
Capital assets being depreciated:				
Wastewater treatment plant and equipment	33,961,241	44,446	-	34,005,687
Water treatment plant and equipment	6,503,693	598,655	-	7,102,348
Utility systems, building, and improvements	19,278,140	380,675	-	19,658,815
Other tools, furniture, and equipment	1,413,485	5,000	-	1,418,485
Subtotal	61,156,559	1,028,776	-	62,185,335
Accumulated depreciation - Total water and sewer	34,346,788	1,425,066	-	35,771,854
Net business-type activities capital assets being depreciated	26,809,771	(396,290)	-	26,413,481
Net business-type activities capital assets	\$ 26,957,088	\$ (372,862)	\$ -	\$ 26,584,226

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

Governmental activities:	
General government	\$ 138,086
Public safety	395,907
Public works	1,234,523
Recreation and culture	66,934
Total governmental activities	\$ 1,835,450
Business-type activities - Water and sewer	\$ 1,425,066

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	\$ 261,058
	Major Road Fund	44,941
	Nonmajor governmental funds	73,611
	Total	\$ 379,610

June 30, 2023

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

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.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Major Road Fund	Nonmajor governmental funds	\$ 100,000
General Fund	Water and Sewer Fund	15,735

The transfer relates to a contribution from the Major Road Fund to the Local Road Fund in accordance with Michigan Public Act 51, as amended.

The transfer from the General Fund to the Water and Sewer Fund relates to funds received by the General Fund for the Sanitary Sewer Easement that were then transferred to the Water and Sewer Fund.

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:					
2021 Ladder truck installment contract	\$ 1,250,000	\$ -	\$ (483,087)	\$ 766,913	\$ -
2023 Unlimited Tax General Obligation Bond	-	7,525,000	-	7,525,000	445,000
Total direct borrowings and direct placements principal outstanding	1,250,000	7,525,000	(483,087)	8,291,913	445,000
Unamortized bond premiums	-	1,419,544	(58,178)	1,361,366	-
Compensated absences	434,164	195,548	(224,725)	404,987	202,500
Total governmental activities long-term debt	\$ 1,684,164	\$ 9,140,092	\$ (765,990)	\$ 10,058,266	\$ 647,500

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:					
General obligations	\$ 4,147,379	\$ -	\$ (1,000,000)	\$ 3,147,379	\$ 1,025,000
Revenue bonds	1,745,000	-	(125,000)	1,620,000	130,000
Total direct borrowings and direct placements principal outstanding	5,892,379	-	(1,125,000)	4,767,379	1,155,000
Compensated absences	68,638	37,075	(34,483)	71,230	35,600
Total business-type activities long-term debt	<u>\$ 5,961,017</u>	<u>\$ 37,075</u>	<u>\$ (1,159,483)</u>	<u>\$ 4,838,609</u>	<u>\$ 1,190,600</u>

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, 2023 are as follows:

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Governmental Activities				
Firetruck installment purchase agreement	2021	2.29%	2027	\$ 766,913
2023 Unlimited Tax General Obligation Bond	2023	5.00 - 6.00%	2033	7,525,000
Business-type Activities				
State of Michigan Revolving Fund	2003	2.50%	2025	\$ 3,147,379

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 Fund, net of operating expenses, to repay the water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water and sewer system. The remaining principal and interest to be paid on the bonds is approximately \$1,873,000. During the current year, operating income of the system (excluding depreciation expense) was \$845,422.

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Business-type Activities				
Drinking Water Revolving Fund Program #7314-01	2013	2.50%	2034	\$ 1,620,000

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year related to governmental activities was approximately \$141,000. Total interest incurred related to business-type activities for the year approximated \$127,000. 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		
	Direct Borrowings and Direct Placements			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 445,000	\$ 491,956	\$ 936,956	\$ 1,155,000	\$ 106,372	\$ 1,261,372
2025	804,872	423,100	1,227,972	1,185,000	77,184	1,262,184
2026	855,594	388,240	1,243,834	1,207,379	47,280	1,254,659
2027	911,447	352,387	1,263,834	140,000	30,500	170,500
2028	710,000	307,400	1,017,400	145,000	27,000	172,000
2029-2033	4,565,000	837,000	5,402,000	770,000	79,375	849,375
Thereafter	-	-	-	165,000	4,125	169,125
Total	\$ 8,291,913	\$ 2,800,083	\$ 11,091,996	\$ 4,767,379	\$ 371,836	\$ 5,139,215

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, MI 48075 and for SLARA at SLARA's office at 23333 Griswold Road, Suite 100, South Lyon, MI 48178.

During the year, the City contributed \$22,308 to RRRASOC and \$22,492 to SLARA. The City reported equity interest in SLARA of \$313,407 as of June 30, 2023 and the City has no definable interest in RRRASOC.

June 30, 2023

Note 9 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree health care 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 health care benefits. The benefits are provided through a single-employer plan administered by the South Lyon City Council. The financial statements of the single-employer plan are included in these financial statements as an other postemployment benefits fund (a fiduciary fund).

Management of the plan is the responsibility of the City's pension board, which consists of seven members - three elected by plan members; three appointed by the City; and the city treasurer, who serves as an ex officio member.

Benefits Provided

All employees retiring under regular (normal), work-related disability, or workers' compensation retirement are eligible to receive a stipend for health care 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 from the POAM union receive a stipend of up to \$700 per month for health care premiums. Eligible police retirees from the POLC union receive a stipend of up to \$900 per month for health care premiums. Eligible general retirees receive a stipend of up to \$500 per month for health care insurance premiums. To the extent the stipend exceeds the monthly health care premiums, the remainder may be used to offset spousal health care insurance premiums.

Employees Covered by Benefit Terms

The following members were covered by the contractual benefit terms:

Date of member count	June 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	3
Active plan members	<u>43</u>
Total plan members	<u><u>46</u></u>

Contributions

Retiree health care 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, 2023, the City paid postemployment health care stipends of \$30,559. In addition, the City made contributions of approximately \$72,000 during the year ended June 30, 2023.

Total OPEB Liability

The June 30, 2023 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, which used update procedures to roll forward the estimated liability to June 30, 2023.

Note 9 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2022	\$ 645,690	\$ 194,765	\$ 450,925
Changes for the year:			
Service cost	23,722	-	23,722
Interest	48,099	-	48,099
Differences between expected and actual experience	(811)	-	(811)
Contributions - Employer	-	102,559	(102,559)
Net investment income	-	22,562	(22,562)
Benefit payments	(30,559)	(30,559)	-
Administrative expenses	-	(462)	462
Net changes	40,451	94,100	(53,649)
Balance at June 30, 2023	\$ 686,141	\$ 288,865	\$ 397,276

The plan's fiduciary net position represents 42.1 percent of the total OPEB liability.

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$43,902.

At June 30, 2023, 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	\$ 99,560	\$ (67,664)
Changes in assumptions	43,341	(141,078)
Net difference between projected and actual earnings on OPEB plan investments	15,283	-
Total	\$ 158,184	\$ (208,742)

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
2024	\$ (11,437)
2025	(11,437)
2026	(11,392)
2027	(18,014)
2028	832
Thereafter	890
Total	\$ (50,558)

Note 9 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 which was used to update procedures to roll forward the estimated liability to fiscal year June 30, 2023. The June 30, 2022 actuarial valuation used an inflation assumption of 3.00 percent; a health care cost trend rate of 7.50 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and later years; and the SOA Pub-2010 total dataset mortality tables using Scale MP-2021. In addition, active employees who currently have no coverage are assumed to elect no coverage at retirement and have been excluded from the GASB valuation.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 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 city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB 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 OPEB 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.50 %
Global fixed income	2.00
Private investments	7.00

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.35 percent, as well as what the City's net 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 Percentage Point Decrease (6.35%)	Current Discount Rate (7.35%)	1 Percentage Point Increase (8.35%)
Net OPEB liability of the plan	\$ 438,181	\$ 397,276	\$ 358,989

Note 9 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6% Decreasing to 3.5%)	Current Health Care Cost Trend Rate (7% Decreasing to 4.5%)	1 Percentage Point Increase (8% Decreasing to 5.5%)
Net OPEB liability of the plan	\$ 355,914	\$ 397,276	\$ 443,226

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB plan's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00
Total	100.00 %

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was an investment gain of 7.46 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, MI 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.

June 30, 2023

Note 10 - Pension Plan (Continued)

The MERS plan covers full-time employees at the City, including AFSCME, nonunion, police, patrolmen, police command, and clerical employees. The MERS defined benefit plan is 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 5-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 (8 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 (8 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, 2022 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	27
	<hr/>
Total employees covered by the plan	68
	<hr/>

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, 2023, the average active employee contribution rate was 2.21 percent of annual pay. The City pays a flat amount each month for its required contribution, except for the command division. Monthly payment amounts for the various divisions range from \$3,346 to \$20,397 per month plus an amount for the command division contribution at a rate of 28.88 percent.

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, 2023 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, 2022 measurement date. The December 31, 2022 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Note 10 - Pension Plan (Continued)

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, 2021	\$ 20,886,151	\$ 15,196,692	\$ 5,689,459
Changes for the year:			
Service cost	253,606	-	253,606
Interest	1,492,596	-	1,492,596
Changes in benefits	3,053	-	3,053
Differences between expected and actual experience	119,235	-	119,235
Contributions - Employer	-	777,896	(777,896)
Contributions - Employee	-	55,226	(55,226)
Net investment loss	-	(1,675,041)	1,675,041
Benefit payments, including refunds	(850,872)	(850,872)	-
Administrative expenses	-	(27,999)	27,999
Net changes	1,017,618	(1,720,790)	2,738,408
Balance at December 31, 2022	\$ 21,903,769	\$ 13,475,902	\$ 8,427,867

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

For the year ended June 30, 2023, the City recognized pension expense of \$1,561,885. At June 30, 2023, 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	\$ 79,490	\$ (108,306)
Changes in assumptions	267,364	-
Net difference between projected and actual earnings on pension plan investments	1,296,404	-
Employer contributions to the plan subsequent to the measurement date	390,963	-
Total	\$ 2,034,221	\$ (108,306)

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
2024	\$ 311,377
2025	274,438
2026	394,109
2027	555,028
Total	\$ 1,534,952

June 30, 2023

Note 10 - Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (gross of investment expenses) of 7.25 percent, and the Pub-2010 mortality tables. The assumptions were applied to all periods included in the measurement. All assumptions used, except for the investment rate of return, are based on an experience study conducted for the period from 2014-2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 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.

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, 2022 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	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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 7.25 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 (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the City	\$ 11,090,098	\$ 8,427,867	\$ 6,188,775

June 30, 2023

Note 10 - Pension Plan (Continued)

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, 2023, the City abated \$11,978 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Required Supplementary Information

City of South Lyon, Michigan

Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,641,935	\$ 5,641,935	\$ 5,229,586	\$ (412,349)
Intergovernmental	1,412,780	1,412,780	1,803,608	390,828
Charges for services	75,000	75,000	93,312	18,312
Fines and forfeitures	15,150	15,150	16,653	1,503
Licenses and permits	606,000	606,000	638,812	32,812
Investment income	1,225	201,225	258,658	57,433
Other revenue	287,224	287,224	211,232	(75,992)
Total revenue	8,039,314	8,239,314	8,251,861	12,547
Expenditures				
Current services:				
General government	1,756,522	1,843,924	1,786,439	57,485
Public safety:				
Police	3,279,633	3,288,633	3,088,603	200,030
Fire	898,462	2,398,462	2,385,970	12,492
Ambulance	5,680	5,680	725	4,955
Public works:				
Public works	1,056,461	1,180,617	1,145,854	34,763
Cemetery	153,131	153,131	98,174	54,957
Recreation and culture:				
Parks and recreation	462,365	462,365	260,584	201,781
Cable television production	13,925	13,925	1,338	12,587
Historical	51,080	51,080	31,913	19,167
Cultural arts	5,200	5,200	2,106	3,094
Public transportation	90,000	101,584	101,584	-
Debt service	267,434	267,434	534,868	(267,434)
Total expenditures	8,039,893	9,772,035	9,438,158	333,877
Other Financing (Uses) Sources				
Transfers out	(4,000)	(4,000)	(15,735)	(11,735)
Sale of capital assets	20,000	20,000	22,500	2,500
Total other financing sources	16,000	16,000	6,765	(9,235)
Net Change in Fund Balance	15,421	(1,516,721)	(1,179,532)	337,189
Fund Balance - Beginning of year	7,253,182	7,253,182	7,253,182	-
Fund Balance - End of year	\$ 7,268,603	\$ 5,736,461	\$ 6,073,650	\$ 337,189

City of South Lyon, Michigan**Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Fund
Major Road Fund****Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 823,540	\$ 823,540	\$ 861,944	\$ 38,404
Investment income	250	250	639	389
Total revenue	823,790	823,790	862,583	38,793
Expenditures - Current services - Community maintenance and development - Public works	401,802	401,802	310,059	91,743
Other Financing Uses - Transfers to other funds	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balance	321,988	321,988	452,524	130,536
Fund Balance - Beginning of year	3,499,654	3,499,654	3,499,654	-
Fund Balance - End of year	<u>\$ 3,821,642</u>	<u>\$ 3,821,642</u>	<u>\$ 3,952,178</u>	<u>\$ 130,536</u>

City of South Lyon, Michigan

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

Last Nine Fiscal Years
(Schedule is Built Prospectively upon Implementation of GASB 68)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 253,606	\$ 245,597	\$ 242,132	\$ 238,655	\$ 268,288	\$ 274,113	\$ 283,687	\$ 255,313	\$ 255,907
Interest	1,482,596	1,463,631	1,350,131	1,328,551	1,257,029	1,199,100	1,141,285	1,064,707	1,004,596
Changes in benefit terms	3,053	435	719	(851)	(656)	(6,932)	(270)	-	-
Differences between expected and actual experience	119,235	(324,917)	240,371	(148,583)	108,840	(117,223)	(113,562)	(104,289)	-
Changes in assumptions	-	802,092	535,275	549,807	-	-	-	707,441	-
Benefit payments, including refunds	(850,872)	(872,344)	(881,574)	(757,720)	(652,600)	(591,459)	(575,867)	(578,810)	(485,354)
Net Change in Total Pension Liability	1,017,618	1,314,494	1,457,054	1,200,879	978,901	757,599	735,273	1,345,362	775,149
Total Pension Liability - Beginning of year	20,886,151	19,571,657	18,084,603	16,883,924	15,905,023	15,147,424	14,412,151	13,066,789	12,291,640
Total Pension Liability - End of year	\$ 21,903,769	\$ 20,886,151	\$ 19,571,657	\$ 18,084,603	\$ 16,883,924	\$ 15,905,023	\$ 15,147,424	\$ 14,412,151	\$ 13,066,789
Plan Fiduciary Net Position									
Contributions - Employer	\$ 777,896	\$ 675,499	\$ 606,867	\$ 581,677	\$ 559,154	\$ 529,687	\$ 470,446	\$ 420,267	\$ 417,111
Contributions - Employee	55,226	49,336	47,257	47,115	45,616	34,784	29,301	27,094	27,802
Net investment (loss) income	(1,875,041)	1,827,109	1,705,939	1,466,800	(447,680)	1,332,498	1,035,110	(140,969)	562,278
Administrative expenses	(27,999)	(21,626)	(24,293)	(25,284)	(22,001)	(21,070)	(20,433)	(20,522)	(20,698)
Benefit payments, including refunds	(850,872)	(872,344)	(881,574)	(757,720)	(652,600)	(591,459)	(575,867)	(578,810)	(485,354)
Net Change in Plan Fiduciary Net Position	(1,720,790)	1,657,974	1,454,196	1,302,388	(517,511)	1,284,440	938,557	(292,940)	501,139
Plan Fiduciary Net Position - Beginning of year	15,196,692	13,538,718	12,084,522	10,782,134	11,299,645	10,015,205	9,076,648	9,369,588	8,868,449
Plan Fiduciary Net Position - End of year	\$ 13,475,902	\$ 15,196,692	\$ 13,538,718	\$ 12,084,522	\$ 10,782,134	\$ 11,299,645	\$ 10,015,205	\$ 9,076,648	\$ 9,369,588
City's Net Pension Liability - Ending	\$ 8,427,867	\$ 5,689,459	\$ 6,032,939	\$ 6,000,081	\$ 6,101,790	\$ 4,605,378	\$ 5,132,219	\$ 5,335,503	\$ 3,697,201
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.52 %	72.76 %	69.18 %	66.82 %	63.86 %	71.04 %	66.12 %	62.98 %	71.71 %
Covered Payroll	\$ 2,233,252	\$ 2,348,598	\$ 2,385,710	\$ 2,321,141	\$ 2,588,285	\$ 2,643,114	\$ 2,725,500	\$ 2,533,242	\$ 2,528,331
City's Net Pension Liability as a Percentage of Covered Payroll	377.38 %	242.25 %	255.02 %	258.50 %	235.75 %	174.24 %	188.30 %	210.62 %	146.23 %

See notes to required supplementary information.

City of South Lyon, Michigan

**Required Supplementary Information
Schedule of Pension Contributions**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 777,674	\$ 674,370	\$ 603,057	\$ 577,283	\$ 586,762	\$ 549,604	\$ 501,517	\$ 435,641	\$ 410,024	\$ 405,981
Contributions in relation to the actuarially determined contribution	777,674	674,370	603,057	577,283	586,762	549,604	501,517	435,641	410,024	405,981
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,233,252	\$ 2,348,598	\$ 2,365,710	\$ 2,321,141	\$ 2,588,286	\$ 2,643,114	\$ 2,725,500	\$ 2,533,242	\$ 2,528,331	\$ 2,472,858
Contributions as a Percentage of Covered Payroll	34.82 %	28.71 %	25.49 %	24.87 %	22.67 %	20.79 %	18.40 %	17.20 %	16.22 %	16.42 %

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, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.00 percent average, including inflation
Investment rate of return - Net of administrative expenses	7.35 percent
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Mortality Tables
Other information	None

See notes to required supplementary information.

City of South Lyon, Michigan

Required Supplementary Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Six Fiscal Years					
	(Schedule is Built Prospectively upon Implementation of GASB 75)					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 23,722	\$ 23,561	\$ 42,275	\$ 28,071	\$ 23,545	\$ 28,001
Interest	48,099	42,265	19,156	19,711	18,637	21,877
Changes in benefit terms	-	-	37,742	-	-	-
Differences between expected and actual experience	(811)	29,863	1,061	84,734	38,510	(167,358)
Changes in assumptions	-	10,744	(195,900)	42,861	13,697	(9,871)
Benefit payments, including refunds	(30,559)	(24,011)	(37,653)	(24,332)	(13,622)	(9,000)
Net Change in Total OPEB Liability	40,451	82,422	(133,319)	151,045	80,767	(136,351)
Total OPEB Liability - Beginning of year	645,690	563,268	696,587	545,542	464,775	601,126
Total OPEB Liability - End of year	<u>\$ 686,141</u>	<u>\$ 645,690</u>	<u>\$ 563,268</u>	<u>\$ 696,587</u>	<u>\$ 545,542</u>	<u>\$ 464,775</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 102,559	\$ 94,011	\$ 180,650	\$ -	\$ -	\$ -
Net investment income (loss)	22,562	(19,896)	2,127	-	-	-
Administrative expenses	(462)	(334)	(129)	-	-	-
Benefit payments	(30,559)	(24,011)	(37,653)	-	-	-
Net Change in Plan Fiduciary Net Position	94,100	49,770	144,995	-	-	-
Plan Fiduciary Net Position - Beginning of year	194,765	144,995	-	-	-	-
Plan Fiduciary Net Position - End of year	<u>\$ 288,865</u>	<u>\$ 194,765</u>	<u>\$ 144,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending	<u>\$ 397,276</u>	<u>\$ 450,925</u>	<u>\$ 418,273</u>	<u>\$ 696,587</u>	<u>\$ 545,542</u>	<u>\$ 464,775</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	42.10 %	30.16 %	25.74 %	- %	- %	- %
Covered-employee Payroll	\$3,306,410	\$2,906,807	\$2,855,707	\$2,633,383	\$2,705,916	\$2,566,424
Net OPEB Liability as a Percentage of Covered-employee Payroll	12.02 %	15.51 %	14.65 %	26.45 %	20.16 %	18.11 %

City of South Lyon, Michigan

Required Supplementary Information Schedule of OPEB Contributions

Last Six Fiscal Years
(Schedule is Built Prospectively upon Implementation of GASB 75)
Years Ended June 30

	2023	2022	2021	2020	2019	2018*
Actuarially determined contribution	\$ 63,467	\$ 60,192	\$ 78,997	\$ 59,341	\$ 61,253	\$ -
Contributions in relation to the actuarially determined contribution	72,000	70,000	142,997	-	-	-
Contribution Excess (Deficiency)	\$ 8,533	\$ 9,808	\$ 64,000	\$ (59,341)	\$ (61,253)	\$ -
Covered-employee Payroll	\$3,306,410	\$2,906,807	\$2,855,707	\$2,633,383	\$2,705,916	\$2,566,424
Contributions as a Percentage of Covered-employee Payroll	2.18 %	2.41 %	5.01 %	- %	- %	- %

*No actuarially determined contribution was calculated for fiscal year ended June 30, 2018.

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar amortization - Closed
Remaining amortization period	29 years
Asset valuation method	Market value
Inflation	3.00 percent
Health care cost trend rates	7.5 percent decreasing 0.5 percent per year to a 4.50 percent long-term rate
Salary increase	3.75 percent average, including inflation
Investment rate of return	7.35 percent
Mortality	Pub-2010 mortality tables with Scale MP-2021 generational mortality improvement

City of South Lyon, Michigan

**Required Supplementary Information
Schedule of OPEB Investment Returns**

	Last Three Fiscal Years		
	Years Ended June 30		
	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.46 %	(8.24)%	1.26 %

*GASB Statement No. 74 was implemented in fiscal year 2017, but the City established the OPEB trust in fiscal year 2021. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

City of South Lyon, Michigan

Notes to Required Supplementary Information

June 30, 2023

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, 2023 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 supplementary information. Information comparing other special revenue funds activity to the respective budgets can be obtained at city hall.

Pension Information

Changes in Assumptions

June 30, 2020 - The beginning of year total pension liability was based on a single discount rate of 8.00 percent, and the end of year total pension liability was based on a single discount rate of 7.60 percent.

June 30, 2021 - The beginning of year total pension liability was based on the RP-2014 mortality tables, and the end of year total pension liability was based on the Pub-2010 mortality tables.

June 30, 2022 - The beginning of year total pension liability was based on a single discount rate of 7.60 percent, and the end of year total pension liability was based on a single discount rate of 7.25 percent.

OPEB Information

Changes in Assumptions

June 30, 2019 - The beginning of year total OPEB liability was based on a single discount rate of 3.87 percent, and the end of year total OPEB liability was based on a single discount rate of 3.51 percent.

June 30, 2020 - The beginning of year total OPEB liability was based on a single discount rate of 3.51 percent, and the end of year total OPEB liability was based on a single discount rate of 2.66 percent. In addition, the beginning of year total OPEB liability was based on the SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017, and the end of year total OPEB liability was based on a variation of the SOA Pub-2010 Mortality Tables.

June 30, 2021 - The beginning of year total OPEB liability was based on a single discount rate of 2.66 percent, and the end of year total OPEB liability was based on a single discount rate of 7.35 percent.

June 30, 2022 - The beginning of year total OPEB liability was based on the Pub-2010 Mortality tables using Scale MP-2019, and the end of year total OPEB liability was based on the Pub-2010 Mortality tables using Scale MP-2021.

Other Supplementary Information

City of South Lyon, Michigan

	Special Revenue Funds			
	Local Road	Drug Forfeiture	Cemetery Perpetual Care	Community Development Block Grant
Assets				
Cash and cash equivalents	\$ 932,970	\$ 3,275	\$ 697,989	\$ -
Receivables - Due from other governmental units	59,892	-	-	28,511
Prepaid expenses and other assets	3,909	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 996,771	\$ 3,275	\$ 697,989	\$ 28,511
Liabilities				
Accounts payable	\$ 333,342	\$ -	\$ 6,625	\$ -
Due to other funds	45,100	-	-	28,511
Accrued liabilities and other	841	-	-	-
Total liabilities	379,283	-	6,625	28,511
Deferred Inflows of Resources - Unavailable revenue	-	-	-	28,511
Fund Balances (Deficit)				
Nonspendable	3,909	-	-	-
Restricted:				
Roads	613,579	-	-	-
Police	-	3,275	-	-
Cemetery perpetual care	-	-	691,364	-
Committed:				
Land acquisition	-	-	-	-
Equipment replacement	-	-	-	-
Unassigned	-	-	-	(28,511)
Total fund balances (deficit)	617,488	3,275	691,364	(28,511)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 996,771	\$ 3,275	\$ 697,989	\$ 28,511

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

Capital Project Funds		Total Nonmajor Governmental Funds
Equipment Replacement	Land Acquisition	
\$ 486,079	\$ 79,930	\$ 2,200,243
-	-	88,403
-	-	3,909
-	53,000	53,000
\$ 486,079	\$ 132,930	\$ 2,345,555
\$ 87,221	\$ -	\$ 427,188
-	-	73,611
-	-	841
87,221	-	501,640
-	-	28,511
-	-	3,909
-	-	613,579
-	-	3,275
-	-	691,364
-	132,930	132,930
398,858	-	398,858
-	-	(28,511)
398,858	132,930	1,815,404
\$ 486,079	\$ 132,930	\$ 2,345,555

City of South Lyon, Michigan

	Special Revenue Funds			
	Local Road	Drug Forfeiture	Cemetery Perpetual Care	Community Development Block Grant
Revenue				
Intergovernmental:				
Federal grants	\$ -	\$ -	\$ -	\$ 25,225
State sources - Act 51 gas and weight tax	352,927	-	-	-
Charges for services	-	-	-	-
Investment income	-	531	3,472	-
Other revenue	-	-	43,950	-
Total revenue	352,927	531	47,422	25,225
Expenditures				
Current services:				
Public safety	-	65,855	-	-
Public works:				
Streets	733,822	-	-	-
Stormwater drainage	10,024	-	-	-
Cemetery	-	-	48,110	-
Community and economic development	-	-	-	28,511
Capital outlay	-	-	18,718	-
Total expenditures	743,846	65,855	66,828	28,511
Excess of Revenue (Under) Over Expenditures	(390,919)	(65,324)	(19,406)	(3,286)
Other Financing Sources - Transfers in	100,000	-	-	-
Net Change in Fund Balances	(290,919)	(65,324)	(19,406)	(3,286)
Fund Balances (Deficit) - Beginning of year	908,407	68,599	710,770	(25,225)
Fund Balances (Deficit) - End of year	<u>\$ 617,488</u>	<u>\$ 3,275</u>	<u>\$ 691,364</u>	<u>\$ (28,511)</u>

Other Supplementary Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2023

Capital Project Funds		Total Nonmajor Governmental Funds
Equipment Replacement	Land Acquisition	
\$ -	\$ -	\$ 25,225
-	-	352,927
115,825	-	115,825
5,852	-	9,855
-	650	44,600
121,677	650	548,432
-	-	65,855
-	-	733,822
-	-	10,024
-	-	48,110
-	-	28,511
155,139	-	173,857
155,139	-	1,060,179
(33,462)	650	(511,747)
-	-	100,000
(33,462)	650	(411,747)
432,320	132,280	2,227,151
\$ 398,858	\$ 132,930	\$ 1,815,404

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	\$ 477,866	\$ 1,674,229	\$ 505,839	\$ -	\$ 31,794	\$ 297,170
Salaries and wages - Mechanic	-	-	-	-	-	51,813
Reimbursement of mechanic wages	-	-	-	-	-	(51,813)
Fringe benefits	241,597	937,130	63,375	-	23,988	220,930
Uniforms & Cleaning Allowance	-	30,395	21,596	-	-	7,470
Tuition reimbursement	-	3,001	-	-	-	-
Office supplies	3,954	4,003	4,065	-	-	828
Operating expenses	7,524	24,753	27,477	-	14,629	26,612
Ammunition	-	5,255	-	-	-	-
Professional Services	467,106	19,458	576	-	7,462	44,248
Contractual Services	133,539	152,228	49,816	-	2,572	24,436
Auditor	40,230	-	-	-	-	-
Planning Consultant	84,086	-	-	-	-	-
Elections	46,409	-	-	-	-	-
Computers	3,321	5,435	7,481	-	-	305
Legal Fees	61,388	25,658	-	-	-	-
Memberships & Dues	13,236	670	3,264	-	-	763
Radio Maintenance	-	-	129	-	-	-
Telephone	16,084	17,607	9,914	-	-	8,278
Gas & Oil	-	22,774	9,677	-	2,779	12,085
Transportation & Mileage	953	-	-	-	-	-
Vehicle Maintenance	15	24,071	32,434	-	-	176,850
Community Promotions	66,172	-	2,284	-	-	-
Printing	3,671	-	-	-	-	-
Publishing	7,454	-	-	-	-	-
Insurance & Bonds	53,491	24,221	25,449	77	639	14,410
Utilities	24,765	18,500	13,095	648	654	21,920
Street Light Expenditures	-	-	-	-	-	117,065
Repairs & Maintenance	-	334	5,670	-	6,202	6,495
Building Maintenance	906	9,239	17,424	-	-	100,558
NPDES Phase II Stormwater	-	-	-	-	-	6,343
Equipment Rental	-	-	-	-	4,600	10,200
Hydrant Rental	-	-	-	-	-	-
Education/Training	2,648	18,610	24,288	-	-	6,988
Witness fees	-	-	-	-	-	-
Miscellaneous Expense	1,993	-	-	-	-	-
Contribution-Solid Waste	22,308	-	-	-	-	-
Contribution-Community Schools	3,639	-	-	-	-	-
Contribution-Community Schools - A/V Equipn	-	-	-	-	-	-
Land Improvements	-	19,880	52,623	-	-	41,117
Equipment Miscellaneous	2,084	4,134	9,494	-	2,855	783
Capital Equipment	-	47,018	1,500,000	-	-	-
Principal and Interest Payments	-	-	534,868	-	-	-
Total expenditures	\$ 1,786,439	\$ 3,088,603	\$ 2,920,838	\$ 725	\$ 98,174	\$ 1,145,854

City of South Lyon, Michigan

Other Supplementary Information
Schedule of Expenditures – General Fund

June 30, 2023

Recreation and Culture					Total	
Parks and Recreation	Public Transportation	Historical	Cultural Arts	Cable Commission	2023	2022
\$ 79,218	\$ -	\$ 4,589	\$ -	\$ 669	\$ 3,071,374	\$ 2,757,609
-	-	-	-	-	51,813	38,632
-	-	-	-	-	(51,813)	(38,632)
23,582	-	-	-	-	1,510,602	1,367,486
-	-	-	-	-	59,461	48,943
-	-	-	-	-	3,001	2,235
-	-	-	-	-	12,850	11,879
676	-	-	-	-	101,671	129,827
-	-	-	-	-	5,255	5,412
106,992	-	1,075	-	-	646,917	760,040
660	101,584	4,845	250	-	469,930	408,926
-	-	-	-	-	40,230	39,054
-	-	-	-	-	84,086	67,015
-	-	-	-	-	46,409	20,283
-	-	-	-	-	16,542	29,601
-	-	-	-	-	87,046	87,753
-	-	-	-	-	17,933	19,651
-	-	-	-	-	129	1,173
-	-	-	-	-	51,883	56,014
11,900	-	-	-	-	59,215	68,570
-	-	-	-	-	953	802
-	-	-	-	-	233,370	183,320
-	-	-	1,554	-	70,010	52,366
-	-	-	-	-	3,671	2,190
-	-	-	-	-	7,454	9,785
936	-	908	-	-	120,131	113,767
590	-	6,697	-	-	86,869	80,814
-	-	-	-	-	117,065	104,895
9,689	-	5,406	-	-	33,796	19,876
-	-	8,138	-	-	136,265	45,671
-	-	-	-	-	6,343	14,997
11,025	-	-	-	-	25,825	25,825
-	-	-	-	-	-	(2,500)
-	-	-	-	-	52,534	34,959
-	-	-	-	-	-	(9)
510	-	-	302	-	2,805	1,514
-	-	-	-	-	22,308	24,004
-	-	-	-	-	3,639	49
-	-	-	-	-	-	42,632
-	-	255	-	-	113,875	87,646
1,513	-	-	-	669	21,532	270,907
13,293	-	-	-	-	1,560,311	100,441
-	-	-	-	-	534,868	-
\$ 260,584	\$ 101,584	\$ 31,913	\$ 2,106	\$ 1,338	\$ 9,438,158	\$ 7,095,422

City of South Lyon, Michigan

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

June 30, 2023

Major Roads Fund

	Professional Services	Street Construction	Street Routine Maintenance	Traffic Services	Snow Plowing	Drainage and Backsloping	Total
Wages and salaries	\$ -	\$ -	\$ 108,390	\$ 5,329	\$ 20,222	\$ 3,115	\$ 137,056
Fringe benefits	-	-	49,673	2,431	9,815	1,466	63,385
Operating expense	-	-	1,829	21,523	27,323	19	50,694
Professional services	5,137	11,452	-	-	-	-	16,589
Contractual services	-	195	-	-	-	-	195
Traffic signals	-	-	-	6,324	-	-	6,324
Repairs and maintenance	-	-	13,816	-	-	-	13,816
Equipment charges	-	-	12,000	-	10,000	-	22,000
Total expenditures	<u>\$ 5,137</u>	<u>\$ 11,647</u>	<u>\$ 185,708</u>	<u>\$ 35,607</u>	<u>\$ 67,360</u>	<u>\$ 4,600</u>	<u>\$ 310,059</u>

Local Roads Fund

	Professional Services	Street Construction	Street Routine Maintenance	Traffic Services	Snow Plowing	Drainage and Backsloping	Total
Wages and salaries	\$ -	\$ -	\$ 108,061	\$ 4,898	\$ 20,146	\$ 3,116	\$ 136,221
Fringe benefits	-	-	48,340	2,177	9,189	1,413	61,119
Operating expense	-	-	2,034	2,619	14,934	5,421	25,008
Professional services	5,120	195	-	-	-	-	5,315
Repairs and maintenance	-	-	23,101	-	-	74	23,175
Equipment charges	-	-	5,000	-	12,000	-	17,000
Total expenditures	<u>\$ 5,120</u>	<u>\$ 476,203</u>	<u>\$ 186,536</u>	<u>\$ 9,694</u>	<u>\$ 56,269</u>	<u>\$ 10,024</u>	<u>\$ 743,846</u>

City of South Lyon, Michigan

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

June 30, 2023

	Activity			Activity		Total	
	Water	Wastewater		Sanitary			
	Distribution	System		Sewer	Solid Waste		
	System	Repair	System	Repair	Collection	2023	2022
Personnel services:							
Salaries and wages	\$ 238,467	\$ 37,561	\$ 420,046	\$ 41,353	\$ -	\$ 737,427	\$ 732,159
Fringe benefits	141,386	11,402	196,304	11,889	-	360,981	351,782
Pension and OPEB liability expense (recovery)	15,682	15,682	15,682	15,682	-	62,728	(45,352)
Total personnel services	395,535	64,645	632,032	68,924	-	1,161,136	1,038,589
Equipment repairs and maintenance:							
Equipment maintenance	40,671	31,758	5,280	33,185	-	110,894	105,592
Building maintenance	2,312	-	185,726	-	-	188,038	197,626
Total equipment repairs and maintenance	42,983	31,758	191,006	33,185	-	298,932	303,218
Public utilities:							
Electric and gas	10,407	-	296,185	-	-	306,592	316,878
Telephone	11,040	-	11,226	-	-	22,266	4,881
Total public utilities	21,447	-	307,411	-	-	328,858	321,759
Refuse collection	-	-	-	-	589,955	589,955	570,353
Depreciation	712,533	-	712,533	-	-	1,425,066	1,565,008
Other services and charges - Professional services	66,760	51,318	100,454	4,742	-	223,274	381,881
Insurance	126,391	-	13,869	-	-	140,260	133,770
Other	115,822	2,191	121,582	2,323	-	241,918	229,664
Total operating expenses	<u>\$ 1,481,471</u>	<u>\$ 149,912</u>	<u>\$ 2,078,887</u>	<u>\$ 109,174</u>	<u>\$ 589,955</u>	<u>\$ 4,409,399</u>	<u>\$ 4,544,242</u>

Statistical Section

City of South Lyon, Michigan**Schedule of Taxes Levied, Collected, and
Returned Delinquent – 2022 Roll****June 30, 2023**

	<u>Final Levy</u>	<u>Taxes Collected</u>	<u>Returned Delinquent</u>	<u>Percent Collected</u>
Taxable Value: \$448,180,470				
City of South Lyon	\$ 6,844,626	\$ 6,801,425	\$ 43,201	99.37
Specials	1,898	1,121	777	59.05
Downtown Development Authority	58,907	57,919	988	98.32
Administration fee	119,315	118,376	940	99.21
Oakland Community College	663,172	658,975	4,197	99.37
South Lyon Community Schools	4,593,155	4,558,672	34,484	99.25
State education	2,675,745	2,657,907	17,838	99.33
Zoo Authority	42,334	41,425	909	97.85
County Drains	19,422	14,133	5,288	72.77
Art Institute	87,152	85,280	1,872	97.85
Oakland County Parks & Recreation	152,780	149,538	3,242	97.88
Huron Clinton Metro Park	92,168	90,213	1,956	97.88
Intermediate School District	1,418,850	1,409,809	9,041	99.36
Library	672,970	668,692	4,278	99.36
Oakland County Transit	423,083	414,084	8,999	97.87
Oakland County	1,767,420	1,756,265	11,155	99.37
Total	<u>\$ 19,632,997</u>	<u>\$ 19,483,831</u>	<u>\$ 149,165</u>	99.24

City of South Lyon, Michigan

Continuing Disclosure Undertaking

June 30, 2023

A. Taxable Value – Fiscal Year 2022-2023 - \$448,180,470

B. Taxable Value by Use and Class – Fiscal Year 2022-2023

Use	Taxable Value	Percent of Taxable Value	SEV	Percent of SEV
Commercial	\$ 39,430,260	8.80	\$ 49,820,370	8.61
Industrial	6,874,770	1.53	8,007,270	1.38
Residential	391,310,790	87.31	511,112,600	88.20
Comm PP	3,678,650	0.82	6,886,000	1.19
Industrial PP	6,886,000	1.54	3,678,650	
Total	<u>\$ 448,180,470</u>	<u>100.00</u>	<u>\$ 579,504,890</u>	<u>100.00</u>
Class				
Real property	\$ 437,615,820	97.64	\$ 568,940,240	98.18
Personal property	10,564,650	2.36	10,564,650	1.82
Total	<u>\$ 448,180,470</u>	<u>100.00</u>	<u>\$ 579,504,890</u>	<u>100.00</u>

C & D. Property Tax Rates by Governmental Unit - Fiscal Year 2022-2023

City of South Lyon	Rate	City of South Lyon	Rate
General operation	12.3500	Huron Clinton Authority	0.2070
		Oakland County	3.9686
Debt Service- Sewer G.O.	3.0000	Intermediate schools	3.1658
		Oakland Community College	1.4891
		Zoo Authority	0.0945
		Oakland County P&R	0.3431
		South Lyon Community Schools	18.0000
		Art Institute	0.1945
		State education	6.0000
		South Lyon school debt	7.0000
Total City of South Lyon	<u>15.3500</u>	Total governmental units	<u>57.3237</u>
District library	1.0466		
Library voted	0.4645		

City of South Lyon, Michigan**Continuing Disclosure Undertaking (Continued)****June 30, 2023****E. Property Tax Collections – Fiscal Year 2022-2023 (as of 3/1/2023) – 99.24%****F. Ten Largest Taxpayers – Fiscal Year 2022-2023**

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>Taxable Value</u>
Colonial Acres Phase 5	Co-op	\$ 18,261,750
Colonial Acres Dev Co	Co-op	8,148,210
Brookdale Assn Ltd Partner	Apartments	4,578,820
DTE	Industrial	4,176,210
Roco Brookwood Farms, LLC	Apartments	3,261,760
Consumers Energy Co	Industrial	2,407,120
Loop Waters Edge LLC & Waters Edg	Apartments	2,012,050
Ramco Michigan LLC	Apartments	1,808,810
Roco Brookwood Farms, LLC	Apartments	1,601,990
Michigan Seamless Tube	Industrial	1,125,780
Total		<u>\$ 47,382,500</u>

G. Distributable Aid – State-Shared Revenue – Fiscal Year 2022-2023 - \$1,352,998**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, 2023:

Debt limit (1)		\$ 57,950,000
Debt outstanding	\$ 13,059,292	
Less exempt debt	<u>3,147,379</u>	<u>9,911,913</u>
Legal debt margin		<u>\$ 48,038,087</u>

(1) 10 percent of \$579,504,890, which is the City's SEV for the fiscal year ended June 30, 2023. 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, 2023****Debt Statement**

The following table reflects a breakdown of the City's direct debt as of June 30, 2023.

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."

City Direct Debt	Gross	Self-supporting	Net
State Revolving Fund Loan:			
Dated March 27, 2003 (UT)	\$ 3,147,379	\$ 3,147,379	\$ -
Installment Purchase Obligations:			
2021 Ladder Truck	766,913	-	766,913
General Obligation Bonds:			
2023 Unlimited Tax General Obligation Bond	7,525,000	-	7,525,000
Revenue Bonds - 2012 Drinking Water Revolving Fund	1,620,000	-	1,620,000
Total	<u>\$ 13,059,292</u>	<u>\$ 3,147,379</u>	<u>\$ 9,911,913</u>

Per capita net City direct debt (1) \$ 875.07

Percent of net direct debt to SEV (2) 1.71%

(1) Based on the City's 2020 census population of 11,327

(2) Based on \$579,504,890, which is the City's SEV for the fiscal year ended June 30, 2023. See "Property Valuations" herein.

City of South Lyon, Michigan**Continuing Disclosure Undertaking (Continued)****June 30, 2023**

Overlapping Debt (3)	City's Share as		
	Gross	Percent of Gross	Net
South Lyon Schools	\$ 178,470,000	15.27%	\$ 27,252,369
Oakland County	181,894,707	0.65%	1,182,316
Oakland Intermediate School District	39,675,000	0.65%	257,888
Total	<u>\$ 400,039,707</u>		<u>\$ 28,692,573</u>
Per capita net overlapping debt (1) (3)			\$ 2,533.11
Percent of net overlapping debt to SEV (2)			4.95%
Per capita net direct and overlapping debt (1)			\$ 3,408.18
Percent of net direct and overlapping debt to SEV (2)			6.66%

(1) Based on the City's 2020 Census population of 11,327.

(2) Based on \$579,504,890, which is the City's SEV for the fiscal year ended June 30, 2023. 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.

September 13, 2023

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

We have audited the financial statements of the City of South Lyon, Michigan (the "City") as of and for the year ended June 30, 2023 and have issued our report thereon dated September 13, 2023. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance. This section includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the mayor and the City Council of the City of South Lyon, Michigan.

Section II - Other Recommendations and Related Information. This section presents recommendations related to certain internal control matters, city processes and procedures, and other matters noted during our current year audit. These comments, including State of Michigan legislative updates, are offered in the interest of helping the City in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

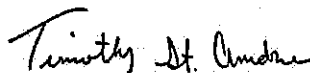
We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the mayor, the City Council, and management of the City of South Lyon, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

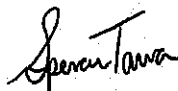
We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC



Timothy St. Andrew



Spencer Tawa

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 8, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated August 10, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements are the assumptions used by the City to estimate of the unbilled Water and Sewer Fund utility receivables, the various estimates utilized related to the City's use of and inclusion in the Michigan Municipal Employees' Retirement System (MERS) defined benefit pension plan, and the estimated liability related to the other postemployment benefit (OPEB) (retiree health care). For the utility billing, management's estimates and assumptions are based on actual previous similar calendar period utility billings. For the pension plan, estimates and assumptions are determined by MERS and its actuary based on the City's negotiations with its bargaining units and resolutions of the City Council. For retiree health care, the estimates and assumptions are determined by the actuary in conjunction with city management and established City Council resolutions. We evaluated the key factors and assumptions used to develop the various estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Section I - Required Communications with Those Charged with Governance (Continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 13, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the statistical section, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Section II - Other Recommendations and Related Information

We commend the City for considering and implementing a number of previously communicated improvement suggestions from prior audit engagements. We also understand that not all recommendations can be fully adopted due to the City's smaller office staff limitations. During this year's audit, we noted areas where we believe there are opportunities for the City to further strengthen internal control or to improve operating results and/or efficiencies. Our observations on those areas are presented below for your consideration:

- **Customer Deposits Payable** - The City's general ledger asset and liability account balances are composed of an accumulation of numerous transactions taking place over a period of time. At any one point in time, the City should be able to reconcile the balances in these accounts to a detailed list. For the customer deposits payable account, this reconciliation was not able to be completed. The City is working with its software vendor to be able to produce reports necessary to perform a detailed reconciliation on the customer deposits payable account.
- **Equipment and Other Interfund Charges** - The City allocates equipment rental charges from the Equipment Replacement Fund to some of the other city funds. These charges have been the same amount for the past several years. In addition, the services provided by employees that are traditionally charged to the General Fund, like treasury, finance, HR, etc., oftentimes significantly benefit other funds. As a result, it is a fairly common practice to allocate a portion of these costs via an administrative charge to other funds of the government. The City should perform an analysis to determine if the amount allocated to each fund is still reasonable. It is our understanding that this analysis is currently underway with direct involvement by accounting, department heads, and the city manager.

COVID-19 Resource Center and ARPA

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our ARPA and COVID-19 resource center for governments. Following is a link to various ARPA-related articles that we believe will be of interest to you: <https://www.plantemoran.com/explore-our-thinking/search?skip=10&keyword=arpa&type=all&professional=all&practice=all&industry=85a5df97-9c41-4000-86d3-db25835731a6&areaOfFocus=all&daterange=all&sortBy=DateDesc>.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), represents a \$350 billion top-line allocation for state and local governments. Funding was provided in two tranches beginning in May 2021, with the second tranche not being released until 12 months after the first payment. Effective April 1, 2022, the U.S. Department of the Treasury published the final rule for determining the types of programs and services that are eligible uses of the SLFRF funding. Overall information about the program, including a frequently asked questions document and an overview of the final rule, is available on the U.S. Department of the Treasury's website at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>.

The ARPA award terms provide that payments from the Fiscal Recovery Funds as a general matter will be subject to the provision of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), including the cost principles and restrictions on general provisions for selected items of cost. The City will need to understand these reforms and may be required to evaluate, document, and monitor internal procedures around compliance, including maintaining certain required policies.

Plante & Moran, PLLC's COVID-19 resource center is being continuously updated for the latest guidance and strategy related to SLFRF and will help keep the City running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at <https://www.plantemoran.com/subscribe> where you can customize your subscription preferences based on your specific interests and industry selection.

Section II - Other Recommendations and Related Information (Continued)

Michigan's COVID-19 Updates and Related Grant Programs

The Michigan Department of Treasury has developed a webpage with numbered letters, memorandums, webinars, and resources regarding COVID-19 updates and related grant programs: https://www.michigan.gov/treasury/0,4679,7-121-1751_98769---,00.html.

Coronavirus State and Local Fiscal Recovery Funds Alternative Compliance Examination

In April 2022, the Office of Management and Budget amended its compliance rules to allow for a simplified single audit process for municipalities that would not be required to undergo a single audit if it were not for the expenditures of SLFRF. This alternative applies to fiscal year audits beginning after June 30, 2020. SLFRF recipients that expend \$750,000 or more during their fiscal years and meet the following two criteria have the option for their auditor to follow the alternative compliance examination engagement guidance:

1. The recipient's total SLFRF award received directly from the U.S. Department of the Treasury or received as a nonentitlement unit is \$10 million or less.
2. Other federal award funds expended by the recipient (excluding SLFRF award funds) are less than \$750,000 during its fiscal year.

We are happy to assist in evaluating the application of the changes and answer any questions about how the changes impact the City.

Monitoring Lease Activity

GASB Statement No. 87, *Leases*, was effective in fiscal year 2022. Although significant analyses were performed to determine the applicability of the new standard and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease activity. When the City enters into new leases, existing leases are modified, or other facts and circumstances change, consideration must be given to the impact those changes will have on lease accounting. In order to do so, the City must ensure there is a process in place to identify and appropriately account for new leases or changes to existing leases on an ongoing basis or least at the end of each year.

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Federal Procurement Threshold Changes

The Office of Management and Budget has issued significant reforms to the compliance requirements that must be followed by nonfederal entities. The Office of Management and Budget recently issued Memorandum M-18-18, which provides guidance on changes to micropurchases and simplified acquisition threshold requirements. The key changes are as follows:

- Threshold for micropurchases is increased to \$10,000.
- Threshold for simplified acquisitions (small purchase procedures limit) increased to \$250,000.

Section II - Other Recommendations and Related Information (Continued)

Key adoption considerations for micropurchase and simplified acquisition thresholds include the following:

- During the original adoption of the Uniform Guidance procurement standards, were specific amounts included within the City's procurement policy, or were references to the Uniform Guidance sections or amounts as adjusted referenced? If specific amounts were referenced, the procurement policy will need to be updated to take advantage of the changes.
- If the City's procurement policy was written to allow for changes in amounts, the procedures will need to be updated to conform.
- If this change is inconsistent with other procurement policies within the organization, the City must decide how the policy will be enacted. Remember local ordinances in place may limit full utilization of changes.
- If the City has chosen not to fully adopt the change and maintain a lower threshold, then the City is not required to use these thresholds but cannot exceed them.

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the City. In addition to the summaries below and to stay up to date, Plante & Moran, PLLC issues a biannual GASB accounting standard update. The most recent spring 2023 update and a link to previous fall and spring updates are available [here](#).

GASB Statement No. 101 - Compensated Absences

This new accounting pronouncement will be effective for fiscal years ending December 31, 2024 and after. This statement updates the recognition and measurement guidance for compensated absences under a unified model, requiring that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used and updates disclosure requirements for compensated absences.