

City of South Lyon
Regular City Council Meeting
November 23, 2020

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

Present: Mayor Pelchat, Councilmembers: Dilg, Kennedy, Kivell, Kurtzweil, Richards and Walton
Also, present: City Manager Zelenak, Attorney Hamameh and Clerk/Treasurer Deaton

MINUTES

CM 11-1-20 MOTION TO APPROVE MINUTES

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

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS-None

AGENDA

CM 11-2-20 MOTION TO APPROVE AGENDA

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

VOTE: MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

CM 11-3-20 MOTION TO APPROVE CONSENT AGENDA

Motion by Dilg, supported by Kennedy
Motion to approve the consent agenda

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT

Justin Diesbourg of 645 McMunn stated he has concerns about the water tank being built on Dorothy Street. He stated it is very close to his property line and when he talked with people at the water department, there is a fence and they don't know whose fence that is. He further stated the tank is pretty close to the fence. He stated when he walks out of his patio door, all you can see is this giant steel monstrosity and if that would have been there when he bought his house, that would have given him second thoughts. He stated it will hurt his property value, so he asked if there was going to be a privacy fence around it or trees put in. He further stated it has also been extremely noisy, he has 3 kids under 4 years old and it has been hard to even let them play in the backyard. He further stated he wants some kind of barrier put in to block the view.

Kasey Hill stated she is Justin's neighbor and she was asking if there is a plan being put in place to do something about the water tank that was put up 10 feet from her yard. That is basically all they can see from their yard and it constantly noisy and hopefully that will change when it is finished. She further stated they basically can't use their backyard. It is noisy and that is all you can see looking out their door wall. She is disappointed that is now their view. They are hoping there will be some beautification such as some tall trees, that would help immensely.

DISCUSSION- Downtown

Nate Mack stated he is still working with getting more information with the applicant for their tax abatement application. He stated the annual meetings have been completed and as part of the Lyon Area Task Force we are looking at some pop-up art installations for the downtown. We are hoping to have 6 installed, but we may have to scale that back based on the lack of response from people. He then stated with the new orders from the Department of Health and Human services beginning to take effect on Wednesday, he has reached out to a number of restaurants and their offering and hours for the next 3 weeks, and he put together a flyer that shows all their hours for pick up or delivery and he posted that on the DDA Facebook page. It was shared over 100 times and he got a reach of over 17,000 people. He further stated the snowflake scavenger hunt that the DDA partnered with the arts society began yesterday, and the library put together a website page together that people can go to and show that they found the snowflakes, track their progress and enter into the competition. This is a way for people to come and explore our downtown during the pandemic. Mr. Mack stated the feather flags and corn stalks were removed on Friday and the garland will be going up soon. He then stated Draft Street has been sold. Mr. Mack stated he emailed businesses to see what promotions they will be doing during the holiday shopping season and he is working on putting something together for that as well to put online. He stated today he thought about a shop small Saturday holiday season promotion where people can show what they have bought something and having them email their receipts to him and to enter them into some sort of drawing. He is still working on that. He will be speaking with businesses tomorrow. He stated he is doing that because the County in the past have done a promotion similar. He then stated Oakland County has told him they are working on getting some additional grant funds for like weatherization which makes people making their businesses more adaptable to the weather and more PPE. He further stated he is always searching for grant opportunities. Councilmember Dilg asked when we might find out what they will be doing there. Mr. Mack stated he isn't sure, he hasn't spoken with the new owner yet, but hopefully soon.

FIRE CHIEF REPORT

Chief Vogel stated he pulled the numbers for COVID and there is a surge. The County is reporting in the 48178 zip code 260,000 cases. He further stated we are at 560 and we doubled the number in the last month. He further stated the Fire Department has ran 12 possible or positive COVID patients, compared to 4 in October and 0 in September. He stated it seems like every call is now COVID related and it has put a lot of stress on his department. He further stated the good news is he has been on a lot of meetings and discussions about the virus and he has teamed up with some fellow Fire Chiefs and we are appealing to the State because health care and EMS workers are considered phase 1a and Police Officers are considered 1b and they decided to put Firefighters into 1b as well, but we are appealing that because we feel we are also part of the EMS system. This was a local health department decision. The CDC isn't clear, so hopefully in a few weeks we will be getting the vaccination. He stated he has polled his department about who want the vaccination and who doesn't and he is currently tallying the numbers. He further stated those who have been keeping up with the vaccination understand that there is an issue with keeping it frozen, once it is unfrozen, you have 5 days so they are going to be really strict on numbers. He further stated he is trying to get out enough information to his staff so they can make their own decision and he has already said he will be the first one in line. He hopes to lead the troops for those that want it. He then thanked Councilmember Kivell for the smoke detectors, and Councilmember Kennedy and Nate for helping getting the smoke detectors from Lowe's, and he is grateful from the citizens that have dropped off smoke detectors. Councilmember Kurtzweil stated she thought there were 3 vaccines that were coming out and will we have a choice. Chief Vogel stated the Pfizer two shot will be rolled out first to the Michigan region. He then stated he doesn't know as much about the other company, but he

has another meeting tomorrow and he is hoping to get more answers from Oakland County. Councilmember Kurtzweil stated she thinks the other 2 are more stable than the Pfizer one. Councilmember Dilg asked how they are doing with the smoke detector program; she is working with a couple different groups to get some more and she just asked how much she should push them. Chief Vogel stated he will always take smoke detectors, but we are now back to a healthy amount. We slowed it down during these tough times, but we will keep moving forward with it. Councilmember Dilg asked about carbon monoxide detectors. Chief Vogel stated they did, but we won't be very liberal with them, but if we find a house without one, they will get one.

POLICE CHIEF REPORT

Chief Sovik stated they are still participating with the no shave November, and if anyone wants to make a donation you can stop by the station, or donate online. He stated our new officer is now training with Officer Jacobs on the midnight shift and we are expecting good things from him and a long-term commitment from him. Chief Sovik stated he has just completed his 29th year of service with the City of South Lyon and it has been a great partnership for his family and the City, and he is very fortunate to serve in this position and looking forward to a few more years. He further stated everyone at the Police Department is doing well, although we have one person that has Covid, but he is starting to feel better. We have shut down some of the services to the public to safeguard our employees because if it goes through their department, we will have some issues. We have meetings every Tuesdays with department heads and the City Manager and it is very helpful. We are following our strict protocols in the station and so far, we are doing well.

MERS- Presentation

City Manager Zelenak stated we have Sue Feinberg from MERS here to discuss our most recent actuarial report as well as discussing the items related to the defined benefit and defined contribution plan. Ms. Feinberg stated she has been with MERS for 16 years and the southeast Michigan regional manager and she works with employers on plan changes and reviewing the annual actuarial valuation. She stated MERS is a not for profit company, they separated from the State of Michigan in 1996 and they are governed by a board of elected constituents and their actuarial firm is Gabriel, Roeder, Smith and Company. *She then gave an overview of the actuarial that was completed, which can be seen as part of the Council packet online* She stated the 2019 actuarial valuation is the most recent. It is a snapshot of everything that happened in 2019. She stated at the end of the year, they take all the experience, assets, the market value for the year and calculations and assumptions. She stated the report shows the required contributions for the next year. She further stated MERS does an extensive experience study every 5 years and this is where GRS compare within the nation, what experience is doing against the assumptions, such as mortality rate, rate of returns and they look at that countrywide, the state of Michigan and the experiences in our plan. She further stated they will then report to the Board if they believe there needs to be some changes. This usually shows we need to be more conservative to ensure employers are funding the plans properly. She stated they suggested the rate of return assumption be changed from 7.75% to 7.35%. That is impactful in the 2021 rates. She stated they also changed the wage of rate assumption from 3.75% to 3%. She then stated they are looking at the overall pay growth over a long-term period of time. She stated the second part is the demographic changes such as the mortality rates, and the rate of people retiring. Ms. Feinberg stated the funding level as of 2018 the City was at 68% funded and at the end of 2019 the City was at 66% funded. She stated the change was because of the impact on most municipalities was about a 2—3% drop in funding with the change of rate assumption. The City didn't do anything wrong; it was just the adjustment. She stated as of now the City has chosen to pay the no phase in rate, so the City will be paying \$58,877 but if the City decides to do the phase in, the cost will be

\$55,451 per month. She further explained the change in assumptions and the funding level. She then spoke about the demographic graph that will help the City us for budgeting. It shows the funding contribution assumption for the 5 years. She further stated the City can be 100% funded by 2039 if the City doesn't make any additional contributions and all the assumptions are met. She stated the only defined benefit plan now only consists of the command group. That plan is closed to all other employees. She further stated table 1 on page 8 reflects the total normal cost of the different groups as well as the percentage of employee contributions. She then stated table 2 on page 9 reflects all the plans that are closed to new hires. They will all go into the defined contribution plan. Councilmember Kurtzweil asked about the multiplier that is used for the employee contribution. She further stated it appears 2.5% is the same for everyone. Ms. Feinberg stated if the employee is vested and they retire, they can leave at 60 and collect on how many years they had for the City. For a full retirement, they can retire at 55 years of age, after 25 years of service. The plan uses the final 5 years to find the final average compensation which is their highest earnings so that means when they are ready to retire, we take their years of service and multiply that by the 2.5% multiplier and also multiply that by their highest investment. She further stated that will give the yearly benefit for the rest of their life. Councilmember Kurtzweil stated the 2.5 multiplier is a factor used to increase the pension amount. She then stated it could be lower. Ms. Feinberg stated that is the number the City chose. She stated 2.5 is one of the higher multipliers. She then stated that multiplier seems to be a Cadillac multiplier added to their pension. Ms. Feinberg stated many other cities use similar multipliers. Many are closed plans with similar multipliers. She further stated as municipalities change a different structure for the future, some have changed their plans to new hires as the City has. She then spoke of the historical benefit provision on page 27. She stated the City joined MERS in 1967. In 1979 it was 1.5% and in 1994 it was 3.4%. Councilmember Kurtzweil asked if 2.5% is the max. Ms. Feinberg stated you can go higher if it is a collectively bargained division, but no in the nonunion divisions. Southeast Michigan tends to be higher, and she has seen a 2.75% and 3. % Further discussion was held regarding the multiplier and the employee contribution, the average with a 2.5%, the average employee is paying in 6.5% or higher. Ms. Feinberg stated employees are paying more of their health benefits as well. You have to look at the big picture. Councilmember Kurtzweil stated she assumes that there is a break even in the formula, meaning we have 50 employees, and 5 retirees, and these are the numbers we are working with, how do the numbers change, if the City decides to lay off 20 employees, and we go bare bones, that brings the employees down to 30, how would the numbers change. Ms. Feinberg stated if you look at scaling back the employees, the contributing factor is low, but if you take out active employees, they aren't paying their contribution, but the City will still be paying the same amount to fund their retirement. If the employees contribute more, that will only lower what the city is paying while they are still working. Ms. Feinberg then discussed the flow of valuation assets which shows what is going in and out of your plan. She stated the City is paying the minimum contribution of \$573,966.00 and it appears the City contributed an additional \$7,711.00 She then stated the employees contributed \$47,115.00 She then stated the \$572,587.00 are the investment earnings on the balance. Councilmember Richards asked if 15-20 years down the road, and we have 50 employees within 20 years of retirement, and some of them are within 10 years of retirement across the divisions, if they chose to increase their own contributions, will that affect the other employees in the plan. Ms. Feinberg said it is not allowed in the plan, and it wouldn't help their retirement at all. Councilmember Kurtzweil asked what the City do in managing its MERS to get it sued by MERS. Ms. Feinberg stated this has been going on for a while and the City of Wayne have been having some issues, and they weren't able to keep paying their minimum contributions to their employees' retirement, they just didn't have it in their budget. She stated if a City can't pay at all, or only pay partial payments, MERS works with the State Treasury, the city's attorney's, and city council and come to an agreement on how to move forward. With the City of Wayne, they stopped paying completely for 3 months. After 3 months, Treasury is involved and it

becomes a legal process. She stated they work with their attorney's and file a judgement levy. They were able to come to an agreement, and what happens, the taxpayers are levied that amount the City can't pay toward their pension. The taxpayers are now being taxed for the difference for that year. You have to make sure that that promised benefit is funded by the City and it is a benefit that is protected under the state constitution so we have to make sure the benefit is there. She further stated it is not hostile and hopefully next year will change for them. Councilmember Kurtzweil stated people need to understand that there are legal issues that go along with the pension. Councilmember Kennedy asked what level their funding level was? We are currently at 66% funded. Ms. Feinberg stated she thinks they were in the 45% range. She further stated there was a lot of things that go into it. She then stated if you look at the total unfunded liability is 6 ½ million dollars, and there are more cities that have up to 45 million-dollar liabilities. Councilmember Kivell stated at the same time, all the comments are pertinent, we have always been able to pay the numbers and we are on a plan and have been for a long time and he is grateful we aren't like one of the communities that are having trouble. Further discussion was held regarding the city's liability compared to other communities.

OLD BUSINESS- None

NEW BUSINESS

1. MERS- Defined Benefit planned and defined contribution adoption agreement
Finance and Benefit Administrator Tiernan stated we are required to update our defined benefit and defined contribution adoption plans. There are 5 total addendums for our defined benefit plans and 2 for our defined contribution plans that we have. They are supplements to the contracts we already have in place and what they're going to do is present a more accurate reflection in the benefit calculations and have more standardized language. She then stated we will need to approve the defined benefit plan adoption agreement addendum for each of our working groups. Ms. Feinberg stated this is a compliance issue. All 950 communities in MERS that have any type of pension plan are being asked to do this. We are being asked all the time how it is being administered. She further stated this makes it clear how the City is administering their plan and this is who is eligible, and then MERS will upload it into the employer's portal so if there are any changes in the future, the City can look on the portal and see how the plan is to be administered. She further stated it will be great to have all this data in one place. Ms. Tiernan stated this is just spelling out the specific clarification of eligible participants, what a definition of a service month is, how many hours they have to work that month to clarify. It will also clarify the FAC for the employee and employer contributions. There are no changes, we are just spelling it out in detail.

CM 11-4-20 MOTION TO APPROVE ADOPTION AGREEMENT ADDENDUMS

Motion by Kennedy, supported by Walton

Motion to approve the defined benefit and defined contribution plan adoption agreement addendums for each of our working groups

ROLL CALL VOTE:

Walton- Yes
Dilg- Yes
Kurtzweil- Yes
Kennedy- Yes
Kivell- Yes
Richards- Yes
Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

BUDGET- None

MANAGER'S REPORT

City Manager Zelenak stated we have received a conditional rezoning application for the development at Holly Hills Development on Dixboro Road, that went before the Planning Commission on November 12th, and he will advise Council on when it will be coming before the Planning Commission.

City Manager Zelenak stated there are new orders from the State of Michigan, and for the best interest of the residents, businesses and employees we have closed City Hall beginning last Friday at 5:00 p.m. We are still doing business at City Hall and residents are still able to reach us by phone, or email and if necessary, we can schedule any appointments needed.

City Manager Zelenak stated we have received the laptops for City Council through grants through the Cares Act and he will contact each Councilmember regarding setting up a time and place to set those up. We have put together instructions and directions so Council can access their email and City Council packets. They were no cost to the City. City Manager Zelenak stated we had a press release we issued regarding the water and sewer rate increases and the 10 million dollars in improvements that will happen. He then stated at the next meeting we will have a presentation by Mainstreet Oakland County as well as the approval for the Fieldstone Planned Development Agreement. He then stated because the tank is so tall, we will not be able to plant 30 feet tall trees, but we will be working on possibly a privacy fence and screening. There will be some areas not restored immediately, but he will keep everyone posted.

Councilmember Kivell asked about the 318 W Lake property. City Manager Zelenak stated he has sent back correspondence from the people that are interested in the property and he will keep Council posted.

Councilmember Dilg asked if there was a time frame for the fencing around the water tank. City Manager Zelenak stated there will be fencing, but there is more work that needs to take place before we can begin working on that, we have more work to do on the water tank that is currently there.

PUBLIC COMMENT

Justin Diesbourg of 645 McMunn asked if they are going to put in a new parking lot where the construction trucks are parked, because when there are City events, they always have a lot of people parking on McMunn Street, and we get a lot of traffic from the tube mill. He stated losing that lot will be tough for people that live there and park on the street.

COUNCIL COMMENTS

Councilmember Walton stated she lives in that area and she has brought up in the past that we need a sound wall, landscaping and a parking lot. It makes sense to make the part that has been destroyed to flatten it out and make sure it is a parking lot. She then wished everyone a safe and Happy Thanksgiving.

Councilmember Richards stated he lived on McMunn Street and the loss of the parking lot will be something we need to look at it. The Historical Society is also concerned. Councilmember Richards stated he helped Mr. Ledbetter some serious wind damage on the caboose at the village and he had the privilege of being there when the garage at 501 was opened up. The Eagle Scouts did an amazing job and it is fantastic. He is very impressed. He then stated he wishes we can all do our best to struggle through this and make the best of a bad situation.

Councilmember Kurtzweil agreed with the other Councilmembers regarding the City providing landscaping for all the neighbors there. She stated she has looked at it and it is important to understand those are young families there and they are dealing with people parking on those streets and they are

subject to the parking and the people and sometimes the rowdiness. We need to be able to provide an area for parking that aren't so close to where people are raising their families. She then stated she found silicone packets from Bed, Bath and Beyond and you can put wipes in them if you want to wipe down the table if your going out to eat, or a chair or in a restroom. She then stated she recently purchased thin gloves by Copper fit, and it is antimicrobial and she wears them any time she goes shopping so there is some separation from her and objects people have touched. She then stated she found another thing at HomeGoods, and it is an ultraviolet for your toothbrush. It is a great product and they have hand sanitizer in a spray, and when people get out of her car, she sprays the air. She stated she doesn't think its foolproof but she is looking for things to lower the risk and continue with her life. She stated she will be spending time with friends on Thursday and she hopes everyone will have a safe and Happy Thanksgiving.

Councilmember Kivell stated where the equipment is, we have used for overflow of events in the past, and it will be remediated at the conclusion of these water tanks being addressed. We will end up having enough auxiliary parking for events that are taking place at the Witches Hat of McHattie Park. He then stated they had gone downtown a few days ago, and the buildings are decorated beautifully downtown and they are all doing a great job bringing the beauty to our downtown. He stated the E Lake Dental Office sign is very impressive. He stated he is very happy with what is taking place at the old RCA building and he is very happy to hear the Draft Street building has been sold. He stated he doesn't know what the conditions are inside the building, and he hopes the new person has a good understanding of running a restaurant and bar. He then wished everyone a Happy Thanksgiving.

Councilmember Kennedy thanked Lowe's, the South Lyon residents and Council Member Kivell for contributing smoke detectors and carbon monoxide alarms to the South Lyon Fire Department. That was an extremely generous gesture, one which most likely will save the life of someone in this community. Secondly, as Nate mentioned, snowflakes are being hung throughout downtown South Lyon, and finding them could win you a prize. He then stated the City of South Lyon's Downtown Development Authority, Cultural Arts Commission, and Salem-South Lyon District Library is sponsoring a socially-distanced scavenger hunt. Snowflakes decorated by local artists are being hung all around South Lyon in stores and store window and starting this week and running through December 20, members of the public can search for the snowflakes. Those finding half of the snowflakes will be eligible for a prize drawing; those finding all of the snowflakes will be eligible for separate prize drawing. Details can be found on Salem-South Lyon District Library website and Facebook page. This will be a great event for your family. Councilmember Kennedy stated and just to add a bit more information regarding the property across Dorothy from the new tank, there has been discussion of building a pavilion there with a parking lot. Parks and Recreation will look at it and it may be something that takes place in the future. He then wished everyone a safe and Happy Thanksgiving.

Councilmember Dilg welcomed Alex Hansen to the Zoning Board of Appeals and she knows him and we are lucky to gain another experienced member on that board, as he was on the Howell Zoning Board of Appeals in the past. Councilmember Dilg gave a shout out to support the South Lyon Community Schools and the board meeting they are having. It is tough on them, the teachers, students and the parents. She stated she hopes people will have some patience and support while they work that out. She then stated COVID has struck close to her home and that will change the way they will be celebrating as well, and she hopes other people don't have to deal with that and she hopes everyone will have a safe and Happy Thanksgiving.

Mayor Pelchat stated he wants to wish a Happy Thanksgiving to everyone. He stated obviously COVID has reached us and he hopes everyone can have a safe Thanksgiving and to please be kind to everyone out there, it is tough and everyone is struggling with something and so he hopes if you can in anyway muster up any kindness for people, lets be good to each other out there.

CLOSED SESSION

CM 11-5-20 MOTION TO ENTER INTO CLOSED SESSION

Motion by Kurtzweil, supported by Kivell

Motion to enter into closed session 8(a) of the Open Meetings Act, MCL 15.268 at the request of the City Manager to conduct performance evaluation

ROLL CALL VOTE:

- Richards- Yes
- Kivell- Yes
- Kennedy- Yes
- Kurtzweil- Yes
- Dilg- Yes
- Walton- Yes
- Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

Council entered into closed session at 9:23 p.m.

Council reconvened the regular Council Meeting at 10:20 p.m.

CM 11-6-20 MOTION TO APPROVE THE ANNUAL RAISE INCREASE FOR THE CITY MANAGER

Motion by Kurtzweil, Kennedy

Motion to approve a 3% annual raise for the City Manager retroactive to October 1, 2020

ROLL CALL VOTE:

- Walton- Yes
- Dilg- Yes
- Kurtzweil- Yes
- Kennedy- Yes
- Kivell- Yes
- Richards- Yes
- Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

CM 11-7-20 MOTION TO ADJOURN

Motion by Kurtzweil, supported by Walton

Motion to adjourn meeting at 10:22 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,



Dan Pelchat, Mayor



Lisa Deaton, City Clerk