

South Lyon City Council Budget Workshop

April 6, 2022

6:00 p.m.

Mayor Pelchat called the meeting to order at 6:00 p.m.

Mayor Pelchat led those present in the Pledge of Allegiance

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

Also Present: City Manager Zelenak, Finance and Benefit Administrator Tiernan, Fire Chief Thorington, Chief Sovik, Superintendent Varney, DDA Director Mack, DPW's Operations Manager Archey and Clerk/Treasurer Deaton

New business

1. 2022-2023 budget overview

City Manager Zelenak explained the budget was based upon the needs of the department heads, the community as well as Council recommendations. He stated he is not asking to raise any millage rates, but he has added a wage increase reflected in union contracts, as well as non-union. City Manager Zelenak thanked all the Department Heads for their assistance with the budget and the numerous meetings and conversations held while putting the budget together. He then stated as a reminder, we don't have any budgeted expenditures for the revenues we are receiving from the ARPA funds until we know what allowable expenditures will be. Councilmember Mosier asked about the revenue of \$100,000 in the Police Departments budget. Finance and Benefit Administrator stated that is from the funds from the DEA that the PD worked with a while ago.

2. Department Budgets

Administration

City Manager Zelenak explained the administration budget are the normal expenses for activities associated with City Hall and office personnel. He further stated it also includes the funds for our portion of the improvements to city hall and should be completed with the 2022-2023 budget. Councilmember Dilg asked if we projected enough for the Election line item. Clerk Deaton stated we feel we have enough money in the budget line item. Councilmember Kurtzweil asked if the City received any 3rd party funds from anyone for the 2020 Election. Clerk Deaton stated we did not.

Cemetery

City Manager Zelenak stated within this budget, we have money to demolish an old storage building on site and erect a new small maintenance building to store equipment and maintain the grounds. We will also be purchasing a new John Deere Lawn Mower. Councilmember Hansen asked about the increase in wages. Finance and Benefit Administrator Tiernan stated that is for the contract wage increase, and there was less activity last year due to COVID. Councilmember Kurtzweil asked if it will be a leased tractor or if the city is paying cash for it. City Manager Zelenak stated a cash purchase.

Transportation

Discussion was held regarding Peoples Express which is who the city is currently uses for public transportation. City Manager Zelenak stated we are currently waiting for an updated contract so we have estimated a 3% increase. Discussion was held regarding the complaints we had during the last few years. City Manager Zelenak stated we haven't had many issues with them in a while. City Manager Zelenak stated we will bring the contract back for discussion with Council before the 2nd meeting in May.

Police

Chief Sovik discussed the budget for the Police Department and stated they currently have 17 police officers and there is also money in the budget for the SRO and for the accreditation process. Discussion was held regarding the SRO and the dollar amount the school will be paying. Chief Sovik stated he thinks it is a fair and factual agreement. He stated Officer Walton's wages and benefits would be paid for by the school in the amount of \$98,473. He further stated that covers his wages and benefits for the 2022-2023 school year (180 days) and it doesn't take into account any paid time off he may use. Council agreed that it seemed like a fair contract and agreed with Chief Sovik that the City Police Officer should be in the schools and not the Oakland County Sheriff as they have done in the past. Chief Sovik stated they also have funds ear marked for a new police car utilizing what they can from the previous cadet's car and that car will go to the Ordinance Officer. He then explained a new program they are starting a cadet program which means we sponsor a cadet to go to the academy, and hopefully an agreement for them to work for the city. Councilmember Kurtzweil stated she is happy they are looking into the cadet program. Councilmember Hansen asked about the decrease in legal fees. Finance and Benefit Administrator Tiernan stated we used an average of 5 years.

Fire

Fire Chief Thorington stated they are still waiting for a build date for the new ladder truck but he is hoping for it to be this year. He then stated they are budgeting for an additional person to work the evening shift to handle those calls. He said in the end, that is cheaper than having multiple people for assist calls or other minor calls that come in throughout the evening. He further stated they are putting additional funds for some additional repairs to the Fire Department. Councilmember Kivell asked who is maintaining the fire hydrants in private developments. Chief Thorington stated he would prefer we handle that because then we know they have been maintained, but he will look into the ordinance regarding the hydrants on private property. Councilmember Dilg asked if the wage increases are typical for what other communities pay. Chief Thorington stated they are comparable.

Ambulance

City Manager Zelenak stated there has been a small increase to ensure we are covering utilities.

DPW

DPW's Operations Manager Archey stated the DPW consists of Marianne, and 7 laborers. We also hired a new mechanic. Councilmember Kennedy asked when Charleston Park and the Knolls are turned over to the city, will we need to hire a new person. DPW Operations Manager Archey stated Charleston Park would be a big ask, but that shouldn't be for a while. Councilmember Kurtzweil stated she agrees that Charleston Park will be a while, but it would be nice if we could get someone phased in before then. Mr. Archey stated they will be keeping an eye on that. Councilmember Dilg asked about replacing the personnel and replacing old trucks. Mr. Archey stated they will be phasing out some of the older trucks because you can't get parts for them anymore. Councilmember Dilg stated she is very impressed with all the things DPW does with the limited number of people that work in that department. Councilmember Kurtzweil stated the stress of all the work with that number of people will take a toll, she believes we need more employees.

Parks and Recreation

City Manager Zelenak stated the P&R Commission have budgeted for ball field improvements as well as demolishing the house at 501 McMunn for future plans of putting in a gravel parking lot as a trail head
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and additional parking. Councilmember Kivell asked if they have thought about adding playground equipment to our other parks in the subdivisions instead of just Volunteer and McHattie. City Manager Zelenak stated they budgeted \$5,000 for Columbia Park. Councilmember Kurtzweil stated when Hunters Creek was being built, the Planning Commission required open green space, and there haven't been any conversations about it because the residents in that sub like to act as if it belongs to them. She thinks the best idea would be to deed it back to the HOA, then they can maintain it and take on the responsibility. City Manager Zelenak stated there is a high demand for park space, and he doesn't suggest we do that, but he will speak with Parks and Recreation and bring something back to Council. Further discussion was held about maintaining the parks in the subdivisions. Councilmember Kivell stated Columbia Park is a beautiful park on a pond with a nice walking area that we maintain. He thinks people that live there would get use to it. The park at Oak Creek is more problematic. Councilmember Hansen stated land is precious and he wouldn't advocate for getting rid of it, more investment should be done. Councilmember Dilg asked about the \$16,000 for McHattie Park. City Manager Zelenak stated they plan on adding a bike repair equipment station as well as some other equipment.

Historical

City Manager Zelenak stated to improve the experience of visitors to our Historical Village, the Historical Society will continue to make improvements to several items this year, including adding a concrete slab to prepare for adding a barn in the future. He further stated they would like to add a small house as well. A lot of funds will need to be raised for that project. It will cost over \$100,000 to move and then to rebuild the barn will be another \$100,000. Further discussion was held regarding the barn and the cost of doing so.

Cable commission

City Manager Zelenak stated they are budgeting for additional equipment as well as equipment for a playback system which will be video play on demand.

Cultural Arts Commission

City Manager Zelenak stated the Cultural Arts Commission have budgeted money for grants for more murals, flyers, and posters for shows in the upcoming year.

Veterans Memorial

City Manager Zelenak stated we have budgeted for \$5,000 for electrical work, and \$5,000 for labor, materials and the concrete pad for the First Responders Memorial. Chief Sovik stated they are looking at different materials because the cost is so high at the moment. He further stated as of now, we have \$7,000 between donations and the sale of the coins. Mayor Pelchat stated we need to make sure we stay on top of getting new flags when necessary.

Major Streets

City Manager Zelenak stated funds will be added at a later date for road paving. However, if the August Ballot Proposal is approved by the voters, we will be prepared to initiate our long-term road improvement plan. He further stated we have money budgeted for the installation of lighted crosswalk signs at Wells Street and Liberty Street. Councilmember Kennedy stated we need flashing crosswalk signs across 9 Mile at Oak Creek. It is a safety issue and he would rather budget money for that instead of hoping for grants. Councilmember Kurtzweil stated the rail trail abuts the boundary line of Hidden Creek and it is a very busy area. She further stated the slope of the road puts you a little higher than the

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people on the trails, and the speed limit is 35 mph, but it looks like people are traveling 45mph to 50mph.

DDA

DDA Director Mack stated we are budgeting based on getting to the next level of the Oakland County Main Street program. He explained the Main Street approach is based on a four-point system. Organization, design, promotion and economic vitality. He further stated we have a fantastic new Market Manager that is already doing a great job. Councilmember Dilg asked how many hours a week is she allotted. Mr. Mack stated 20-30 hours a week in season and 5-10 hours off season.

Water & Sewer

City Manager Zelenak explained the Water & Sewer Department will have major expenditures to upgrade equipment in our water and sewer facilities. The improvements will be paid for with the water and sewer rate increases. This will address the critical infrastructure that needs replacing, including the completion of the new water tank, pumps and a generator at the water and sewer building. He then explained we will continue to fund sanitary sewer pipe inspections where we will inspect all sanitary sewer pipe below ground before we begin road improvements. The big project will be the new sanitary sewer line under the railroad tracks on Pontiac Trail. Councilmember Dilg asked if we are going to be planting some trees where the new tank is going for the residents that live around it. City Manager Zelenak stated we will, but not until after it is completed and all of the equipment is moved out of the space. Discussion was held regarding the water and sewer rates and the untreated water for MST. Finance and Benefit Director Tiernan stated MST has a raise in cost for the untreated water. Councilmember Kurtzweil asked about the revenue for water. Ms. Tiernan stated it appears we are moving in the right direction with the current rate increases, but we will be whole after 10 years we should be made whole according to the water rate study Plante Moran brought before Council which the Council approved. Councilmember Kurtzweil stated she wants to make sure we aren't getting short changed. Councilmember Kivell asked if we would be able to use the old generator that we are replacing. Superintendent Varney stated possibly a third world country.

CDBG

City Manager Zelenak stated we are allocating these funds for Haven and the Senior Center Services. Mayor Pelchat stated the city has grown and they are averaging about 135 people a day.

Wastewater treatment plant bond

City Manager Zelenak stated the revenue and expenditures in this fund are associated with the 2003 bond for wastewater.

Capital improvement fund

City Manager Zelenak stated our CIP budget this year will include the levy of 1.0 mills. This is the same millage as last year. It will help position us for the necessary improvements needed in our community. We will also be allocating funds for the Safe Routes to School Program, as well as some major renovations to existing trailways. We will also continue to improve the DPW yard with the next phase of the paving project, as well as the installation of a cold storage structure. He further stated we will be doing improvements at city hall and pathways. Discussion was held regarding the importance of having a CIP.

Land acquisition

City Manager Zelenak stated the revenues estimated in this fund are direct proceeds from the sale of 318 W Lake Street, which he is expecting \$30,000

Equipment replacement

City Manager Zelenak explained this will cover costs for the payment on the new DPW 5-yard dump/salt truck and a new Toolcat for use by the DPW. Councilmember Kennedy asked how much longer the Toolcat would last. DPW Operations Manager Archey stated maybe 2 more years, we use it for foundations in the cemetery and many other things.

Public comment- None

Adjournment

Motion by Kurtzweil

Motion to adjourn the meeting at 8:35 p.m.


VOTE:

MOTION CARRIED

Respectfully submitted,



Mayor Dan Pelchat



City Clerk/Treasurer Lisa Deaton