

City of South Lyon
Regular Council Meeting
June 22, 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, Chief Sovik, Chief Vogel, Superintendent Varney, Attorney Hamameh and Clerk/Treasurer Deaton

MINUTES

Councilmember Kennedy stated on page 3, there are 3 instances where the spelling needs to be changed to Gantt. He then stated on page 7, the word no needs to be changed to not.

CM 6-01-20 MOTION TO APPROVE MINUTES

Motion by Walton, supported by Kennedy

Motion to approve minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

AGENDA

CM 6-2-20 MOTION TO APPROVE AGENDA

Motion by Kennedy, supported by Walton

Motion to approve the agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

1. Appointment of dangerous building hearing officer- appointment of Jason Payne
2. Easement for DPW storm sewer project- approval of dedication for the DPW easement

CM 6-3-20 MOTION TO APPROVE THE CONSENT AGENDA

Motion by Kurtzweil, supported by Walton

Motion to approve the consent agenda

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT- None

DISCUSSION-Downtown

City Manager Zelenak stated the Farmers Market has been going very well and we have had a lot of good reviews and people are happy with the vendors and people are practicing social distancing and the vendors have been pleased with the amount of people attending. He then stated the Patronicity campaign has been successful and we have raised the \$4,000 we needed for the County to match it. He stated we raised almost \$5,000. He then stated the DDA Board and the new DDA Economic Director and Carol Brandon have been working on requesting funds associated with reimbursement due to the Covid virus. He then introduced the new Economic DDA Director Nate Mack. He started today at City Hall and he comes with good experience working as the director for the Jackson DDA and a graduate assistant at Central Michigan fire up chips. DDA Economic Director Mack stated he is excited and honored to join the team in South
6-22-20

Lyon and is looking forward to moving the community forward. Councilmember Dilg stated she is concerned with the matching fund and she is concerned that it will be distributed to the downtown businesses and they are the ones determining who gets what and she doesn't want people thinking there is something going on there and she wants us to be very transparent about who is getting the money and how the decision is being made. Councilmember Walton then asked how are the funds being requested. City Manager Zelenak stated the businesses have to apply for the funds by filling out the application. They have to apply and state their needs based on the items on the application.

FIRE CHIEF REPORT

Chief Vogel stated Chief Weir was injured while fighting a fire in Northfield Township. He stated he is home resting and we are evaluating his injuries. The City has been really good to work with to try to get the workman's compensation and was in the St Joe system the night of the accident and now he is in the Ascension system. He is happy with our insurance and Patricia has been great. He then stated we had a large fire on the same day on a duplex on Brookfield and 6 people lost their home that day. He stated in speaking with the Sheriff Investigators they have been unable to determine the cause. He stated we are waiting for the third-party investigator to give his opinion. He stated the homeowner will probably tear down the building and sell the property. He then stated there was a fire on West Hills. It was a small fire and they were able to contain that quickly. Chief Vogel stated there was a gas leak at the DPW complex today which was quickly handled. He then stated we have a new hire, and her name is Brooke and she is a cadet. He then stated the Fire Academy in Howell is still planning on having school for the high schoolers. He then stated since the City is now open again, they are a little overwhelmed with the construction in the City and the demands on Safebuilt and the Fire Department are a lot. He then stated the number of requests for inspections are a lot but we are working through it. He then stated we got a grant for \$5,000 from the State of Michigan to buy two shipping containers. We will be building our own burn building and he hopes to have an agenda item for the next council meeting.

Mayor Pelchat stated we missed asking for a motion to add an agenda item regarding the agreement with the County.

CM 6-3-20 MOTION TO AMEND THE AGENDA

Motion by Kivell, supported by Walton

Motion to amend the agenda adding the agreement with Oakland County for assistance with Elections.

VOTE:

MOTION CARRIED UNANIMOUSLY

POLICE CHIEF REPORT

Chief Sovik stated N Wells will be closed for a short time tomorrow to bring in heavy machinery to remove the roof of the RCA building. He stated the bike path repairs will begin on Wednesday morning and continue the next day. He then stated it is south of 11 Mile. He then stated he has submitted documentation for the two grants that they will receive regarding the data storage and the in-car cameras from MMRMA. Chief Sovik stated he will be meeting with Deb Cook regarding the Motorfest possibilities. He then stated Officer Jacobs was given the certificate of merit today for his outstanding work on catching the larceny from auto suspects which included a foot chase and attaining confessions. He then stated they will be including a type of language for the duty to intervene, basically if an Officer sees someone using excessive force, they are expected to step in. He will be working with our City Attorney regarding that language. Councilmember Dilg stated she appreciates Chief Sovik taking the initiative to update the language for the duty to intervene. That is an important thing to do to show we are taking the initiative to do so.

6-22-20

PRESENTATION- Oakland County Treasurer, Andy Meisner Local Government Investment Pool

Andy Meisner, Oakland County Treasurer stated he wishes everyone in South Lyon well. We have all been through a significant crisis and the community has shown great resilience in coming together. He then stated he realizes the crisis has created a situation for a lot of people. He then stated there is a resource through the County Treasurer's office for anyone that has been put in a tough spot because of the Covid situation and they have something called the empowerment financial center and he has a phone number for their lead counselor Reda, and the phone number is 248-807-5287. He then stated the second thing they can do is help with small businesses. South Lyon has some fantastic small businesses and they want to ensure they make it through this crisis. He then stated their services help small businesses apply for grant and loan programs that are available. He stated their office has enjoyed a great partnership with the City over the years and one of the elements are that they partner with the collection of taxes and if people fall behind and have trouble paying their taxes, they are turned over to the County. He then stated when the Covid crisis hit, he suspended tax foreclosure for the entire year. Mr. Meisner stated if anyone has to miss a payment on their payment plan, they will have flexibility. He then stated before he became Treasurer the County started a local government investment pool governed by PA 20. He stated it says safety first and it is about principle preservation. He stated there are 47 communities that participate. He stated they place funds in the local government investment pool and the County manages that pool with the most conservative investment principles that are embodied in the Oakland county investment policy as well as the state law that governs our public investment of those funds. He stated the idea is if you have resources you don't need immediately, within 30-60 days or further out, this is an option that's available. He stated the interest rate is going down, therefore so is the rate of return. Mr. Meisner stated the effective rate of return is 1.4%. He stated in the current fiscal year it is 1.9%. He stated they are able to negotiate for better rates due to the amount of the investment, which then is shared with the 47 communities that are participating. He then stated Natalie Neff is the investment person and she is available any time for questions. He then gave his cell phone number 248-421-2639 if anyone has any questions or concerns. Councilmember Richards asked if his predecessor was Mr. Doheny. He stated people called him uncle Hugh. Mr. Meisner stated he was not, his immediate predecessor was his son, Pat Doheny. He stated he is aware of the senior's contribution to the County. Councilmember Richards then asked if the structure of the Treasurers office is much larger than when the senior Doheny was in office. Mr. Meisner stated it is much smaller, he came into office during the housing crisis and that was a time of budget cuts. They were forced to cut their staff and they have been able to maintain that staff. Councilmember Kurtzweil thanked him for his time here tonight. She then stated she wants to make sure this particular investment term. This isn't to be used as a money market. This is a long-term investment for more than 30 days. What is the average time communities invest in the pool? Mr. Meisner stated it is relatively short term, the average is probably around a few months. He stated their fund is something where you can park the money and earn a bit more return than if it was held locally. He stated we have communities that have left money in the pool for many years, and they just draw on it as needed. Councilmember Kurtzweil stated the 1.4% and the 1.9% that you mentioned, what is a return when there is inflation. We are now at a non-inflationary time, but she assumes that rate would increase as the rate of inflation, or the investments in extremely conservative securities. Mr. Meisner stated their investments are very safe. He stated one of the investments is a certificate of deposit. Our current portfolio is 47% certificate of deposits. He then stated they do have some negotiable CD's and the third type of investment is commercial paper. It is corporate issue debt but its 270 days in duration or less. The other area they have gotten good return is there are federal agencies such as Fannie Mae and Freddie Mac that issue three year bonds. He stated they are backed by the federal government. He stated we are at 47% CD, 9% negotiable CD and only 2% commercial paper and 20% of the federal agency bonds. He stated they are straight forward investments. Mr. Meisner stated in contrast, there is their pension system.

He stated the law that governs pensions allows for a greater variety in what you can invest in. That system will have more options such as stocks and bonds, it allows to be riskier. Councilmember Kurtzweil asked about their procedures to protect from fraud with withdrawals. Mr. Meisner stated their banking services include a number of fraud prevention mechanisms. He stated they also have some redundancies built into their procedures, there is two separate levels of verification if someone requests funds. They won't just send money based on an email. He then stated they will only wire any money when they have absolute confidence that it is a legitimate request. He then stated they have been fortunate that they have not had this happen, but you always have to be vigilant about it and constantly monitor for new technology to assist with fraud. Councilmember Kurtzweil asked since the County will not be foreclosing on property, will the City still be reimbursed for the delinquent taxes. Mr. Meisner stated the City will still be reimbursed. He stated we have a delinquent tax revolving fund and when the delinquent properties are turned over to the County, they use the delinquent revolving tax fund to buy the collectibles so they front the money to the communities. That is not affected in anyway. Councilmember Kivell asked what is the percentage of CVT's in Oakland County are participants in the program. Mr. Meisner stated it is about 75%. He then stated it is optional and it is a strictly a question of if it works with your cash flow. He stated the County is blessed because they have full time staff and their only job is investments and to track interest rates and examining different banks. He then stated the interest rates are low but this is about principal preservation. He then stated he will be happy to come back with Natalie Neff who is the investment person at a later time if Council is interested. Councilmember Kivell stated everyone is looking for ways to stretch our dollars as far as we can if this may help with that. City Manager Zelenak thanked Mr. Meisner for coming and bringing this information to us. He then stated for the City to participate in this program, we will need to make changes to our investment policy to include this. He then stated we will move forward with working on a new investment policy to include this along with the OPEB trust. Councilmember Richards asked if there is a project in the next few years and the City was looking for matching funds, could we do that. Mr. Meisner stated this program isn't set up for matching funds, investing only.

OLD BUSINESS

1. Tax abatement agreement

City Manager Zelenak stated Council recently adopted a tax abatement policy for the community and in March Council established a commercial rehabilitation district for Parcel 21-20-360-0023 formerly known as the RCA building. The property owner filed an application with the Clerk for commercial rehabilitation exemption certificate and Council voted to approve the resolution for the commercial rehabilitation exemption certificate for 1855 Holdings, LLC at 135 E Lake Street. As part of this process the City prepared a tax abatement agreement which outlines certain terms and conditions for the certificate.

CM 6-4-20 MOTION TO APPROVE THE TAX ABATEMENT AGREEMENT

Motion by Kennedy, supported by Kivell

Motion to approve the tax abatement agreement for commercial rehabilitation exemption certificate for 1855 Holdings, LLC at 135 E Lake Street

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

2. Fieldstone Development

City Manager Zelenak stated the application for the rezoning and preliminary PD site approval for Fieldstone was discussed at the last Council meeting. Council asked for additional information such as information on lot coverage, and the sites geological soil survey. That information was given to Council along with a spreadsheet containing detailed information for each of the proposed 50 lots. Kelly McIntyre of CIB Planning stated she added additional information to the agenda note regarding planned developments and their intent. She stated she included a table showing the requirements for the R3 district and then what the applicant is proposing and the waivers they are asking for. Mr. Noles stated he is representing Pulte Homes. He then shared a short power point presentation. He explained Pulte Homes is proposing housing opportunities for empty nesters and first-time buyers. He stated the Fieldstone Planned Development is a unique opportunity to develop a tough site in a beneficial way. It is a small triangular site abuts a railroad track and most of the road frontage is unpaved. He then stated the zoning is RM1 which permits 154 units to be built. Fieldstone proposed 50 single family homes meeting the qualifying conditions for the planned development. The reduction by 104 units has a beneficial affect on the surrounding properties. Fewer public services are needed and less traffic and congestion. This development will serve as a nice transition between the high density use south and to the east of the property. He then stated the benefits this offers would not be achieved under the existing zoning. The plan was approved by the Planning Commission after scrutiny and revisions incorporating the planning commissions suggestions. The plan was also endorsed by the neighbors around the site. He then stated the positive aspects that make this plan work is the pedestrian nature trail, the park benches, the buffering and the upsized landscaping and a significant reduction in density. He stated the PD waivers they are asking for is to allow options and a variety in the architecture. The maximum impervious lot coverage remains at 35% maximum. He then stated the total lot area for all buildings is still 30% Mr. Noles stated there are 17,000 possible buyer combinations for the site and that matrix was given to Council. He thanked Council for their support and consideration. Councilmember Kennedy thanked Mr. Noles for providing the spreadsheets that were requested at the last meeting. He then thanked Ms. McIntyre for providing the information that was contained in the spreadsheets for the deck size in order to verify the calculations. He stated he went through all the spreadsheets for all 50 lots and they were color coded to show what would be permissible and which would not to fill up to 33% lot coverage. He then verified the impervious lot coverage was at 35% or less. He further stated the spreadsheets match all the requirements. He then stated he wants to ensure the HOA will retain the streets in this development and they will not be dedicated to the City. Councilmember Kurtzweil stated the revised letter dated June 17th states that Police and Fire Departments have requested an emergency access to Eleven Mile and this has been provided details for construction maintenance will have to be provided at the time of the final PD plan. She thought the Planning Commission did not ask for that to be included. Ms. McIntyre stated the emergency access drive to Eleven Mile is not connecting to Colonial Acres. There will be a regular entrance as well as an emergency access that will be gated. That does not refer to Colonial Acres at all. Councilmember Kurtzweil stated the access is further down Eleven Mile and she wants to make sure it doesn't connect to Colonial Acres. Ms. McIntyre stated it will not connect to Colonial Acres. Councilmember Kivell stated he has looked at Fieldstone from myriad of views to determine his position. He stated he understands the project wasn't a good candidate for our R3 zoning but he finds the proposed project, they have taken the PD flexibility to an extreme that exceeds his comfort. He then stated he applauds the planning commission and the developers for finding a way to provide sidewalks throughout the development where no one would have to walk into the street to make the full circuit through their neighborhood. He stated he also gave consideration to the fact these ultra-dense and close style lot layouts is much more pervasive with new developments to minimize costs associated with expensive infrastructure and it can be found among all of our neighboring communities. He stated he doesn't like it, but he recognizes the homes will be sold and lived in so the market clearly supports this. He

stated he knows Pulte's reputation and their extensive organization and funding resources and he is confident if this is approved, this project will support a lot of good neighbors for our community. Councilmember Kurtzweil asked if there are ranches available in this development and what is the price the three hundred thousands to the upper three hundred thousands. Councilmember Kurtzweil thanked them for bringing a very nice product to the City of South Lyon. Attorney Hamameh stated the information in the packet isn't the correct one. There are changes that needs to be made. Ms. McIntyre stated the changes are in exhibit A, which is the accompanying resolution where it says whereas the approximately 11.65, and it is a three-page document in the first paragraph Thomasville should be changed to Fieldstone. Under part I.A. and Part I.B. we added the terms "compliance with" before each paragraph. She then stated on page 2, under A it should say compliance with sections 102-381 and the same for B, it should say compliance with the preliminary stage. She then stated that Thomasville will also need to be changed under part I.C and I.D. and I.E. to Fieldstone. Attorney Hamameh stated there were a couple of non-substantive changes as well in the same part 1, the paragraph that states the "subject to the following condition" we added "to all of the following conditions." to be clear that they have to meet all of the conditions. She also removed the section above E, because it was duplicative of section E. She stated there were a couple other grammatical changes as well and all the changes will be made before the second reading and before its published. Joe Skore of Pulte Homes stated he wants to make sure everyone is aware the price range will be somewhere between the \$300,000 to the \$350,000 range. Councilmember Richards asked if they ever walked the property. Mr. Noles stated he has. Councilmember Richards stated he has read through the McDowell & Associates material and he has been in touch with them years before. He then stated he agrees with their assessments of the property and their recommendations and their cautions. He further stated 50 years ago, that property was vacant and the access point is exactly where it is today. He then stated if this project happens, and will there be a problem with vibration from the railroad tracks, and will the City be held harmless. Attorney Hamameh stated the City will not be held responsible.

CM 6-5-20 MOTION TO APPROVE THE FIRST READING OF ORDINANCE TO AMEND ZONING MAP

Motion by Kennedy, supported by Walton

Motion to approve the first reading of ordinance to amend the official zoning map of the City of South Lyon incorporated into the South Lyon zoning ordinance by section 102-182 by rezoning the property 21-19-126-002 more fully described in the attached as exhibit A, the property from RM1 district to a planned development

ROLL CALL VOTE:

Walton- Yes

Richards- No

Kurtzweil- Yes

Kivell- Yes

Kennedy- Yes

Dilg- Yes

Pelchat- Yes

MOTION CARRIED

CM 6-6-20 MOTION TO APPROVE PLANNED DEVELOPMENT SITE PLAN FOR FIELDSTONE

Motion by Kennedy, supported by Walton

Motion to approve the preliminary planned development site plan for Fieldstone site condominiums parcel number 21-19-126-002 subject to items 1-13 in the CIB Planning letter

ROLL CALL VOTE:

Dilg- Yes

Kennedy- Yes

Kivell- Yes
 Kurtzweil- Yes
 Walton- yes
 Richards- No
MOTION CARRIED

NEW BUSINESS

1. Oakland County CARES act resolution

City Manager Zelenak stated in order for the City to receive CARES Act funds through the federal government and Oakland County, the City needs to adopt the resolution to approve the agreement for CARES Act distribution between Oakland County and the City of South Lyon. The funds are directly related to activities and expenses pertaining to Covid-19

CM 6-7-20 MOTION TO APPROVE CARES ACT RESOLUTION

Motion by Kurtzweil, supported by Dilg

Motion to adopt the resolution to approve the agreement for CARES Act distribution between Oakland County and the City of South Lyon

ROLL CALL VOTE:

Kivell- Yes
 Dilg- Yes
 Kurtzweil- Yes
 Richards- Yes
 Walton- Yes
 Kennedy- Yes
 Pelchat- Yes
MOTION CARRIED UNANIMOUSLY

2. Budget amendments

City Manager Zelenak stated we have budget amendments totaling \$47,370 for the general fund, \$5,665 for the DDA, and \$167,582 for the vehicle/equipment replacement fund. Councilmember Kivell asked why the CIB Planning bill seems to have doubled what it was projected to be. City Manager Zelenak stated at the end of the 2018/2019 budget we eliminated the planner position at City Hall and the majority of the duties were taken over by CIB. Also, this includes the funds deposited within the escrow so when the City gets reimbursed the funds pay for our planner as well as our engineers. Councilmember Kennedy asked if we have purchased lids for the trash cans downtown. City Manager Zelenak stated we have purchased some and he will look into why they aren't out there.

CM 6-8-20 MOTION TO APPROVE BUDGET AMENDMENTS

Motion by Kivell, supported by Kennedy

Motion to approve the proposed budget amendments for FY ending June 30, 2020

ROLL CALL VOTE:

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

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

3. Establishment of OPEB trust

City Manager Zelenak stated in compliance with the State of Michigan Corrective Action Plan approved by Council on October 2019, the City will establish a trust to prefund obligations for postemployment benefits other than pensions (OPEB) in an IRC Section 115 Trust. Municipal Employees Retirement System of Michigan (MERS) offers a cost-effective compliance, investment oversight and administration. The City will accept fiduciary responsibility for establishing an Investment Policy, asset allocation, contributions remittance and documenting expenditures for reimbursements in compliance with Michigan Public Employee Retirement Investment Act (PERSIA) There will be a future corresponding adjustment to the City of South Lyon Investment Policy to reflect this additional investment. Councilmember Richards asked where does this money come from to fund this. City Manager Zelenak stated it comes from our general fund, and we haven't funded this in the past, we have only just paid the obligations as they have come up. This was discussed during the budget meetings about funding this plan. Finance and Benefit Administrator Tiernan stated the RHFV is for the retiree health fund vehicle and the City will need to make an initial investment allocation when the resolution is signed. She stated she had some discussions with MERS, and a discussion with Councilmember Kurtzweil and it seems to be in the city's best interest that we utilize the option where we can put the majority of our initial investment into a short-term income investment, which is very conservative. She then stated the investment summary shows through the first quarter of the MERS RHFV plan shows a rate of return at 2.19%. She then stated that also keeps the opportunity to remove funds as needed for reimbursement to make our pension premiums. She stated we are currently paying about \$54,000 for our current group of retirees. She then stated we can also take the additional funds and put into the MERS total market portfolio which is more of an aggressive fund, but still conservative. She then stated if we choose to work with the total market portfolio and the short term investment fund, we are giving MERS the power of being the fiduciary and the administrator of the trust, so that takes away the need for the City to possibly hire an investment attorney and set up an investment committee. Ms. Tiernan stated we will keep up on the reports that come each month and quarterly we would make the contributions we are responsible for coming before Council if we need to take out the reimbursements and also if we decided we wanted to make additional contributions. Councilmember Kurtzweil stated this has been a big issue. The monies will be going into a trust and there are fiduciary responsibilities that have legal consequences if you don't act appropriately. She then stated the MERS total market portfolio pushes that legal responsibility off the City. She stated if you look at the other portfolios, the closest one the City could participate in is the MERS established market portfolio where it is 60% equity and 40% bonds. She stated the reason the fiduciary is important is because municipalities cannot invest more than 70% in equities. She stated the portfolios will get returns and dividends and it is possible the dividends could push you over the 70% limit. The fiduciaries responsibility is to pull that back to the 70% investment so you don't go over the limit and that is a huge responsibility. She then stated by using the MERS portfolio they take on that responsibility. Councilmember Kurtzweil stated the employer will have to designate the person able to make any changes necessary. She then asked who is qualified to make those changes. She is comfortable with the form and supported certified minutes identifying the governing body approval. She would also like a second tier analyzing the change of the investment option that the City is using. Councilmember Kivell asked if in the event MERS is handling this, what will be the watchdog agency to report back to us.

Finance and Benefit Administrator Tiernan stated MERS is audited by Plante Moran so their divisions and their trusts they have are audited for the government accounting standards board. She further stated they

6-22-20

are also audited by the Michigan Persia which has to do with the investment securities act. She then stated the City could always pull out of the investment by a resolution and look at another trust option. Councilmember Kennedy asked if there are fees involved for MERS? Finance and Benefit Administrator Tiernan stated there is not a fee to setup the trust, if we make a withdrawal there is a 2% fee, if we leave the funds in for a longer term the fee structure for an annual expense is about 1.8%. Councilmember Kurtzweil asked if there is support to change item E on the form and move it away that the employer designate and check the first box where the changes can be made by providing the form and certified minutes showing Council approves of the change. Councilmember Kivell asked if she would be ok with Council being given notice instead of it having to be in the minutes. Councilmember Kurtzweil stated she wants to be able to see the change and why it is being made and assess whether it is appropriate or not. Councilmember Kivell stated because of the way it is structured with the employer being the designator to make the changes and if they were able to get a reflection of Councils positions are, and that weighed into how they are going to act we would still be in the loop. Councilmember Kurtzweil stated we can leave the form as it is, and just state that any changes need to be brought to Council. Further discussion was held regarding the OPEB trust. Councilmember Kennedy stated the year to date return on the bond policy is probably the most conservative investment at 1.7% He stated at that rate the only people making money is the fiduciary. He then stated we could put the money in a CD at a bank and whatever we made we would be ahead. City Manager Zelenak stated you can't put the funds in a bank, it must be in a trust which is why we are using MERS. Finance & Benefit Administrator Tiernan stated the recommendation is for \$60,000 as the initial investment and 10% in the MERS portfolio and 90% into a short-term income. That is in the proposed resolution. She stated by putting the majority of the funds in a short-term income would be the funds we use towards the premium. She further stated that would keep us from losing money when we take money out to pay the premiums. We will also utilize total market portfolio which has the potential of having a higher rate of return, although it doesn't right now because of the market, but as it turns, we will hopefully have a higher rate of return.

CM 6-9-20 MOTION TO APPROVE TO ESTABLISH A CITY POSTEMPLOYMENT BENEFIT TRUST

Motion by Kurtzweil, supported by Kivell

Motion to establish a City postemployment benefits other than pensions (OPEB) trust by adopting and approving the Municipal Employees' Retirement System of Michigan (MERS) retiree health funding vehicle uniform resolution

ROLL CALL VOTE:

Richards- Yes

Walton- Yes

Kurtzweil Yes

Kennedy- Yes

Kivell- Yes

Dilg- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

CM 6-10-20 MOTION TO APPROVE RESOLUTION

Motion by Kurtzweil, supported by Walton

Motion to adopt and approve the resolution establishing authorized signatories for municipal Employees' Retirement System of Michigan (MERS) contracts and service credit purchase approvals

ROLL CALL VOTE:

Dilg- Yes

Kivell- Yes

6-22-20

Kennedy- Yes

Kurtzweil- Yes

Walton- Yes

Richards- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

4. Agreement for Election services with Oakland County

City Clerk Deaton stated approximately a month ago, Joe Rozell from Oakland County reached out to local Clerks asking if the HB 5141 passed, if there was interest in participating in an agreement in which the Oakland County Clerks Office would process our absentee ballots for us as of 4:00 the day before the Election. Any ballots received after that will be processed at the polling locations as we do now. She then stated the bill has passed and awaiting the Governors signature. It will be a great help to the City and our Election Inspectors. The agreement does not have an expiration date and can be cancelled by either party with 84 days' notice. She then stated the deadline for the agreement is July 13 which is why it was added to the agenda today because this is the last time we are meeting before that date. She further stated there is no fees involved. Clerk Deaton stated based upon the numbers we are getting for the August Election; our absentee voter count is going to be very large. As an example, the November 2016 Presential Election, we had 1533 absentee voters, as of now, we already have 1646 received applications for the August and November Elections. She then stated until we are able to have an absentee counting board where we can buy the high-speed tabulators and run the ballots ourselves, if we don't participate with the County, she can see our Election Inspectors tabulating the absentee ballots until very early in the morning. She then stated she attended a zoom meeting with local Clerks and Joe Rozell from the county and there was a lot of interest in this agreement. They are going to try to accommodate as many communities as they can. The July 13th deadline is so they can assess how many communities want to participate and how many ballots they may be tabulating. She then stated we will have one or two of our own Election Inspectors on Election Day overseeing the tabulating of the ballots. Clerk Deaton stated we have a QVF system that keeps track of every ballot issued and every ballot that is returned. Councilmember Dilg stated we budgeted for 2 tabulators and asked if we will still need them. Clerk Deaton stated she does plan on purchasing the tabulators because we don't know how long this agreement will last. We have money in the budget to purchase them for the November Election and she just found out the State is offering a grant for some cash back and she has already applied for the grant.

CM 6-11-20 MOTION TO APPROVE AGREEMENT WITH OAKLAND COUNTY

Motion by Kivell, supported by Kennedy

Motion to approve the agreement for Election Services between Oakland County and the City of South Lyon

ROLL CALL VOTE:

Walton- Yes

Richards-Yes

Kurtzweil-Yes

Kivell-Yes

Kennedy-Yes

Dilg-Yes

Pelchat-Yes

MOTION CARRIED UNANIMOUSLY

BUDGET- No comments were made

MANAGER'S REPORT

City Manager Zelenak stated we had a gas line break at the DPW yard while they were working on the construction project for the storm sewer. Consumers Energy came very quickly and the Fire Department responded as well and it was repaired. He spoke with our engineers to ensure this does not happen again. City Manager Zelenak stated city hall opened to the public last week and we have had people coming in and 95% of the people are wearing masks and we are all still practicing social distancing and it is working out very well. He then stated he will be bringing the water and sewer rate analysis back to City Council shortly and Plante Moran will attend as well. He further stated if Council chooses to make a change in the rates, it will have to be done by September in order for it to take place on the October billing. City Manager Zelenak stated we are working with Oakland County with the re-opening tool kits for businesses in the City and we originally had 100 and we currently have 40 left. He further stated more businesses are opening and they are appreciative of the investment that Oakland County has made. He then thanked Phil Wiefert and the other Oakland County Commissioners for the CARES Act funding that was approved tonight. He further stated that will assist us in getting refunded for the purchases we have made due to Covid-19. He then stated we didn't have a city-wide yard sale this year, and people have been calling and asking about garage sale permits. We want them to come in and get a permit because we want to make sure based on the spirit of the ordinance that people aren't having garage sales multiple times a year. We are not requiring the fee. He then stated the State of Michigan adopted another executive order which allows us to continue the electronic meetings until the end of July. Councilmember Walton stated in the past when we had the city-wide yard sales, we partnered with GFL for a large pickup day the following week and she asked if we are offering that. Clerk Deaton stated the residents are allowed to put out large items at any time. It was changed in the last contract. Councilmember Kurtzweil asked the City Manager if he has spoken with Peoples Express and what they are doing to protect our residents. City Manager Zelenak stated he has not but he knows they suspended some operations for a while and he isn't sure about their sanitizing and social distancing. Councilmember Kurtzweil stated she has had some questions from seniors and apparently people are receiving multiple absentee voter applications and they are confused because if they didn't request one, they don't know why they are receiving them. She then stated the instructions on the back of the absentee ballot application she received from the schools says you can mail the application, deliver it to the Clerk's office or email it to the Clerks office. Clerk Deaton stated what is happening is we have a permanent list of absentee voters that we automatically send out the application for every Election. The State decided because of the virus, they sent absentee ballot applications to all registered voters not on the permanent list throughout Michigan. She then stated the schools are also sending out applications because they have a bond issue on the August ballot. They may have gotten the list of registered voters from the state or they may have their own database of all households in the South Lyon School district. She stated it can be confusing and we take calls about this issue daily. She stated people need to know they can send in one application and if they receive any others, they can throw them away. She then stated as we get closer to the November Election, the political parties will also be mailing absentee ballot applications. She then stated apparently the QVF isn't always up to date. She had someone call her because they received applications for someone that lived in that address a few years ago. She then asked them for the name and she went into the qualified voter file and cancelled their registration and added comments on how the information was received. She then stated she wants everyone to understand if you send in more than one application, you will still only get one ballot. People worry that someone else is going to grab the extra application and vote for them. She further stated the QVF will only allow one ballot to be issued to one person. She then stated the only way someone will get more than one ballot is if they spoiled theirs and they give that to me, I can spoil that one and process a new one. There are many checks and balances in

6-22-20

our office and many through the state. Clerk Deaton stated even if someone turns in an application, it doesn't mean they automatically get a ballot issued. When we receive an application, we compare the signature in the QVF with the signature on the application. The signature in the QVF is the signature on their driver's license. She then stated if the signature doesn't match, we do not issue a ballot. Councilmember Kurtzweil stated they are now allowed to email the application so it is a digital signature. Clerk Deaton stated if they send it as an attachment and the signature is very clear. Councilmember Kivell stated it is troubling to him the postage cost that is being squandered by these duplications. At least the emailed applications are inexpensive except for you time having to go through each one and print them. Councilmember Richards stated it is his understanding at 825 W Lake Street, the contractor has gone under the road and connected to the sanitary sewer but has not paid the permit for that. He further stated he doesn't recall seeing anything from HRC about how this has been accomplished and he hopes we can see the documents and when they pay the fee. Councilmember Richards stated the property at 318 W Lake street had a basement and it was filled with different dirt. He further stated if a new house is built on that lot after it is sold, it will have to conform to the other houses in the vicinity, all which have a front porch and a garage in the back. He then asked if there is enough room for a house to be built on that property to conform with the zoning. City Manager Zelenak stated we are working on a development agreement with our City Attorney. The plan with Council was to get an RFP for a company to develop that property and to build a house that is conducive with the neighborhood. He then stated he will check to see if the fee has been paid for the 825 W Lake tie in, and where they will be tying in with the sewer system is on the plans as well as the water system.

PUBLIC COMMENT-

Amber King thanked everyone for voting to approve the agreement with Oakland County and South Lyon for Election services. She stated she has worked as an Election Inspector in the past and plans to this fall as well. She further stated it is a long day, even without the absentee ballots.

COUNCIL COMMENTS

Councilmember Richards stated he wanted to give accolades to the Witches Hat Brewing company for the terrific job they did on the paving of their parking lot and the added extras to the exterior of the building. It is very impressive and an asset to the property and the City. Councilmember Richards stated the creek clean up over the weekend was a great success and we had a lot of workers from the tube mill. He stated the gazebo deck at the historic village is coming along very nicely and it is being done with wolmanized wood and they are going to do the side ramp as well. He stated the historic commission has agreed to hire a professional service to take care of the problem in the belfry at the Chapel due to the birds nesting there.

Councilmember Kennedy stated he wants to thank everyone who contributed to the Patronicity campaign for the city's DDA. As was mentioned, almost \$9,000 was raised to help businesses in the DDA district. Again, thank you so much for your generosity. He then encouraged everyone to continue to Shop Local and to Dine Local. Be sure to help our businesses get back on their feet as they begin re-opening after being closed for the past few months. Let's help them succeed.

Councilmember Kurtzweil stated it looks like we will be living with Covid-19 for a while and everyone needs to be careful and cautious. She stated she purchased a UV sanitizer and she plans on using this as she travels this summer and she can pass it along any surface, any room, packages she receives at her home. You can't use it on your body, but you can on many other things. There are many uses for this. She then stated she purchases something called a key smart and it is made out of copper. She further stated it can be

used at an ATM, a cashier and it has a hook on it to open doors and it is made of copper because it is an antimicrobial material so if there is a virus on the surface, the copper will act as a disinfectant.

Councilmember Kivell stated the Farmers Market is up and running and there is a lot of activity and people are using good judgment and staying socially distant and there are a lot of masks being worn and sold as well. He then stated the new paint job on Draft Street is a nicer back drop to the Farmers Market. He then thanked Bill Erwin for the replacement flags that he put downtown, it is beautiful and it is a very nice gesture. He then stated the hanging baskets downtown look terrific.

Mayor Pelchat welcomed Nate Mack to the team and he is looking forward to working with him and getting to know him. He then stated he hopes everyone had a great Father's Day. Mayor Pelchat then thanked Councilmember Kurtzweil for all her work she has done at Paul Bakers Park, it looks fantastic. He then thanked all the City staff.

ADJOURNMENT

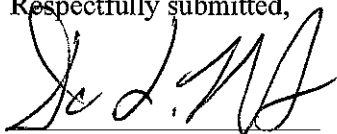
CM 6-12-20 MOTION TO ADJOURN

Motion by Kurtzweil, supported by Walton

Motion to adjourn the meeting at 10:16 p.m.

VOTE: MOTION CARRIED UNANIMOUSLY

Respectfully submitted,



Mayor Dan Pelchat



City Clerk/Treasurer Lisa Deaton