

# **Regular City Council Meeting**

## **June 22, 2020**

**7:30 p.m.**

**Call to Order**

**Pledge of Allegiance**

**Roll Call**

**Approval of City Council Minutes: June 8, 2020**

**Approval of Bills: None**

**Approval of Agenda**

**Consent Agenda**

**1. Appointment of Dangerous Building Hearing Officer**

**2. Easement for DPW Storm Sewer Project**

**Public Comment**

**Discussion - Downtown**

**Fire Chief Report**

**Police Chief Report**

**Presentation: Oakland County Treasurer, Andy Meisner  
Local Government Investment Pool**

### **I. Old Business**

- 1. Tax Abatement Agreement – 135 E. Lake Street**
- 2. Fieldstone Development**

### **II. New Business**

- 1. Oakland County CARES Act Resolution**
- 2. Budget Amendments**
- 3. Establishment of OPEB Trust**

### **III. Budget**

### **IV. Manager's Report**

### **V. Public Comment**

### **VI. Council Comments**

### **VII. Adjournment**

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

City of South Lyon  
Regular Council Meeting  
June 8, 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, and Walton  
Councilmember Richards joined the meeting in progress at 7:40 p.m.

Also present: City Manager Zelenak, Chief Sovik, Chief Vogel, Superintendent Varney, Attorney Hamameh and Clerk/Treasurer Deaton

MINUTES

Councilmember Kennedy stated on page 2 the time for closing the public hearing should be 7:38p.m. not 7:28p.m. He then stated the word be needs to be removed from the sentence where it stated Mr. Schwegler immediately contacted the realtor. Mr. Kennedy stated on page 6 during the discussion of recording meetings, there are 2 sentences where the word minutes should be changed to meetings. Attorney Hamameh stated on page 5 there needs to be more detail regarding the resolution for approving the tax abatement. At the meeting there was discussion regarding filling in the blanks of the resolution and the motion was made as amended at this meeting. Details such as it is being granted for a period of 3 years beginning December 31 2020 and a drop-dead date of December 30 2021. Councilmember Kivell stated on page 5 the sentence that begins with He stated, should refer to Councilmember Richards stated.

CM 6-1-20 MOTION TO APPROVE MINUTES

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

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS

CM 6-2-20 MOTION TO APPROVE BILLS

Motion by Walton, supported by Kurtzweil  
Motion to approve the bills as presented

VOTE: MOTION CARRIED UNANIMOUSLY

AGENDA

CM 6-3-20 MOTION TO APPROVE AGENDA

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

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT- None

## DISCUSSION- Downtown

City Manager Zelenak stated we have received the reopening kits from Oakland County for local businesses and 37 have been delivered or picked up as of now and we have received 96. He then stated we are awaiting our downtown flower baskets and he will update Council when we receive them. He stated as of right now we are \$905 short of the \$4,000 goal of the Patronicity crowdfunding but we have through the end of the week. If we get the \$4,000 donated, it will be matched by Oakland County. City Manager Zelenak stated we are waiting to hear back from our potential DDA Director and we are hoping he will start by the 22<sup>nd</sup> of June. Councilmember Walton asked where we are getting the flowers. City Manager Zelenak stated they are coming from Donahee Farms the same place we bought them from last year. Councilmember Walton stated they were lovely last year and she is very happy with them. She then asked about the hand sanitizers around the rail trail. City Manager Zelenak stated they will be delivered Wednesday. Councilmember Kurtzweil asked what the City is doing for the restaurants for outside dining. City Manager Zelenak stated we do have a café permit so businesses can request those and so far, we have had 4 requests. He further stated the café permit allows them to have outside dining, and if they have a liquor license, they do have to get approval from the MLCC to allow alcohol to be served on site. Councilmember Kivell stated the downside of the no truck turning on the 4 corners downtown has resulted in the trucks going down the side streets of Pontiac Trail and 10 Mile and they are tearing down branches when they are turning. He stated he would like us to investigate where alternative turning should be taking place. He stated other communities have no commercial vehicle signs on some side streets and he isn't a big fan of over regulating, but it seems like we are asking for another issue down the line.

## FIRE CHIEF REPORT

Chief Vogel stated last week was very stressful. He stated he is proud of our staff. He stated we got through tearing down the 2 houses, the protests and the Farmers Market. He stated there was an issue on Thursday when a glider hit some power lines and the power went out which seems to be a trend in our high-risk areas such as Colonial Acres. It was very busy. He then reminded all business owners if they have any questions on the occupancy of their buildings for reopening to please contact the Fire Department. He then reminded everyone DTE has a planned power outage tomorrow for 15 minutes.

## POLICE CHIEF REPORT

Chief Sovik stated last Friday at Millennium and Centennial the 8<sup>th</sup> grade class graduate and the Police Department participated by driving through with lights on. He then stated there was a black lives matter movement in McHattie Park and it was very peaceful with about 200 people attending. He stated there were a lot of parents and youngsters involved. He then stated on Sunday there was a say their names protest or rally, which was on the sidewalks on both sides of Pontiac Trail and there was about 400 people including some of our officers and they held an 8 minutes and 49 seconds of silence. He stated there were no problems or issues, although they did have contingency plans in place if needed. Chief Sovik stated their portable speed sign is in and they will be deploying that throughout the City at various times. He stated they have received 2 grants they applied for through the MMRMA. He stated it was for \$17,400 for both of the two grants and we should receive them sometime within the next couple of weeks. Councilmember Dilg stated many people appreciate our Police Department and for hanging back on Sunday during the rally, yet being there to make people feel safe. Councilmember Kurtzweil stated she has heard phenomenal comments on the professionalism of our Police Department. She has spoken with people that attended outside of our community and they were extremely complimentary of our Police Department. She stated she is very impressed with the attendees as well. There was a united front between the attendees and the Police

Department. She then thanked Chief Sovik and the Police Department. She stated they are a real role model for other police departments.

### NEW BUSINESS

1. Purchase of a new XFP 100C explosion proof submersible pump for the 9 Mile lift station

Superintendent Varney stated this is for the lift station at 9 Mile. There was a recent pump failure but we were able to replace the failed pump with one we had available. He stated there are two in each lift stations and the only option for direct replacement in this instance is through Detroit Pump. He stated this expenditure will be purchased out of the Equipment Miscellaneous fund 592-557-977.

### CM 6-4-20 MOTION TO APPROVE PURCHASE

Motion by Kennedy, supported by Kivell

Motion to approve the purchase of XFP 100C submersible pump for the lift station at 9 Mile for \$5,112.00 under line item 592-557-977

ROLL CALL VOTE:

Kurtzweil- Yes

Walton- Yes

Kivell- Yes

Kennedy- Yes

Richards- Yes

Dilg- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

2. Water treatment plant improvements phase 1

Superintendent Varney stated this is for the improvements to the water treatment plant and bids are being provided through MITN. He stated after reviewing the bid packages, the City's engineers have submitted a formal recommendation. He stated this project will be funded through the next several budget years as referenced in the GANT chart. Councilmember Kennedy stated he would like more detail in the GANT chart including more information on the ground storage tank. He further stated it shows the construction going on for a period of time, does that include just the construction, or does it include putting it online and testing it. He then stated we discussed the components involved and there was another project for the draft aerator as well as the filter replacement. He stated he thought we were going to handle those things inhouse, now it appears we are going to contract it out. He stated when a decision by Council is changed, he would like that spelled out in the information. Councilmember Richards commented he doesn't recognize any of the contractors, but they must be big companies to hold the bond. He stated he was partial to the fourth company. He then stated he was surprised this will go into the end of 2022. He then asked who we will write the checks to the contractor or HRC. Mike Darga of HRC stated the contract is between the City and the contractor so the checks will be made to them. Councilmember Richards then stated that the City will be writing separate checks to HRC and the developer. Councilmember Kurtzweil asked if the GANT charts represent an estimate or a confirmed bid. Mr. Darga stated it is a confirmed bid based on the contract. Councilmember Kivell asked why we aren't doing the median and horizontal filters in house. Superintendent Varney stated that is being outsourced and it will probably be done by Tonka. We shouldn't try to do that. We could easily damage things that we cannot repair.

CM 6-5-20 MOTION TO APPROVE WATER TREATMENT PLANT IMPROVEMENTS PHASE I

Motion by Kivell, supported by Kennedy

Motion to approve the award of Phase 1 of the water treatment plant improvement project to L D'Agostini & Sons Inc. for the amount of \$3,314,400.00 under line item 592-452-802 to span over the next three budget years

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

3. Nyhart GASB 75 / Actuarial services agreement

City Manager Zelenak stated we are going to engage a firm to collect data, prepare comprehensive actuarial valuation report based upon requirements of GASB 75 for fiscal years ending June 2020 and June 2021.

CM 6-6-20 MOTION TO APPROVE SERVICE AGREEMENT WITH NYART

Motion by Kivell, supported by Dilg

Motion to approve service agreement by Howard E. Nyhart Company Inc. To provide actuarial services for the City of South Lyon for fiscal years ending June 2020 and June 2021

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

4. Preparedness plan

City Manager Zelenak stated based upon the Governors Executive Order 20-77 we are required to prepare a preparedness and response plan and institute precautionary measures to practice good health practices and protocol for employees to return to work and for visitors to access municipal facilities. Councilmember Kennedy stated we apparently used a template from another community because it stated when entering a township building and that should be changed to City. Attorney Hamameh stated this was a template she provided for another jurisdiction. She then stated she hopes everyone understands that this document may change as the executive orders are issued and she thinks the City Manager should have the authority to make the changes as needed. She then stated on page 7, under the symptom based returning to work, it says after 14 days have passed following travel triggers when an employee can return to work. Since this was drafted, she has loosened the restrictions on travel, and we should change it based on the CDC's

guidance which is 14 days have passed following travel to areas of the world that have widespread ongoing transmission as identified by the CDC. Councilmember Walton stated under the symptom section she would like to change some things. She stated at the hospital one of the first questions they ask is if they have been in close contact with anyone or if anyone in their household has been diagnosed within 14 days. She then stated the questions should be regarding a new cough, chills, fever, muscle pain or rash. She further stated the reason we need to ask if they are new is because sometimes people may have some of those symptoms due to other conditions. Councilmember Dilg asked if we need to have anything stating that the City Manager may make changes as the Governors Orders change. Attorney Hamameh stated it should just be known that the City Manager can make changes as needed. Councilmember Kivell asked if there are any other bench marks we should use besides the CDC. Attorney Hamameh stated we have used OSHA, the Department of Labor, the CDC and the Governors order. Councilmember Walton asked if we are providing the facial masks and gloves for the employees. City Manager Zelenak stated we are supplying those based upon the need. He then stated we already have sneeze guards, markings and signs. Further discussion was held regarding the preparedness and readiness plan.

#### CM 6-7-20 MOTION TO APPROVE PREPAREDNESS AND RESPONSE PLAN

Motion by Kennedy, supported by Dilg

Motion to approve preparedness and response plan as amended.

ROLL CALL VOTE:

Kivell- Yes

Walton- Yes

Kurtzweil- Yes

Dilg- Yes

Richards- Yes

Kennedy- Yes

Pelchat- Yes

#### 5. Fieldstone planned development (PD) rezoning and preliminary PD site plan approval

City Manager Zelenak stated we have received a recommendation from the Planning Commission for the Fieldstone development and rezoning plan approval. This property is 11.65 acres on the south side of 11 Mile Road and a quarter mile east of Pontiac Trail. He stated it is an irregularly shaped parcel located to and west and north of Colonial Acres and is also bordered by railroad tracks. He stated this was brought before Council in 2018 when it was presented as Thomasville. He further stated the plan stalled and the rezoning reverted back to RM-1. He then stated Pulte Homes has now proposed a new development. Kelly McIntyre of CIB Planning stated the process for the planned development review is a four-step process. She stated first the planning commission holds a public hearing for the rezoning, then they review the site plan. The planning commission then asked for more information and some adjustments, which the applicant did, and then the planning commission reviewed and approved the plan. She then stated a planned development allows for flexibility for the developer to meet the goals of the developer and the City without being bound to the regular zoning standards, it essentially allows a developer to custom build a development which otherwise could not be built. Common things such as density setbacks and other land use regulations are adjusted for the development to be built. She then stated the planning commission is recommending approval based on a number of conditions, such as a waiver to allow a lot area of 5,823 square feet to allow a minimum lot of 50 square feet to allow a overall density of 4.3 units per acre, to allow a side yard setback of 5 feet totaling a minimum of 10 feet between the structures and a waiver to allow the overall coverage of 30%. She further stated a waiver for a 30 yard setback for lots 7, 18, 21 and 22. The requirements for

buffering around Colonial Acres to be installed prior to construction, and brick and stone be required on the first floor plan elevations, and facades and 100% siding will not be offered to buyers, wainscoting will be used on lots 27, and 28 side elevations. She stated there is a monotony policy as part of the agreement. She then stated there will be 2 readings from City Council for the rezoning. City Attorney Hamameh stated Councilmember Richards wanted to make a disclosure. Councilmember Richards stated he owns stock in Pulte Homes for many years, and he has no connections with the company other than that and he doesn't think this will be an issue. Attorney Hamameh stated she doesn't see any issue with this. Councilmember Kurtzweil stated she also has a possible conflict of interest, she doesn't have a conflict with the rezoning, the issue is connecting the Lexington Street connection to that development. She further stated the easement should be put in place. Mike Noels, 49287 West Road Wixom Michigan stated he is representing Pulte Homes. He then shared a PowerPoint presentation. (please see attached presentation) He stated this is a planned development that includes 50 units detached condominium development. He stated this is a challenging plot of property of 11.63 acres which abuts to the railroad tracks, Colonial Acres and 11 Mile Road which is unpaved. He further stated the current zoning is RM1, for townhomes or apartment units, which would allow 154 units. Pulte is proposing the planned development recommended by the Planning Commission and endorsed by Colonial Acres. He further stated they are grateful for their proposal and that the neighbors at Colonial Acres came out to show their support for this plan. He then stated this is a proposal for 50 units. The reduced density will have a beneficial effect on surrounding neighbors, public services, and traffic. He then stated this proposal is consistent with the master plan, and provides attractive affordable housing for a wide market, including empty nesters and first-time buyers. This will be a nice transition from the high-density use to the south and east. He further stated this provides for 21.6% of open space which will be a buffer from the railroad tracks and Colonial Acres. He then stated it will assist with space for the stormwater management system. The existing pond will have a walking path to provide active recreation. Mr. Noels stated the oak trees along 11 Mile Road will still be there. There will be a privacy fence along with vegetative buffering. There will be 83 trees planted along with other landscape buffering. He then stated the fencing can be installed before the start of the development. Land development is expected to take 3 months. He stated the setbacks have been reduced. The rear setback is 30 feet, which creates 60-foot yard separations between the units. The pond will be preserved, and 124 trees as well. He then stated sidewalks will be provided throughout the development. The Planning Commission requested additional sidewalk connections to be added, which we have done. There will be benches for people to sit, as well as added street lighting which will have shielding to not bother neighbors. He then explained they are proposing a maximum of 30% overall lot coverage, as well as additional elevations. He stated they are proposing 5 new plans. He then showed the different elevations they are proposing. \*Please see the PowerPoint presentation or the video on our website.\* He stated the maximum of overall lot coverage maximum is 33%. He stated they wanted to maintain affordability for the offering. They want to offer homes that are attractive, stylish for the neighborhood but don't want to exceed the pricing they will be able to get at this challenging location. He then stated there are two areas to calculate coverage. He stated the prior Thomasville plan had an overall lot coverage of 25.7%. He stated this plan has an overall maximum building coverage of 30%. He stated the largest house that can fit in the building envelope is 33%. He stated Pulte is requesting modifications to the previous plan because it contained errors and omissions that prevented them from building their plan. He stated the 30% is the overall coverage by all of the buildings. He then stated 4% difference between the old and new plan is basically the rear elevations which provide diversity backyard appeal, varied front porches, extended garages and an improved streetscape. He then stated they aren't changing the lot sizes or adding huge homes. He then explained a planned development makes a tradeoff; it reduces the lot size in exchange for more open space. Mr. Noels then stated this will be a fantastic development on a challenging piece of property. He stated it will provide new, affordable, well designed housing to a wide market. Councilmember Kennedy stated as you are aware, the City is very

particular about its lot coverage. He further stated, the numbers Mr. Noles is using to calculate the coverage is not how we do it. He further stated we don't look at how much of the total parcel is covered by buildings as a total parcel size. Lot coverage is determined by the footprint of that house on each individual lot. That is how the 25% or the 30% with the waiver is calculated, it has nothing to do with how much green space you leave, how big the pond is, anything else. He further stated this was discussed with Thomasville, and they provided the information we needed, such as giving us the square footage of the lot, the square footage of the house that was going to be built, and the footprint of that house on that lot told us what the percent of lot coverage it was. He then stated that Thomasville didn't allow for the additional extras, but that is because the houses proposed in Thomasville, the house itself brought the lot coverage to an allowable limit. There was no additional room for all the other amenities. He stated he wants to see the chart that shows how big each lot is and how big the lot is with the base house on it, and how big the property is if the extended garage and other extras are added. He stated then you can determine what options the buyer can buy and still remain at the 30% or lower. He then stated he is looking for that type of detail. The information he has doesn't tell him much. He wants to see more detail that shows they will stay at 30% or lower with any of the extras they may want. He then asked about the size of the green space between the curb and sidewalk. Mr. Noles stated they have put together detailed lot information. He stated they have put together every possible variation for all 50 lots. He stated the area between the property between the sidewalk and the street is 2 feet and it is required to be irrigated. Councilmember Kennedy stated if it is going to be that narrow, the City should not accept the streets because anytime we have to plow, they will be throwing snow on the sidewalks which will cause complaints. He then stated based he thinks Council should wait for more information before moving forward with this. Mr. Noles stated they intend for the streets to remain private and taken care of by the HOA. He then stated the document is available and he is happy to share it with Council. He stated it has a range of 19% to 33% and the average is 30%. He then stated there are disclosures that will be given to the homeowners so they will know what room they have for decks and etc. He further stated he is very confident on the plans they have. Ms. McIntyre stated during Council's previous review when the development was Thomasville, it was asked by Council to show the absolute maximum amount of space or area that would be occupied by a building, which is what we have asked Pulte to do. She further stated if a buyer asked for every single option available, the 33% is as large as it would get. Councilmember Kennedy stated you know where we stand on the lot coverage, and understanding that, he would have thought that document would have been provided as we did with Thomasville. He then stated we should have had that for review and he doesn't know why that wasn't provided to Council. Councilmember Kennedy then stated when it is stated that 33% is one configuration, that is not allowed so somebody's not going to get something they want from an option standpoint because that exceeds the 30% waiver that may be granted. Mr. Noles stated the average overall is 30%. Councilmember Kennedy stated we don't deal with averages. That is already 5% over what our ordinance says. He then stated he wants to see the detail before this moves forward. He further stated maybe we need to look at decreasing the numbers of homes, it isn't an average. Councilmember Kivell stated he was happy to see the sidewalks being added around the entire development. He then stated he isn't going to support this for all the waivers and for going around all our regular rules is too excessive to me. He stated 33% isn't within the 30%. He further stated this is an improvement from the Thomasville plan, but you can't reach the 30% coverage mark and if you need to shed a few lots, then maybe that should be done. Councilmember Richards asked what the anti-monotony policy means. He then asked if Mr. Cavillari is still the owner of record of this land, or if a member of the Umlor group or associate. He then asked if Umlor is a wholly owned subsidiary of Pulte Group. He then stated these houses don't have basements, but have you had an underground survey by a hydrogeology company. Mr. Noles stated the antimonotony policy means that 2 of the same houses will not be built next to each other. Mr. Skora of Pulte Homes stated Lorenzo Cavillari is not the owner of the property, he represents the owner of the property, he is a developer. He stated Pulte Homes does not own the property,



we are a contract purchaser. Mr. Noles stated the Umlor Group has no connection with Mr. Cavillari and has never spoke with him. He is not a partner or associate in anyway. He then stated Umlar is owned by Wes Lee Umlor. He owns the company 100%. He then stated they have had an underground survey completed, which was done at the beginning. Councilmember Kurtzweil stated this is a difficult parcel to work with. She stated there are many individuals looking forward to this development being built because there is a housing shortage in our City. She then stated this fits a great demographic of people. She then stated she hopes we can work this out and Pulte is a great product and she is familiar with them. She further stated she is familiar with their matrixes and she understands them. She further stated what is important is the visual of what these homes will look like. We don't have any homes like this in the City. She then asked who owns the property. Mr. Skore stated he doesn't know the LLC off the top of his head but his name is Mike Kalkatara and he is a resident in the state of Michigan. Councilmember Kennedy stated he understands the matrix too, but it is more than that. You are playing fast and loose with the lot coverage numbers. He then stated we don't have a sense of obligation to hold to what is covered by the waiver of 30%. If it is 33%, it isn't allowable. That house cannot be built. Mr. Noles stated the concept of the PD is to ask for waivers, then you can vote to approve, deny or table it. The ask is in the plans and the narrative. He stated the PD allows them to make the ask, to lower the 154 approved units to 50. It allows waivers to allow someone to build on a difficult piece of property. He further stated yes, there are 7 waivers, there was 6 last time. We wrote the ask, and we are being reasonable, we didn't change anything except the house. He then stated for us to build these houses, these are the calculations. Councilmember Kurtzweil stated that is a good explanation for a planned development. The concept allows for developers to be creative with the property. She stated the 33% is a normal request to make. This happens in all jurisdictions. She stated she would vote to approve this tonight. She has belief in our Planning Commission and if they had time to study it and if they are recommending it, she thinks they have done a good job. Councilmember Kivell stated the language doesn't speak to anything above the 30%. He stated we have established benchmarks that we don't want exceeded. He stated we don't want the house to cover more than 30%. Mr. Noles stated the plan they submitted says 33% maximum. He stated it shows it on the plan. Councilmember Kivell stated he is looking at a document that doesn't say that. Mr. Noles stated the internal document and all the other documents show a maximum of 33% and the average is 30%. City Manager Zelenak stated it is on the front page of the plan. It highlights the number of buildings and how the calculations are done. Councilmember Kivell stated when he receives an agenda item, he is expecting to see the pertinent information on that document, not having to dig through other documents. Ms. McIntyre stated she provided all the documents because she feared Council wouldn't make a decision if she didn't include everything. Councilmember Richards stated this development is greatly improved from Thomasville. The fact is if this goes through and is only half completed, other property owners on the outskirts of the City will apply for annexation and try to do the same thing in the next 10 years. Mayor Pelchat stated we have had multiple requests from Councilmembers that want more information and this is taking up a lot of time. He thanked Mr. Noles and Mr. Skoba for all their input tonight and for being so prepared, but maybe we need to table this until the information requested can be received. Councilmember Kennedy requested the materials that appear to be readily available are provided to Council posthaste so they have the benefit of the full 2 weeks to go through them. Ms. McIntyre of CIB Planning asked what documents Council would like to see before the next meeting. She then stated she doesn't want to discount the time and effort the Planning Commission put into this. This is what they do and they spent a lot of time going through this. They even tabled it and had a second meeting. They didn't send it forward until they were comfortable with the plan. She stated what they brought to Council was not half hazard and she is happy to have the applicant supply the tables, but she wants to know exactly what Council is looking for. Councilmember Kennedy stated Councilmember Richards requested the geological hydraulic survey. Councilmember Kivell stated he wants to see the matrix that Mr. Noles talked about that speaks to every configuration of

home that can go on each lot. Ms. McIntyre asked if Council would like the engineers to appear at the next meeting to discuss that. Councilmember Kivell stated if they have something written up, he would like to see it. Councilmember Kurtzweil asked if we can have the language withdrawn regarding the easement on Lexington.

CM 6-8-20 MOTION TO TABLE UNTIL THE JUNE 22<sup>ND</sup> MEETING

Motion by Kennedy, supported by Kivell

Motion to table the Fieldstone Planned Development Rezoning and preliminary site plan to the June 22<sup>nd</sup> Council Meeting.

ROLL CALL VOTE:

Kennedy- Yes

Dilg- Yes

Richards- Yes

Kivell- Yes

Kurtzweil- Yes

Walton- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

BUDGET

Councilmember Kivell asked how we account for donations. He asked if we could have an account for the donations to the Veterans Memorial other than it just going into the general fund each year.

Finance and Benefit Administrator Tiernan stated we have the option to set up a separate fund just for that if Council chooses. Councilmember Kennedy stated he thinks that is a good point, that would keep contributions that residents make would actually go to that fund. Councilmember Kurtzweil stated if she makes a contribution to the City for the Veterans Memorial, the City is obligated to hold that money in trust, regardless of the bank account that it is held in trust. She stated the City already has to make sure that what people donate to, goes to that fund. Finance and Benefit Administrator Tiernan stated if there is a designated donation made, then those funds will be used for that and if not in that fiscal year, it will be rolled over to the general fund to be used for the Veterans Memorial. If there is a donation made without a designation, it will go into the general fund.

MANAGER'S REPORT

City Manager Zelenak stated we had the Farmers Market opening this weekend and it was very successful and people were following the social distancing and it went very well. He stated at the next City Council Meeting we will have Andy Meisner regarding the Oakland county investment program. He then stated he will be attending along with others. He then stated the railway project is underway. That will be in done during the week of June 22<sup>nd</sup> through the 26<sup>th</sup> which will be in the area that was discussed and approved during the last meeting which is south of 11 Mile to the area near the Knolls. He then reminded everyone of the planned power outage by DTE on Wednesday of this week. Councilmember Kurtzweil asked about the Cemetery. The DPW is overstretched, but there have been some Facebook comments of the look of the Cemetery. Can we hire a local landscaping companies to maintain the Cemetery for the month of June or until the Cemetery workers are back? City Manager Zelenak stated the Cemetery workers started back today. We now have all the safety protocols in and we have them on split shifts where they will be working and he knows there was a lot of people excited to have them back. Councilmember Kivell asked about if he heard of the MEDC grants that have been made available. City Manager Zelenak stated there was an

MEDC grant available that was made available to the State but it was only for redevelopment ready communities and South Lyon is not one of those communities. Councilmember Kivell then asked if we are going to try to get volunteers for a spring clean-up. City Manager Zelenak stated we have not initiated that as of now. He stated there have been a few people interested in maintenance of the parks. He stated if he is interested, we can look into it. It is difficult at this time to say we should have a group gather to do an activity where you can limit the number of people and still practice social distancing. Councilmember Kivell stated he is hoping mulch can be dropped off at some of the City entrance signs, and we could have people take care of that. He doesn't need people with him, he just needs the mulch delivered. City Manager Zelenak stated we can do that. Councilmember Kivell then asked about the U-Haul trucks parked at Peters True Value. City Manager Zelenak stated our Ordinance Officer has been working on sending them a letter, but he doesn't know if it has been sent out yet. Councilmember Kennedy stated he notified everyone on Facebook that the Cemetery crew was back to work today. Councilmember Kennedy stated looking at the map where the asphalt will be replaced on the rail trail, it is a big change from what was originally proposed. He stated his question is that area that was added in that bad of shape and if it was, why wasn't it included in the first place. He stated he hasn't been on that section, but he is concerned we are putting new asphalt over the top of pretty good asphalt as opposed to looking at other areas on the trail that need to be replaced. City Manager Zelenak stated it will all need to be addressed, is that the worse asphalt in the entire City, no its not. We originally identified the area that is about 600-800 feet long by DPW that was analyzed about a year ago. He then stated they found other areas that need to be repaired in that area. He stated it doesn't mean we can't identify other sections that need to be done. Councilmember Kennedy stated we are spending money putting down asphalt in areas that may not need it. He has spoken to other Councilmembers and asked everyone to provide the Superintendent with their evaluation of other areas of the City. He then asked why we are doing that. We are putting asphalt on asphalt that may not necessarily need it as opposed to other areas that may need it more. City Manager Zelenak stated the areas we are repairing are in need of repair. Instead of doing small patches along that entire area, we are replacing that entire area. He stated we are always looking at other segments that we will fix. He stated we don't want to do small segments of asphalt then come back 2 years later over the new segment and damage that and redo it. Councilmember Dilg stated she is not an expert and neither is anyone else on Council, but she would think we would want to have our experts do our evaluating. She stated she is on that trail a lot and she is thrilled to see that section being fixed. That is one of the worst sections, we are not putting new asphalt over pretty good asphalt, there are actual holes in that area. She disagrees that this isn't a good plan. Councilmember Kennedy then stated they have discussed the ruts caused by ruts on the pavement and he asked whose trucks. City Manager Zelenak stated it was our trucks plowing snow and such. He then stated that process needs to be changed and he asked if that has been changed. City Manager Zelenak stated that has been corrected. Councilmember Kurtzweil thanked the City Manager for everything he has been doing. She then stated she is working in Paul Baker Park and she would like to go to Donahoe to order the flowers. City Manager Zelenak stated we can assist with that to ensure we aren't paying sales tax. He has no problem with that.

PUBLIC COMMENT- None

#### COUNCIL COMMENTS

Councilmember Walton thanked Erwin's Orchard to buy all new flags for downtown South Lyon which should be in before July 4<sup>th</sup>. She then thanked Judy Keeling and Dayna Johnston for planning new flowers at the Veterans Monument using money donated by the American Legion and she thanked Lori Mosier for her donation of part of her sales to the Veterans Monument.

6/8/2020

Councilmember Dilg stated she was at the Farmers Market for the whole day and it was awesome. She thanked all the vendors to make sure people were safe and they kept their distance and kept their masks on. It was a tough day in the sun wearing masks and she appreciates it. She then stated it was an excellent day. She then thanked all the organizers, the participants and our Police Department and even those that don't support the protests, except for a minor few, it was very non-confrontational. She then stated our restaurants are coming back and posting their rules on Facebook and on their doors. She asked everyone to be patient, the owners are trying their best. Try to eat local, they would really appreciate it. She then stated people are thrilled we are getting part of the trail done.

Councilmember Richards stated he was amazed at how many people were at the Farmers Market. He then stated he was very impressed. He stated on Friday the 5<sup>th</sup>, he went to the trail and went to the end. He spoke with some specific things. He then stated Oakland County mandates the trail that touches 11 Mile is done in cement. He stated the City will end up doing that on their own. He then stated he agrees with Councilmember Kennedy and the City Manager. There are cross drains in that area and he knows where they are at. He further stated, you aren't just going over the top, you can't just piece meal it. If and when we do other areas, we can find the money. There are other bad areas as well. He then stated he visited the 318 E Lake street and he took pictures; he was amazed at how fast they worked. He then stated the excavators hit what appeared to be a hand dug well in the basement that appeared to be a previous dwelling. He then stated that was before the library was built. He then asked if it was virgin ground and the contractor stated it was. He then stated the top half is 3 to 4 feet thick. Councilmember Richards stated the Historical Society had a meeting and they all observed social distancing. Larry Ledbetter stated he is speaking with the tube mill about reviving the creek cleanup later this year.

Councilmember Kurtzweil stated we live in interesting times. She then thanked all the residents in the State of Michigan that had a protest regarding the events of the last few weeks. She stated she lived in Minneapolis for approximately a year, and her heart is aching for everyone. She then stated she thinks in Michigan we were role models to the country and to the global audience. We showed that protests can be peaceful and that social change can be peaceful and it can be nonviolent. The peaceful and nonviolent protests that were carried on here in South Lyon and she believes that carries the message of the moment. It made us all stand back reflect for a moment. Those moments were unscarred and uninterrupted by distractions of arson, looting, lawlessness and anarchy. The message came through clear the way it should in peaceful and nonviolent protests. She then stated the next couple of weeks, she will be in thoughtful reflection of the events that have occurred and those that have lost their lives. She then stated all life is precious and we as a culture and a people have to respect and preserve life, so the next time you take a knee in protest and exercise your first amendment right, bend the other knee and pray for those that lost their lives and those that need to recover and heal, and pray for your country.

Councilmember Kennedy stated the Salem South Lyon Library opened today in a limited capacity as directed by Executive Order 2020-110. He stated in an effort to keep their staff and patrons safe they will be offering a contactless curbside delivery service at the Library. Unfortunately, the building will continue to be closed to the public until further notice. So, if you finished reading all the books you had at home over the past 90 days, you can now get a fresh supply from our library. He then stated as we see more and more businesses gradually reopen, I would encourage everyone to respect and follow the rules established by those businesses. Those rules have been put in place to protect their employees as well as their customers. There isn't one establishment that I know of that wouldn't like to conduct business like they did four months ago. If we all act prudently, we'll get to that point sooner, rather than later.

Councilmember Kivell stated he wanted to let any business know that if there are any businesses that are going to open and need any guidance, Chief Vogel and the Fire Marshall are going to end up being great help in trying to make sure you are in compliance to everything you need up attending to and implores them to reach out to them. He then stated he was excited to see the work being done on Dixboro between 8 & 9 Mile and the curbing in and that's going to be really exciting. He knows he the people living on that street are going to be happy without all the mud. Councilmember Kivell stated the Langan property is moving along and he saw they made the connection to Charleston Park. That will be one more nice development. He stated the memorial on Sunday was nice to be among people that really cared about humanity and he thinks it's a given that real change and real steps forward trying to take the edges off of things, and training that can be meaningful and not lessen the security of the nation, but to being more mindful that not everything is a hammer and not everything is a nail. He further stated he is looking forward to all the Police Departments to find out they can do everything they need to do and not necessarily be hardened to accomplish what they are in charge of. This will be very helpful to our nation in the future and many people will end up gaining benefit from the loss of some people in the end and seeing the wrong things that were done.

Mayor Pelchat stated he is proud of our community. It starts with the residents, and the City staff as well as we navigate multiple challenging things not just in our community but across the nation. He stated he is very proud of everyone from the protests and memorial from over the weekend. He then stated Saturday was the 76<sup>th</sup> anniversary of the Normandy Invasion. It was a proud weekend. He then stated he joined the second graders from Salem Elementary. He then stated we are all dealing with this in different matters, even when we are in meetings and such, lets try to be patient with folks and try to continue to work together with each other. You don't know what other people are dealing with or what is weighing on them. Just an extra ounce of effort and niceness can go a long way.

#### ADJOURNMENT

#### CM 6-9-20 MOTION TO ADJOURN

Motion by Kurtzweil, supported by Walton

Motion to adjourn meeting at 10:12 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

\_\_\_\_\_  
Mayor Dan Pelchat

\_\_\_\_\_  
City Clerk/Treasurer Lisa Deaton



# Fieldstone

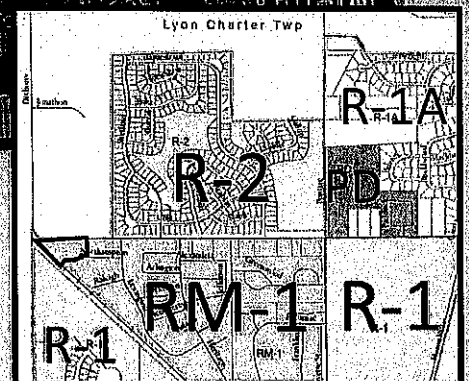
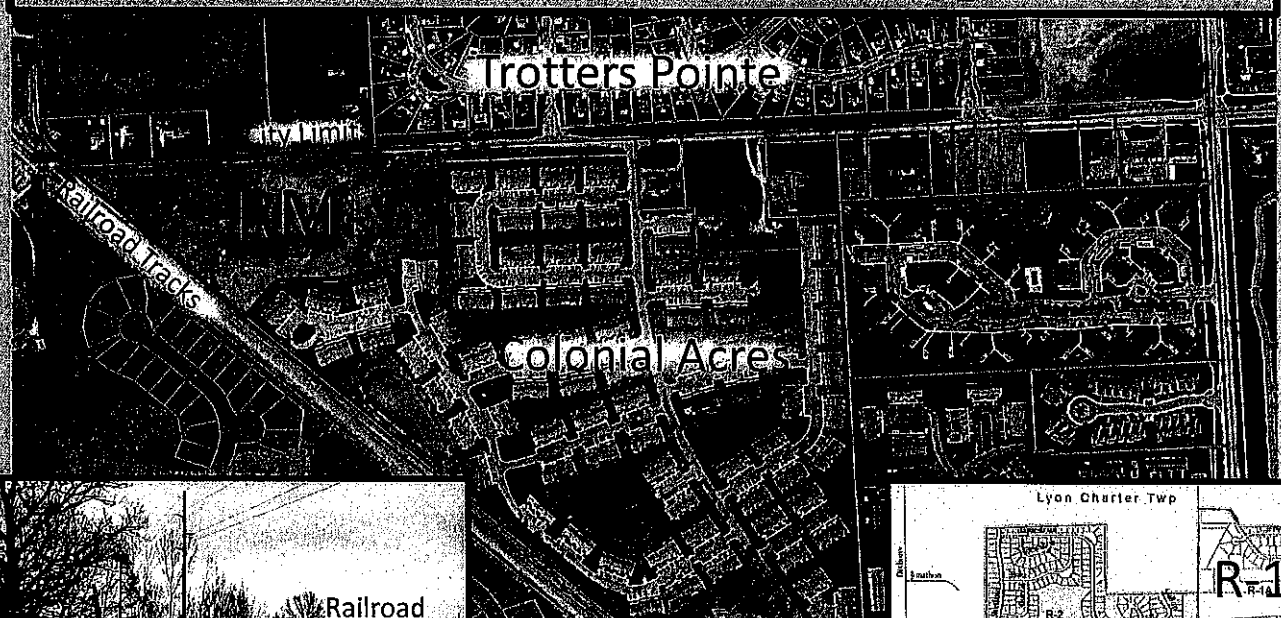


Proposed PD





# Fieldstone Planned Development



# Fieldstone Planned Development

Trotters Pointe

Colonial Acres

RM-1:  
154 Units



# Fieldstone Planned Development

Eleven Mile Road (gravel)

Eleven Mile Road (paved)

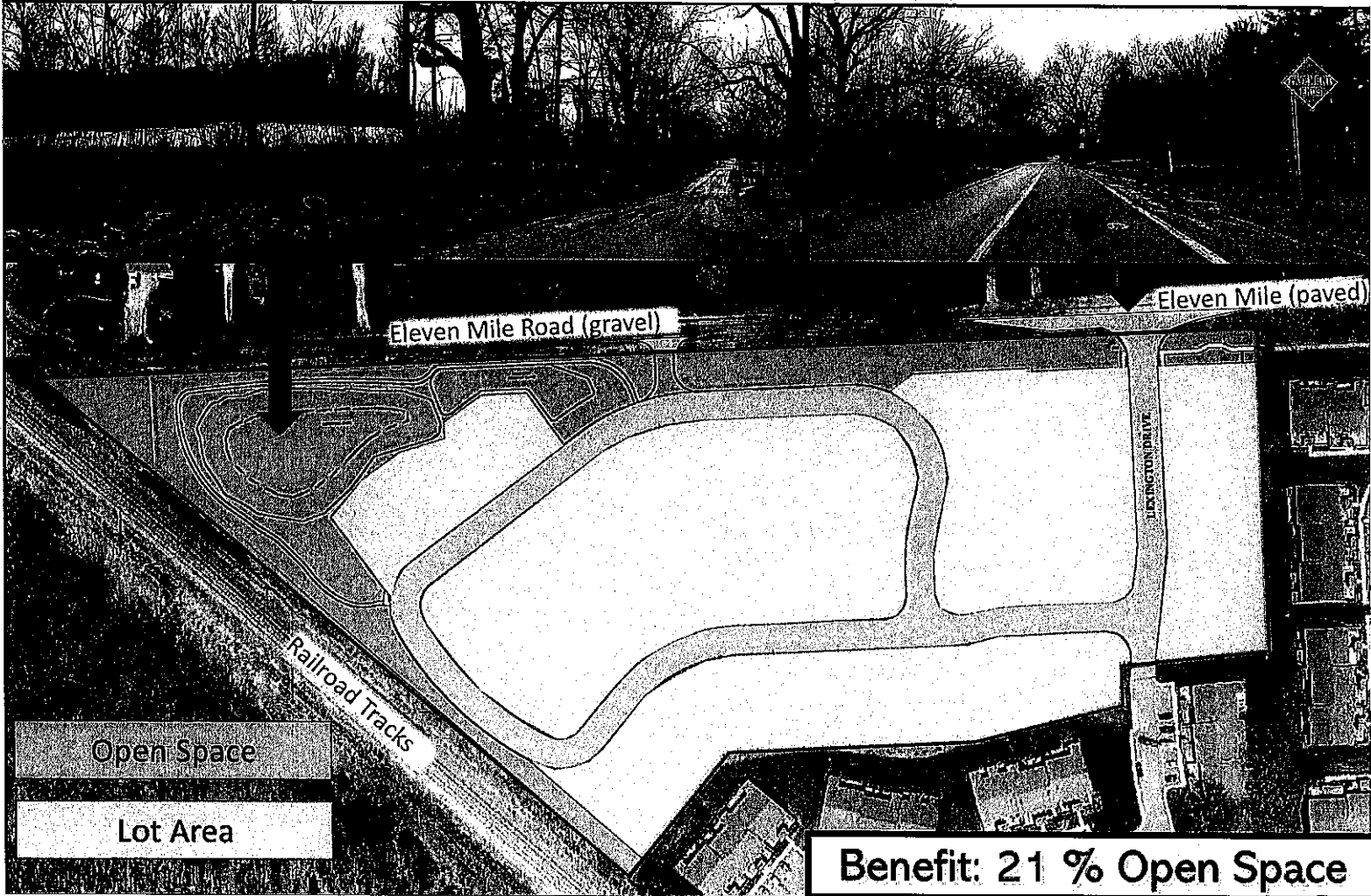
Railroad Tracks

LEXINGTON DRIVE

Colonial Acres

**PD:**  
**50 Units**

**Benefit:** Reduction by 104 Units  
**Benefit:** Less burden on Public Systems  
**Benefit:** Good Zoning Transition



# Fieldstone Planned Development



**Benefit: Buffering, Connectivity and Preservation**

Newton					<p>2 New Plans and Multiple New Elevations</p>
Dalton					
Hampton					
Aspire					
York					
Age Targeted					
<p><b>Benefit: More Diverse Architecture, Age Targeted Ranch</b></p>					

Newton



Dalton



Hampton



Thomasville PI

Aspire

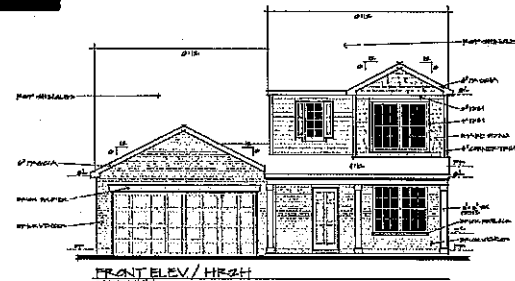
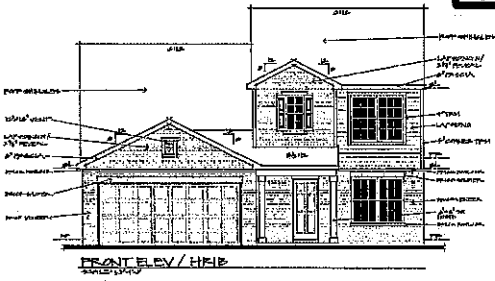
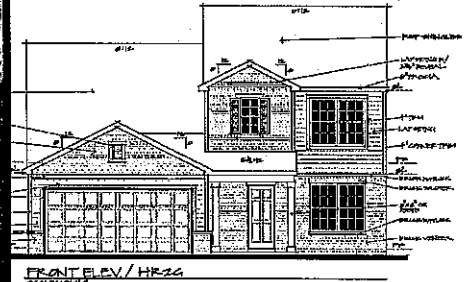
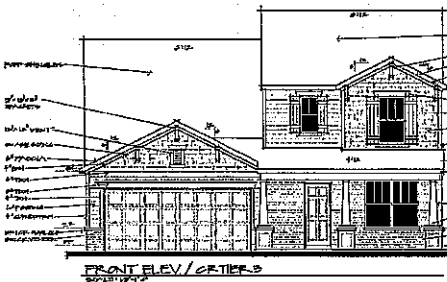
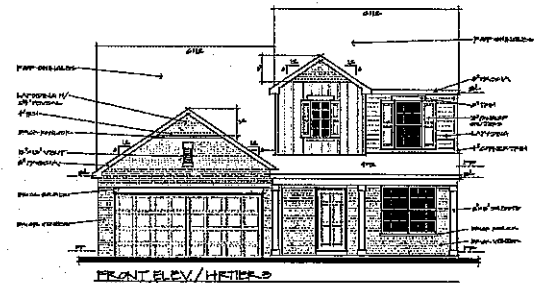
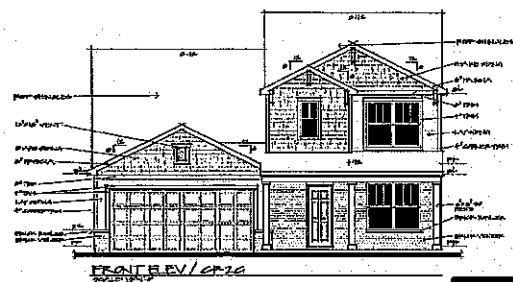


York

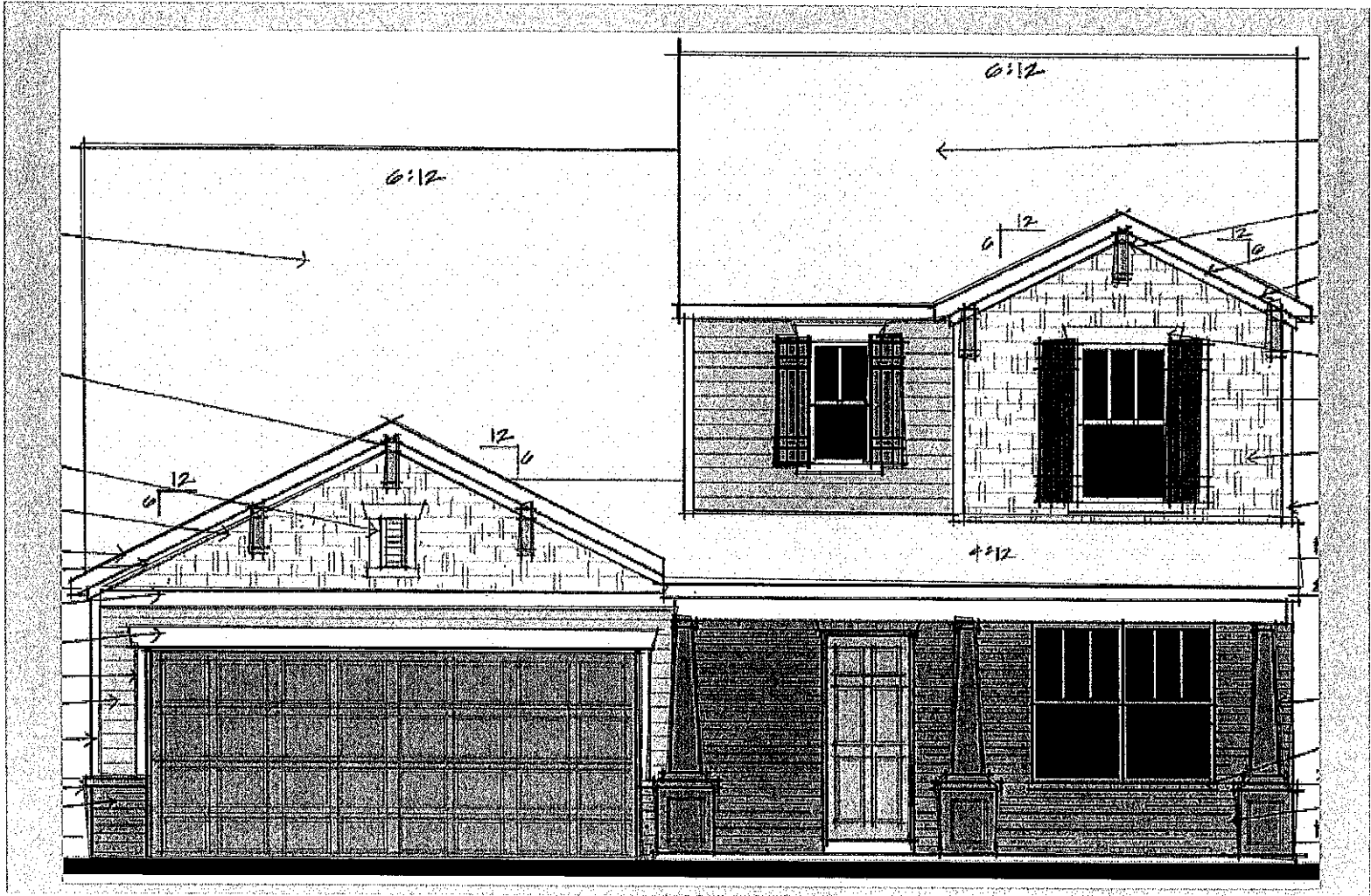
Age  
Targeted



# Oakdale (Newton)













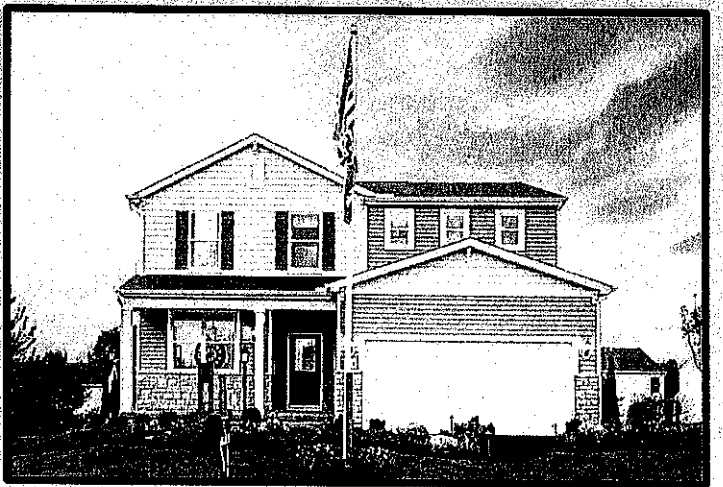
Added Craftsman Elevations



Previously Submitted Elevations



Aspire



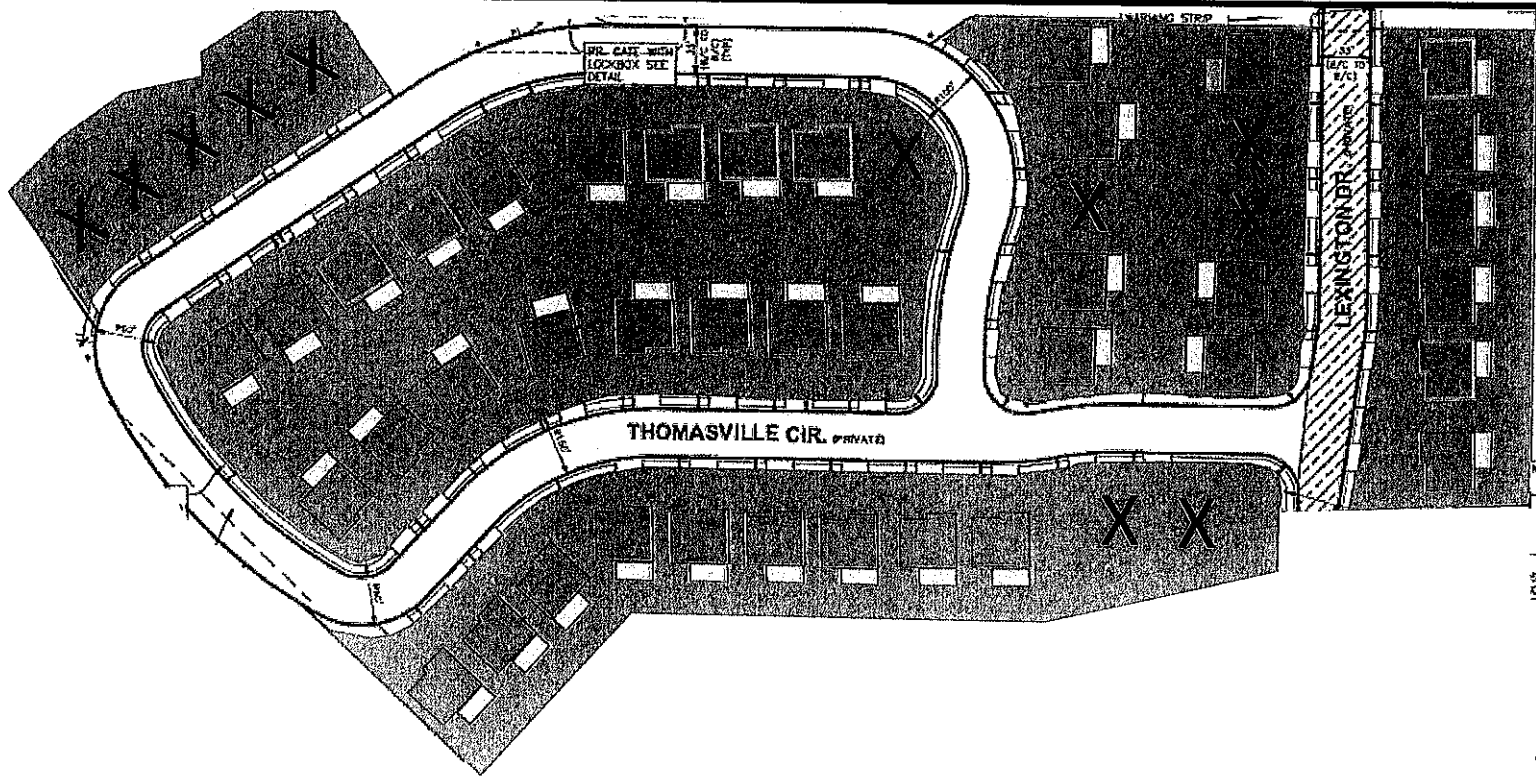
# Hampton

Actual Photos of Stone Version

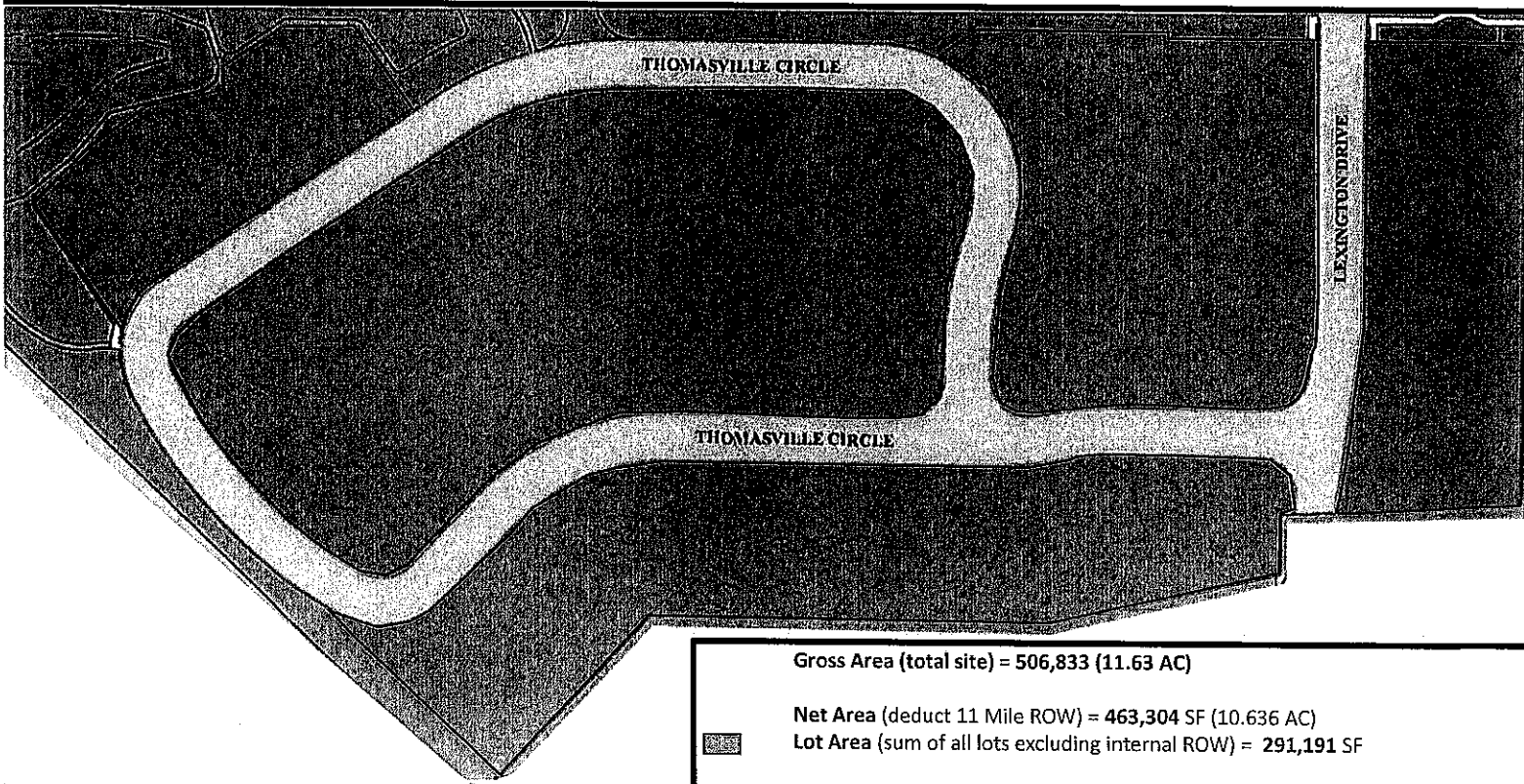




# Thomasville PD



## Graphic Depiction of Area



**Gross Area (total site) = 506,833 (11.63 AC)**

**Net Area (deduct 11 Mile ROW) = 463,304 SF (10.636 AC)**

**Lot Area (sum of all lots excluding internal ROW) = 291,191 SF**



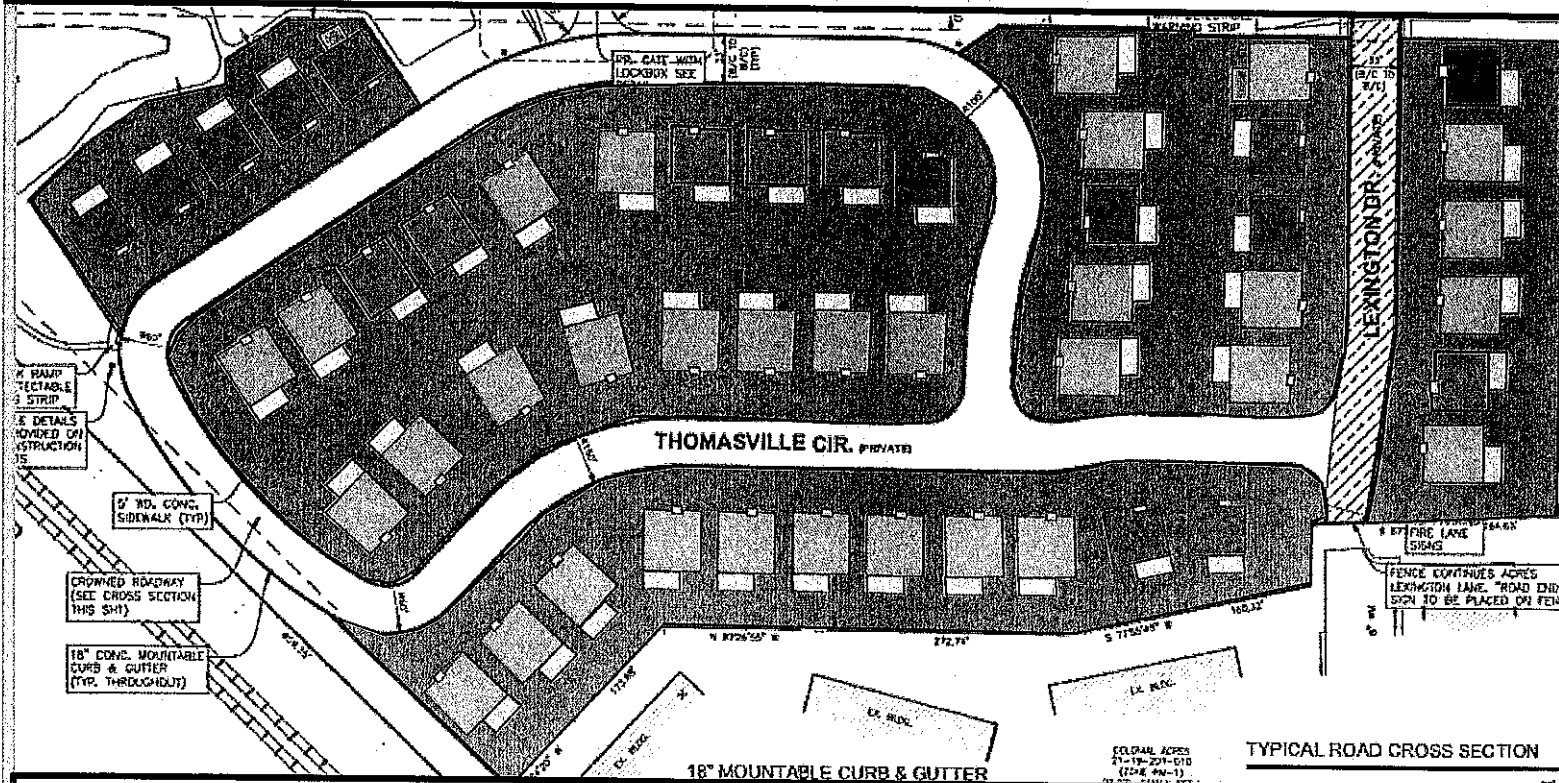
Road Pavement = 71,121 SF

Common Area Walks = 894 SF



**Open Space (net area less lots, walk, & roads) = 100,098 SF (21.6%)**

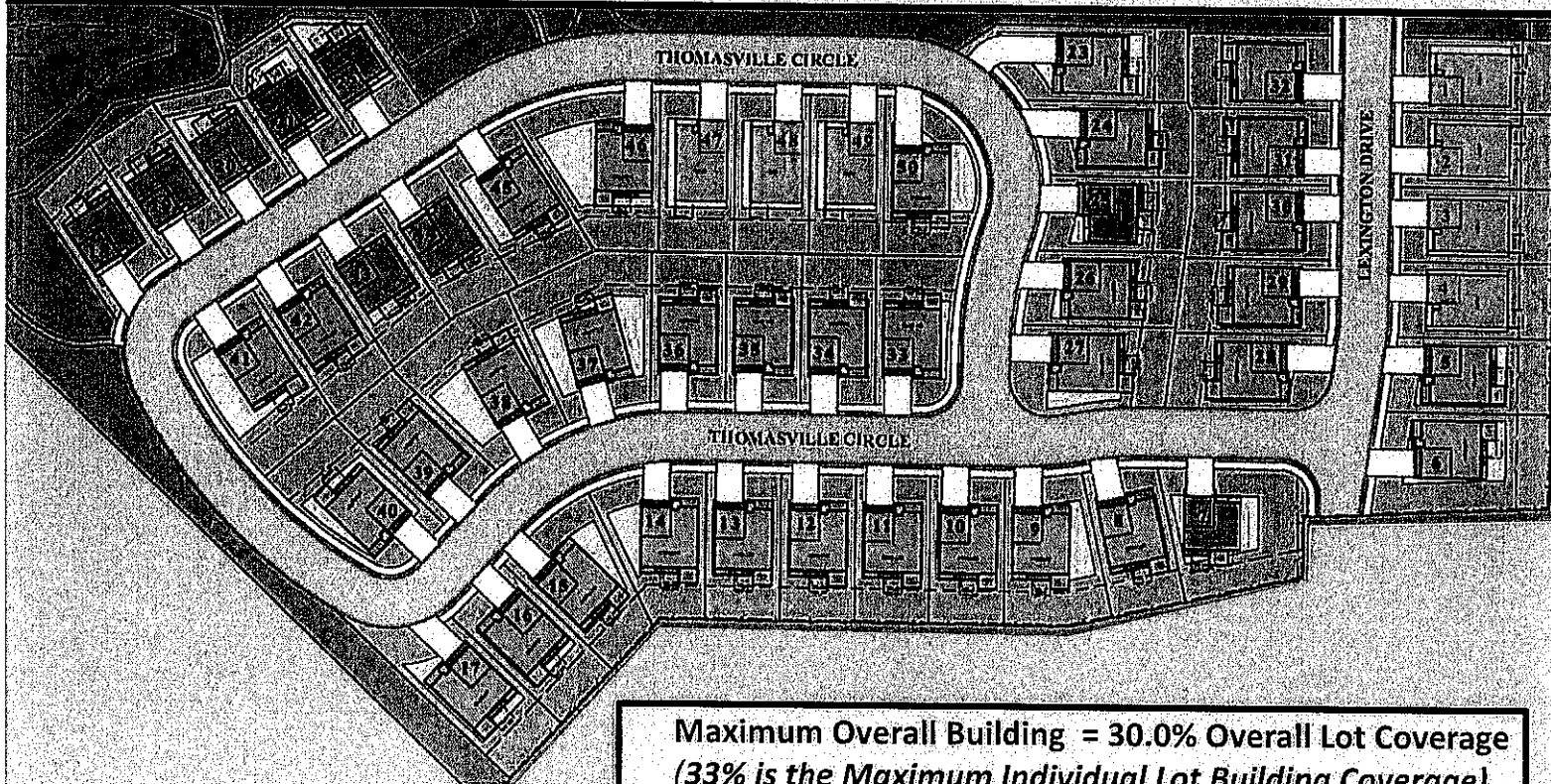
# Thomasville PD



Maximum Overall Building Area = 25.7% Lot coverage



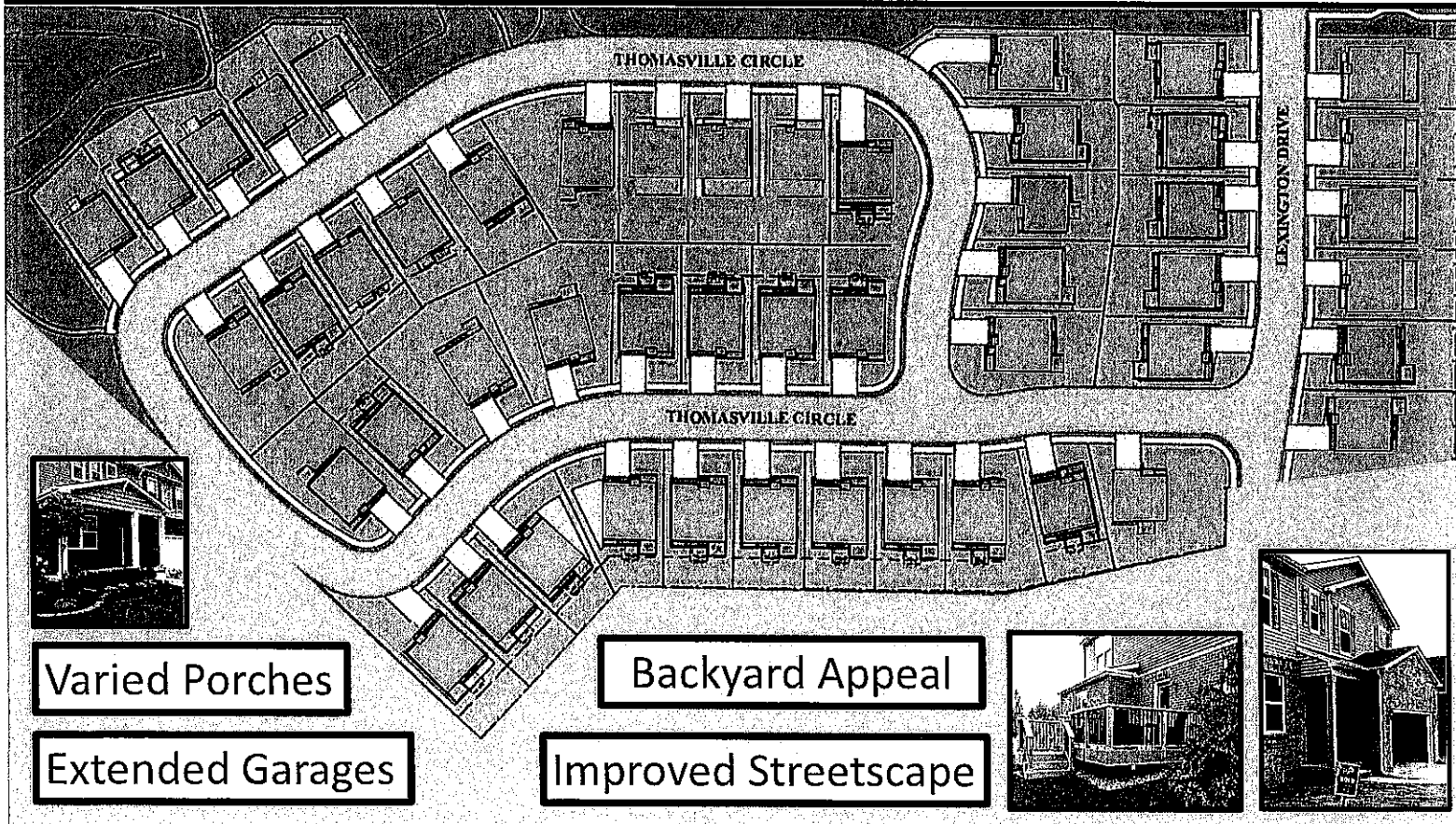
# Fieldstone Planned Development



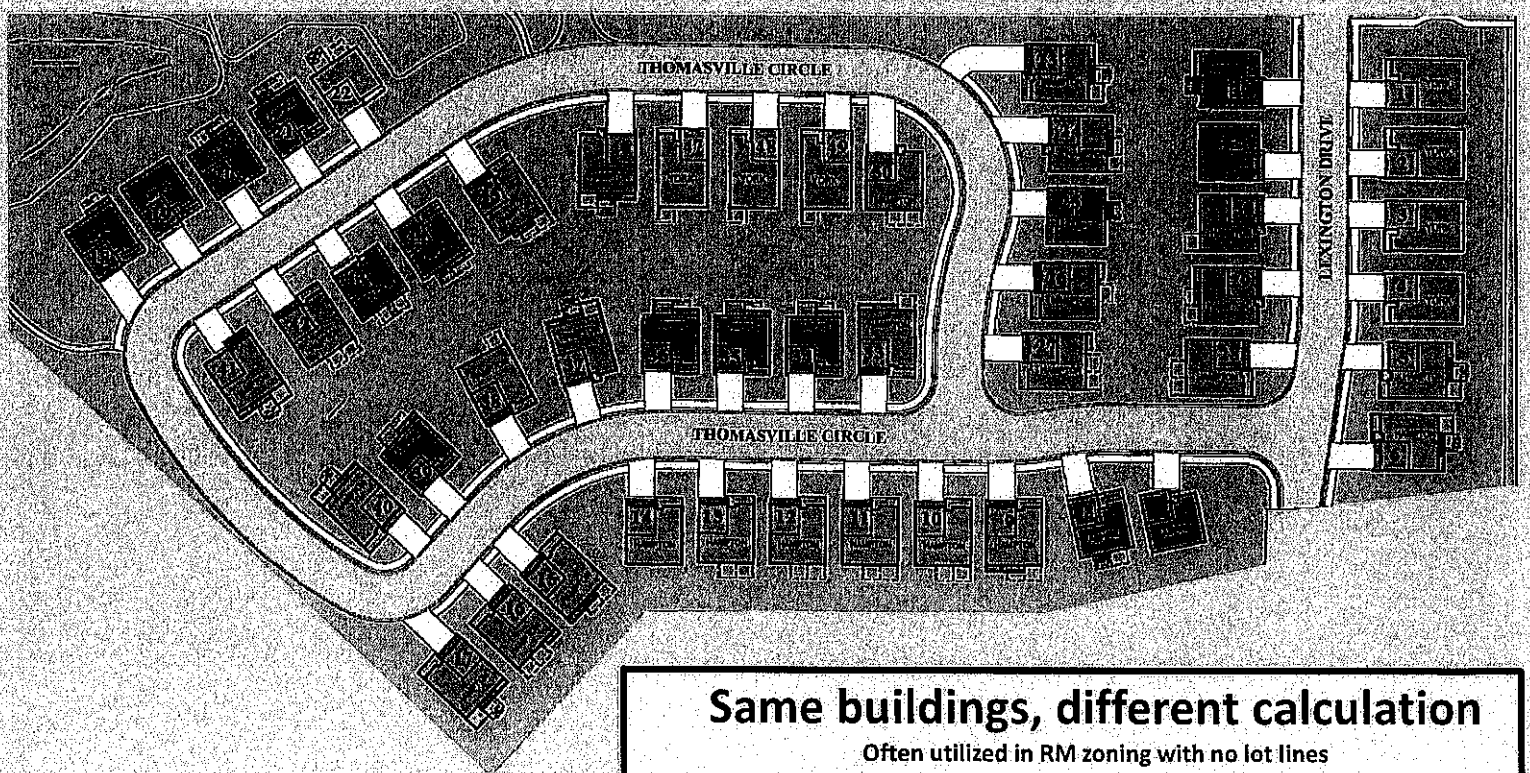
Maximum Overall Building = 30.0% Overall Lot Coverage  
(33% is the Maximum Individual Lot Building Coverage)  
Maximum Overall Impervious Area = 35%



## The 4% difference



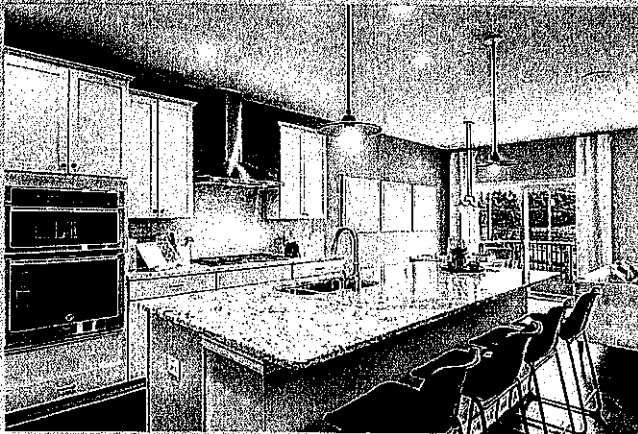
## Zero Lot Line comparison



**Same buildings, different calculation**

Often utilized in RM zoning with no lot lines

**Building coverage = 18.44%**





Thank  
you!

# AGENDA NOTE

Consent Agenda /

**MEETING DATE:** June 22, 2020

**PERSON PLACING ITEM ON AGENDA:** City Manager

**AGENDA TOPIC:** Dangerous Building Hearing Officer Appointee

**EXPLANATION OF TOPIC:** The City of South Lyon has in its ordinance the requirement for the appointment of a Dangerous Building Hearing Officer. This individual will assist in the process and administration of the ordinance relating to dangerous buildings in the City of South Lyon.

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:** City Candidate Questionnaire, resume and portion of the ordinance pertaining to appointment of the Hearing Officer.

**POSSIBLE COURSES OF ACTION:** Appoint or not appoint Jason Payne to be the City's Dangerous Building Hearing Officer.

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to approve Mayor Dan Pelchat's nomination for appointment of Jason Payne to be the City's Dangerous Building Hearing Officer.



## CANDIDATE QUESTIONNAIRE

The City of South Lyon wishes to thank you for your interest in serving as a Volunteer Citizen Representative on a Board, Commission or Committee. Your Candidate Questionnaire will be kept on file and entered for consideration for posted openings on any Board, Commission or Committee that you expressed an interest in for a period of two years. Please feel free to submit an updated Candidate Questionnaire to the City Clerk at any time.

Please be advised that the information contained in this Questionnaire is not confidential, and will be reviewed by the Mayor, City Council and other appropriate personnel as vacancies or openings occur on the various Boards, Commissions and Committees. This Candidate Questionnaire may also be included in any City Council Meeting Packet which is published and made available for public inspection in print and on the Internet. Your address, phone numbers and email will not be published, even in the Meeting Packet.

Please be advised that even though you may submit an application to serve on a Board, Commission or Committee, it does not guarantee that you will be appointed to that Board, Commission or Committee.

**BOARDS/COMMISSIONS/COMMITTEES ON WHICH YOU WANT TO SERVE** (please check up to five applicable boxes; see attachment for descriptions):

**Appointed by Mayor-Confirmed by City Council**

- ☐ Planning Commission
- ☐ Zoning Board of Appeals
- ☐ Cable Commission
- ☐ Cultural Arts Commission
- ☐ Historical Commission
- ☐ Parks and Recreation Commission
- ☐ Downtown Development Authority
- ☐ Housing Commission
- ☐ Board of Ethics
- ☒ Other



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# Jason M. Payne

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## QUALITIES

Strong work ethic, prompt and self-motivated. Knowledge and experience with computers and Windows software. Excellent customer service skills. Detail oriented; able to take and to give direction. Team focused and experienced in leadership roles. Knowledge of construction, skilled in planning. Own transportation.

## EDUCATION

Holly Senior High School: Holly, Michigan  
United States Army; Fort McClellan, Alabama

Graduated: **1993**  
Basic Training: **1994**

## EMPLOYMENT

**Deputy Building Official / Zoning Administrator, City of Fenton** **2019-Present**

- Under direct supervision of Building Official, assist in day to day operations of City Building Department.

**Building Official, City of Linden**

**2003-2019**

- Advanced from position of Laborer; currently responsible for Building Department; serve as Building Official, Building Inspector, Residential Plan Reviewer, Code Enforcement, and Licensed Storm Operator.
- Started with Department of Public Works. Successfully performed such duties as: vehicle maintenance, road repair, install water meters, water main repair, cemetery maintenance, cemetery grave openings, snow plowing, and city building maintenance.

**Crew Foreman, Dave Cohee Construction**

**2002-2003**

- Managed several employees, providing direction, guidance and support.
- Oversaw all facets of construction project planning, including ordering materials, arranging delivery and managing timelines.
- Coordinated customer needs assessments to determine project scope.
- Designed and built projects such as home additions, garages, decks, kitchens, and bathroom remodeling.

**Creative Wood Products**

**1995-2002**

- Began as a crew assistant; promoted to foreman, ultimately responsible for managing four crews.
- Assessed project and team needs, ensuring appropriate supplies, materials and tools were planned for and accessible.
- Managed all construction drawings, material take offs, permit obtainment and inspection arrangements.
- Coordinated outside sales and designs for decks and enclosures.



**Military Police, United States Army****1993-1996**

- Stationed with the 144<sup>th</sup> M.P. Army National Guard division, Owosso MI.

**AFFILIATION**

- Member, Genesee County Building Officials Association (G.C.B.O.A.) 2011 - present

**REFERENCES**

- Mike Reilly City OF Fenton Building Official (810)629-2261
- Scott Fairbanks Director Of Public Works, City Of Linden (810)735-7980
- Scott Sutter Police Chief, City Of Linden (810)735-7980

Sec. 18-406. - Hearing officer; filing of notice with hearing officer.

- (a) *Appointment.* The hearing officer shall be appointed by the mayor and be approved by the council and shall then serve at the mayor's pleasure. The hearing officer shall be a person who has expertise in housing matters including, but not limited to, an engineer, architect, building contractor, building inspector, member of a community housing organization, or any person with similar qualifications. An employee of the city shall not be appointed as hearing officer.
- (b) *Filing of notice.* The enforcing agency shall file a copy of the notice that a building or structure is a dangerous building with the hearing officer.

(Ord. No. 03-16, Pt. I, 2-8-16)

# **AGENDA NOTE**

**Consent Agenda Item # 2**

**MEETING DATE:** June 22 2020

**PERSON PLACING ITEM ON AGENDA:** City Manager

**AGENDA TOPIC:** DPW Easement.

**EXPLANATION OF TOPIC:** We have received notification from our Engineers that the Water Resource Commission is requiring the City to dedicate an easement along the property in conjunction with the installation of the detention pond, storm drain and pavement improvements at the DPW yard.

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:** Copy of the easement dedication.

**POSSIBLE COURSES OF ACTION:** Approve or not approve the dedication of the easement for the DPW Storm Water improvements.

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to approve the dedication of the attached easement for the DPW Storm Water improvements

## **EASEMENT**

**KNOW ALL MEN BY THESE PRESENTS**, that the **CITY OF SOUTH LYON**, a Michigan Municipal Corporation, GRANTOR(S), whose address is 335 S. Warren Street, South Lyon, Michigan 48178 for and in consideration of the sum of ONE DOLLAR (\$ 1.00) receipt of which is hereby acknowledged, paid to them by **Jim Nash**, the **OAKLAND COUNTY WATER RESOURCES COMMISSIONER**, as statutory agent for the **YERKES DRAIN DRAINAGE DISTRICT**, pursuant to Act No. 40 of the Public Acts of 1956 ("Michigan Drain Code"), as amended, GRANTEE, whose address is the Office of the Oakland County Water Resources Commissioner ("WRC"), One Public Works Drive, Waterford, Michigan 48328-1907, do/does hereby grant to the said GRANTEE the right to construct, operate, maintain, repair or replace the YERKES DRAIN, in accordance with the terms and conditions set forth herein:

### **RECITALS:**

A. The GRANTOR is the owner of certain real property described as follows (the "Premises"):

Part of the Northeast ¼ of Section 7; T.1N. R.7E., City of South Lyon, Michigan, described as: Commencing at the Center of said Section 30; thence N00°07'10"E 694.10 feet to the Point of Beginning; thence N00°07'10"E 315.00 feet; thence N86°45'50"E 305.85 feet; thence N86°12'00"E 348.25 feet; thence S00°27'00"W 362.10 feet; thence N89°23'00"W 347.30 feet; thence N88°50'30"W 1.84 feet; thence N00°32'20"E 20.03 feet; thence S86°42'30"W 301.71 feet to the Point of Beginning.  
and,

B. The GRANTEE desires to acquire from the GRANTOR certain rights to the Premises in order to construct, operate, maintain, repair or replace the DRAIN.

### **IT IS THEREFORE AGREED:**

I. **Grant of a Permanent Easement.** Grantor hereby grants to Grantee a perpetual easement described as follows:

Part of the Northeast ¼ of Section 7; T.1N. R.7E., City of South Lyon, Michigan, described as: Commencing at the Center of said Section 30; thence N00°07'10"E 729.14 feet to the Point of Beginning; thence continuing N00°07'10"E 61.84 feet; thence N45°33'07"E 173.70 feet; thence N42°48'42"E 90.02 feet; thence N18°10'16"E 33.49 feet; thence

N34°31'42"E 12.20 feet to the Southerly right of way of G.T.W. R.R. (abandoned); thence along said right of way N86°45'50"E 103.44 feet; thence continuing along said row N86°12'00"E 348.25 feet; thence S00°27'00" W 13.73 feet; thence S88°29'17"W 90.98 feet; thence S81°03'14"W 45.07 feet; thence S88°39'30"W 125.62 feet; thence S81°56'25"W 91.05 feet; thence S84°57'25"W 48.72 feet; thence S34°31'42"W 22.17 feet; thence S18°10'16"W 37.22 feet; thence S42°48'42"W 102.14 feet; thence S45°33'07"W 176.82 feet; thence S53°42'13"W 41.90 feet to the Point of Beginning. Said description contains 22,614 square feet, or 0.06 acres, more or less.

2. **Purpose of the Easement.** The permanent easement granted herein shall be used for the purpose of the operation, maintenance, repair or replacement of the DRAIN constructed in accordance with the plans and specifications approved by the GRANTEE.

3. **General Conditions.**

a. GRANTOR agrees not to build or convey to others permission to build any permanent structures on the above-described permanent easement. Permanent structures include, but are not limited to, fixtures, structures with footings, culverts, dams, bridges and structures of a similar nature.

b. Except as otherwise agreed in writing between the GRANTOR and GRANTEE, GRANTEE may remove all trees and shrubbery within the permanent easement and shall not be required to replace trees and shrubbery that are removed.

c. Also granted herein, is the right of ingress and egress for the GRANTEE to enter upon, access and use any and all presently existing or future driveways or related vehicular access areas of the premises for operation, maintenance and repair of the YERKES DRAIN located upon the subject property.

d. Except as otherwise provided herein, if the Premises shall be disturbed by reason of the exercise of any of the foregoing powers, then the Premises shall be restored to substantially the condition that existed prior to entering upon said Premises by the Grantee, its contractors, agents or assigns.

e. GRANTOR retains, reserves, and shall continue to enjoy the use of the permanent easement for any and all purposes which do not interfere with, obstruct the use of or prevent the use by GRANTEE. Any unauthorized use or obstruction may be removed by GRANTEE in accordance with the procedures set forth in the Drain Code.

f. It is understood that the easement, rights, and privileges granted herein are nonexclusive, and GRANTOR reserves and retains the right to convey similar easements and rights to such other persons as GRANTOR may deem proper provided such similar easements do not affect GRANTEE'S Easement.

g. This Easement shall be binding upon and inure to the benefit of the Parties hereto, their heirs, representatives, successors and assigns. If the GRANTOR or any of GRANTOR'S heirs, representatives, successors or assigns shall dedicate all or any part of the Premises affected by this Easement, then prior to such dedication, GRANTOR or GRANTOR'S heirs, representatives, successors and assigns shall submit such dedication for review and approval from the GRANTEE, its heirs, successors or assigns.

h. A map of the above-described Easement is attached hereto and made a part thereof.

i. This instrument contains the entire agreement between the Parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect. Any modification of this Easement must be in writing and must be signed by the party to be charged.

j. This Easement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan. The language of all parts of this Easement is intended to and, in all cases, shall be construed as a whole according to its fair meaning, and not construed strictly for or against any party.

k. It is further understood and agreed between the Parties that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between GRANTOR and GRANTEE in any way related to the subject matter hereof, except as expressly stated herein.

l. If any provision of this Easement or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Easement shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.

m. It is understood and agreed between the Parties that a failure by either Party to fulfill a condition or term set forth in this Easement shall not result in the extinguishment of the easement rights granted herein or constitute a waiver of such term or condition.

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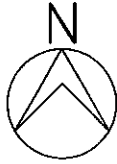


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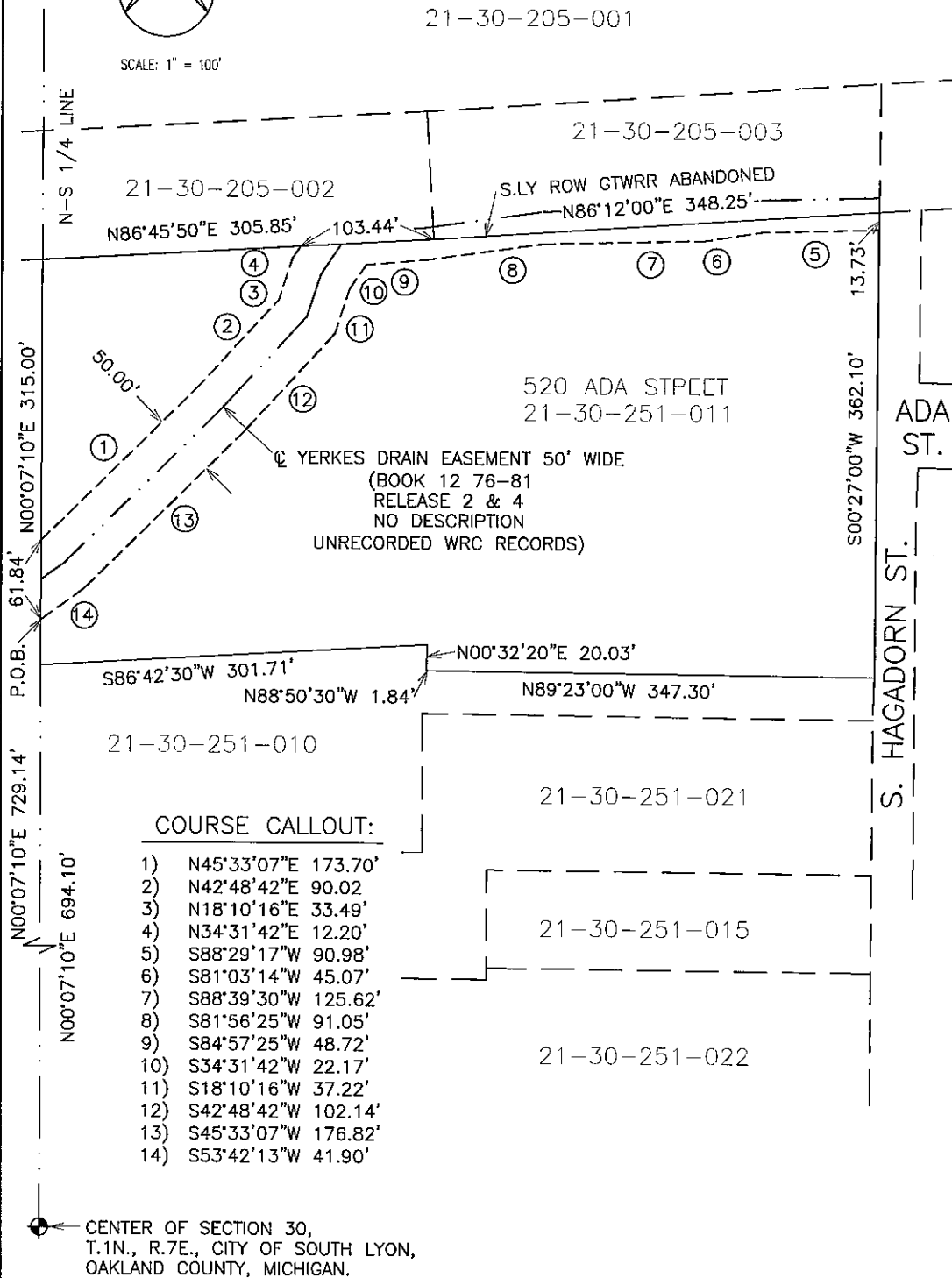
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Hebert Dave

# SKETCH OF EASEMENT



SCALE: 1" = 100'



JOB NO.  
20190043  
DATE  
6/4/2020



HUBBELL, ROTH & CLARK, INC.  
CONSULTING ENGINEERS SINCE 1915

555 HULEY DRIVE  
BLOOMFIELD HILLS, MICH.

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WEB SITE: <http://www.hrcengr.com>

SHEET NO.

1

OF 2

**DESCRIPTION OF PROPERTY (TAKEN FROM RECORD 21-30-251-011)**

Part of the Northeast ¼ of Section 7; T.1N. R.7E., City of South Lyon, Michigan, described as: Commencing at the Center of said Section 30; thence N00°07'10"E 694.10 feet to the Point of Beginning; thence N00°07'10"E 315.00 feet; thence N86°45'50"E 305.85 feet; thence N86°12'00"E 348.25 feet; thence S00°27'00"W 362.10 feet; thence N89°23'00"W 347.30 feet; thence N88°50'30"W 1.84 feet; thence N00°32'20"E 20.03 feet; thence S86°42'30"W 301.71 feet to the Point of Beginning.

Also known as Sidwell No. 21-30-251-011

Subject to easement, restrictions and reservations, if any.

**DESCRIPTION OF YERKES DRAIN**

Part of the Northeast ¼ of Section 7; T.1N. R.7E., City of South Lyon, Michigan, described as: Commencing at the Center of said Section 30; thence N00°07'10"E 729.14 feet to the Point of Beginning; thence continuing N00°07'10"E 61.84 feet; thence N45°33'07"E 173.70 feet; thence N42°48'42"E 90.02 feet; thence N18°10'16"E 33.49 feet; thence N34°31'42"E 12.20 feet to the Southerly right of way of G.T.W. R.R. (abandoned); thence along said right of way N86°45'50"E 103.44 feet; thence continuing along said row N86°12'00"E 348.25 feet; thence S00°27'00" W 13.73 feet; thence S88°29'17"W 90.98 feet; thence S81°03'14"W 45.07 feet; thence S88°39'30"W 125.62 feet; thence S81°56'25"W 91.05 feet; thence S84°57'25"W 48.72 feet; thence S34°31'42"W 22.17 feet; thence S18°10'16"W 37.22 feet; thence S42°48'42"W 102.14 feet; thence S45°33'07"W 176.82 feet; thence S53°42'13"W 41.90 feet to the Point of Beginning. Said description contains 22,614 square feet, or 0.06 acres, more or less.

# **AGENDA NOTE**

Old Business #/

**MEETING DATE:** June 22, 2020

**PERSON PLACING ITEM ON AGENDA:** City Manager

**AGENDA TOPIC:** Tax Abatement Agreement

**EXPLANATION OF TOPIC:** City Council recently adopted a Tax Abatement Policy for the community. And in March City Council established a Commercial Rehabilitation District for Parcel No.80-21-20-360-023.(Property formally known as the RCA Building) The property owner filed an application with the clerk for a Commercial Rehabilitation Exemption Certificate and Council voted to approve 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.

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:** Tax Abatement Agreement for Tax Abatement Agreement for the Commercial Rehabilitation Exemption Certificate for 1855 Holdings, LLC at 135 E Lake Street.

**POSSIBLE COURSES OF ACTION:** To approve / not approve Tax Abatement Agreement for Commercial Rehabilitation Exemption Certificate for 1855 Holdings, LLC at 135 E Lake Street.

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to approve Tax abatement Agreement for Commercial Rehabilitation Exemption Certificate for 1855 Holdings, LLC at 135 E Lake Street.

## **AGREEMENT CONCERNING COMMERCIAL REHABILITATION ACT ABATEMENT**

### **135 E LAKE, SOUTH LYON, MICHIGAN**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ of June 2020, by and between the City of South Lyon ("City") a Michigan Municipal Corporation, whose address is 335 S. Warren Street, South Lyon, Michigan 48178, and 1855 Holdings, LLC ("Company"), a Michigan Limited Liability Company, whose address is 51631 10 Mile Road, South Lyon, Michigan (collectively, "the Parties"), agree as follows:

#### **RECITALS:**

1. After due notice and deliberation, and taking into consideration the statements received by the City Council at a hearing held on March 9, 2020, the City Council adopted a Resolution creating a Commercial Rehabilitation District pursuant to Public Act 210 of 2005, as amended (the "Act"), for the property described on the Legal Description attached and made a part of this Agreement, located at 135 E. Lake, South Lyon, Michigan (the "Property").
2. The Company submitted an application ("Application") for issuance of a Commercial Rehabilitation Certificate ("Certificate") for the Property, as provided for in the Act. The Application was formally received by the City on or about April 6, 2020. The Application is incorporated as part of this Agreement by reference.
3. The Company represented in its Application that it will renovate the existing building on the Property and construct a restaurant and office space (the "Building Investment") and that (1) the Property is Commercial Property as defined by the Act and (2) the restaurant and office space will be a Qualifying Facility as defined by the Act.
4. The Company affirmatively stated that it would not proceed with the construction of the Building Investment if this abatement were not granted.
5. The City and the Company desire to enter into this Agreement for the purpose of setting forth the terms and conditions under which a Commercial Rehabilitation Exemption Certificate (the "Certificate") shall be approved and issued by the State Tax Commission for the Property proposed to be exempt from *ad valorem* real property taxes.

Therefore, in consideration of the foregoing, the Parties now enter into this Agreement.

#### **TERMS AND CONDITIONS**

1. Subject to and in accordance with the Recitals set forth above, on May 26, 2020, the City Council adopted a Resolution approving the Company's Application for an abatement of real property taxes related to the Building Investment under the Act (the "Resolution") for a period of three (3) years, with the possibility of a one (1) year extension if certain financial criteria are met and the extension is approved by City Council, as described in the Resolution (the "Abatement Period"). A copy of the Resolution is attached and is incorporated into this Agreement. At the end of the Abatement Period, the Property shall be subject to full *ad valorem* taxation.

2. In consideration of the abatement of real property taxes, the Company represents and warrants that it will build and occupy the Building Investment for the entire Abatement Period, subject to the assignment provisions below. The Company further agrees as follows with respect to the Building Investment:
  - a. That the cost of the construction of the Building Investment is estimated to be One Million Seven Hundred Thousand Dollars (\$1,700,000), however, that while such amount shall be the minimum amount of investment in the Building Investment, the Parties acknowledge that it will not be determinative of value for purposes of the commercial rehabilitation tax, which shall be established by applicable valuation methods as provided by law and subject to challenge by the Company in accordance with the law.
  - b. That the Building Investment will be completed no later than December 31, 2021.
  - c. That the Building Investment will be in compliance with the City's zoning ordinance and other ordinance requirements, including all site plan approval requirements.
  - d. The Company will make reasonable efforts to use local suppliers, vendors, and contractors to the extent possible if such suppliers, vendors and contractors have substantially similar qualifications and are at or below the best price offered for a particular service, supply or construction expertise as would otherwise be available to the Company.
  - e. That the property taxes for the Building Investment will be timely paid, and that there will be no outstanding fines or liens by the Company or any other entity with regard to the Property.
  - f. That the Building Investment and/or the Property will bear its appropriate share, if any, for any existing or future special assessments, as determined by the City.
  - g. That the use of the Building Investment as a restaurant and office space will not change during the Abatement Period.
3. No later than the 1<sup>st</sup> day of October of each year, beginning in the year 2021 through and including the year 2023, the Company shall submit a report to the City Manager stating the status of the Building Investment, including (a) the actual cost of the project and improvements, (b) the current value of the Property for which the exemption pertains, (c) the estimated value on which the commercial rehabilitation tax is based, (d) the number of jobs created, (e) the names of all South Lyon suppliers, vendors and contractors used, (f) the construction progress, and (g) the impact to City utilities, etc.
4. The City Council retains all rights to revoke the Certificate by resolution as set forth in Section 12 of the Act, if it finds that:
  - a. Completion of the Building Investment has not occurred by December 31, 2021 (or such other date as the Council may extend).
  - b. Company has not proceeded in good faith with the operation of the Building Investment in a manner consistent with the purposes of the Act and in the absence of circumstances that are beyond its control.
  - c. Company has requested the Certificate be revoked.

Additionally, the City may revoke the Certificate by resolution if it finds that the Company is in default of any provision of this Agreement.

Revocation under this Paragraph 4 shall not occur until the Company has been provided an opportunity to cure the default after written notice by the City in accordance with Paragraph 6, below. If it is unable to cure the default within 7 days, the Company may, within 14 days of the City's notice, petition the City Council to conduct a public hearing to determine if there are reasons, as may be presented by the Company to the City that such revocation should not occur. The City Council shall conduct a public hearing within sixty (60) days from the date that the petition is filed with the City Clerk.

5. Any other provision of this Agreement notwithstanding, if during the Abatement Period the Company abandons the Property or otherwise fails to occupy the Property as contemplated in this Agreement, the City shall immediately revoke the Certificate, and the Company shall pay to the City the entire amount of the additional taxes, for the entire period that the Certificate was in effect, that the taxing jurisdictions would have received if the Certificate had not been issued. If the amount is not paid within sixty (60) days of receipt of an invoice sent for same to the Company, the City may institute a civil action against the Company, and the City shall be entitled to recover the amounts stated in the invoice. In addition, the Company shall pay all court costs and attorney fees incurred by the City in connection with such civil action if the City prevails.
6. The City shall not revoke the Certificate under Paragraph 4 or initiate any court action seeking a remedy under Paragraph 5 until after both of the following have occurred:
  - a. The City has provided written notice to the Company declaring a default and specifying the manner in which the Company is in default. The notice shall include an offer to schedule a meeting of the representatives of the City and Company on a date no later than thirty (30) days after the date of said notice to discuss the claimed default and how it may be cured; and
  - b. Thirty (30) days have lapsed since the notice described in subparagraph a, above, is received by the Company. If the Company has met with the City and is diligently pursuing a cure, the City shall grant the Company an additional period of thirty (30) days to cure the default, and the City may grant further extensions of this time period in its sole discretion.
7. This Agreement shall become effective upon issuance by the Michigan State Tax Commission of a Certificate to the Company with respect to the Property and shall be null and void and of no force and effect whatsoever if no Certificate is issued by the Michigan State Tax Commission.
8. Any and all modifications or amendments to this Agreement must be made in writing and approved by the Parties.
9. The covenants and provisions set forth herein shall bind the successors and assigns of the Parties. Company shall not assign or transfer any interest in this Agreement without the prior written consent of the City.
10. Any notice to be provided under this Agreement shall be in writing and delivered to a party by first class mail to the addresses set forth above. Notice is deemed to be received one (1) day after the date notice is placed in the mail or on the date the notice is personally delivered.

11. In the event that a portion or provision of this Agreement is deemed to be unlawful or unenforceable, the unlawful or unenforceable provision shall be stricken and the remaining portions and provisions shall be fully enforced.

12. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on this \_\_\_\_ day of June, 2020 by its duly authorized officers or agents.

Dated: \_\_\_\_\_

City of South Lyon

By: \_\_\_\_\_ Its: \_\_\_\_\_

Dated: \_\_\_\_\_

1855 Holdings, LLC

By: \_\_\_\_\_ Its: \_\_\_\_\_

DRAFT



# AGENDA NOTE

Old Business # 2

**MEETING DATE:** June 22, 2020

**PERSON PLACING ITEM ON AGENDA:** Recommendation from Planning Commission on May 14, 2020.

**AGENDA TOPIC:** Fieldstone Planned Development (PD) Rezoning and Preliminary PD Site Plan approval.

## **EXPLANATION OF TOPIC:**

This application was before the Council at its June 8, 2020, City Council meeting. Following the applicant's presentation and Council discussion, the item was tabled in order for additional information on lot coverage and the site's geological soil survey be submitted to the Council for review. A spreadsheet containing detailed information for each of the 50 units (lots), with each house plan and options available was submitted to Council. The applicant additionally submitted a Soil Investigation Report. Both documents were provided to the City on June 9, 2020 and distributed to Council on the same day.

The spreadsheets further illustrate the overall building coverage of 30%, recognizing that some units/lots may be below 30% in building coverage and some may exceed 30%, but will not exceed 33%.

The proposed impervious lot coverage (building and patio or deck) will not exceed 35% regardless of the building coverage percentage.

(Please have the emailed lot coverage tables and soil investigation information and the supplemental Council packet information from the June 8, 2020 Council meeting available for reference during discussion of this agenda item.)

## **BACKGROUND INFORMATION:**

The subject property is 11.65± acres on the south side of Eleven Mile Road, west of Pontiac Trail (Tax ID 21-19-126-002). It is an irregularly shaped parcel located adjacent to and west and north of Colonial Acres and is also bordered by railroad tracks along its western boundary.

The Umlor Group, with Pulte Homes, has requested approval for a 50-unit single family detached site condominium project now called Fieldstone.

## **REVIEW PROCESS:**

The City's Planned Development process is a four-step process. See, Sections 102-383 through 102-386 of the City's Zoning Ordinance:

- (1) a public hearing and review of the rezoning request and Preliminary (Stage I) PD Planned Development Site Plan by the Planning Commission with a recommendation to City Council;
- (2) a review and action on the rezoning request and Preliminary (Stage I) PD Planned Development Site Plan by the City Council;
- (3) a review of the Final (Stage II) PD Planned Development Site Plan by the Planning Commission with a recommendation to City Council; and
- (4) a review and action on the Final (Stage II) PD Planned Development Site Plan by City Council.

Step #1 was completed on May 14, 2020 and the Planning Commission recommended rezoning and conditional approval of the Preliminary (Stage I) PD Site Plan. **This matter is currently at Step #2 for Council action on the PD rezoning request and Preliminary (Stage I) PD Site Plan.**

## **PLANNING COMMISSION FINDINGS:**

This project is proposed as a Planned Development (PD). Under the City of South Lyon Zoning Ordinance *Planned Development District, Section 102-381, Intent*, the planned development district:

1. Is intended to permit the private or public development or redevelopment of areas throughout the city which shall be substantially in accord with the goals and objectives of the master plan of future land use for the City of South Lyon.
2. Use patterns of the areas involved shall provide a desirable environment and shall be harmonious to the general surrounding uses permitting flexibility in overall development while ensuring the highest of safeguards and standards for public health, safety, convenience and general welfare.
3. Such planned development district may embrace a mixture of one or more distinct uses or zoning categories, in the vertical or horizontal plane.
4. A planned development district shall encourage the use of land in accordance with its character and adaptability; conserve natural resources and energy; encourage innovation in land use planning; and bring about a greater compatibility of design and use.

The City's Planning Commission determined that the proposed development meets the intent of the Planned Development District:

1. ***Intent: Is intended to permit the private or public development or redevelopment of areas throughout the city which shall be substantially in accord with the goals and objectives of the master plan of future land use for the City of South Lyon.***

**Comment:** The proposed future land use designation for the subject site is Suburban Residential, which includes "planned developments that may contain a mix of suburban and traditional residential." **Meets the intent.**

2. ***Intent: Use patterns of the areas involved shall provide a desirable environment and shall be harmonious to the general surrounding uses permitting flexibility in overall development while ensuring the highest of safeguards and standards for public health, safety, convenience and general welfare.***

**Comment:** In lieu of developing the property as apartment units (permitted by right in the existing zoning district), the applicant is proposing 50 single family residential units. This proposal is harmonious with the surrounding area (single family residential on the north side of Eleven Mile). "Flexibility in overall development" through waiver is required by the applicant in order to make the project feasible. **Meets the intent.**

3. ***Intent: Such planned development district may embrace a mixture of one or more distinct uses or zoning categories, in the vertical or horizontal plane.***

**Comment:** The proposed plan has development standards consistent and similar to R-3 Residential, RT (Two Family) Residential, Open Space Preservation Option, and One-Family Cluster Option. **Meets intent.**

4. ***Intent: A Planned Development District shall encourage the use of land in accordance with its character and adaptability; conserve natural resources and energy; encourage innovation in land use planning; and bring about a greater compatibility of design and use.***

**Comment:** Given the unique characteristics of the site (triangular shape, proximity to a railroad, access to the property is unpaved) this Planned Development proposal adapts to the physical challenges of the site.

Adjacent to a large existing multiple-family development, the proposed smaller lot, single family residential is a transition to the single-family developments directly to the north of the property.

Open space is conserved through the open space (provided between the units), the pond at the northwest corner of the site, and trees along 11 Mile Road. **Meets the intent.**

**REVIEW STANDARDS:**

The R-3 standards are applied to single family developments in the RM-1, the current zoning of the property. Therefore, site plan review is based on the R-3 development standards.

This table provided below, lists the required standard for R-3 District, the proposed standard (developing under a Planned Development designation) and what action is required for the proposal to be approved and move forward. The Planning Commission recommended approval of the all waivers itemized in the table. Their recommended motion for approval by City Council itemizes the waivers.

Standard	Required	Proposed	Comments	Action Required
Unit (Lot) Area	8750 sq. ft.	Average of 5,823 square feet	<u>Does not meet R-3 standard.</u>	A waiver is required.
Unit (Lot) Width	70 feet	50 feet	<u>Does not meet R-3 standard.</u>	A waiver is required.
Residential Density	3.7 units/acre max.	4.3 units/acre	<u>Does not meet R-3 standard.</u> <i>Open Space Preservation Option, Section 102-459 and One Family Cluster option, Section 102-460 permit a density of 5.0. The proposed density would meet these development requirements.</i>	A waiver is required.
Front Yard Setback	25 feet	25 feet	Meets standard	None required.
Side Yard Setback	6 feet minimum one side/total of 16 ft. for both	5/10	<u>Does not meet R-3 standard.</u>	A waiver is required.

Standard	Required	Proposed	Comments	Action Required
<b>Rear Yard Setback</b>	35 feet	30 feet (exception to the 30 foot rear yard setback are: Lot 7=25 feet Lot 18=25 feet Lot 20=15 feet Lot 21=15 feet Lot 22=5 feet)	<u>Does not meet R-3 standard.</u>	<b>A waiver is required.</b>
<b>Building Height</b>	2 stories, 25 feet	2 stories, 25 feet	Meets standard.	None required.
<b>Total Lot Coverage</b>	25% Building coverage maximum <u>plus</u> additional 10% maximum for impervious surface coverage	<b><u>Building coverage: 30% average.</u></b> Individual lots range from 15.5% to 33%. <i>The average of the range of coverage is 30%. (Average is the sum of all units divided by 50).</i>  Total Impervious coverage (house, options, and 10x12 deck or patio): a range from 19.2% to 35%. <b>Total will not exceed 35%.</b>	<u>Does not meet standard.</u>	<b>A waiver is required.</b>

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:**

- Email from Mike Noles, dated 6/9/2020
- Updated Site Plan Revision letter from applicant dated 6/17/2020
- 

**POSSIBLE COURSES OF ACTION:** Approve/Deny/Table/Postpone

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to Approve the First Reading of an ordinance to amend the Official Zoning Map of the City of South Lyon incorporated into the South Lyon Zoning Ordinance by Section I02- 182 by rezoning the Property (Parcel No. 21-19-126-002) more fully described in the attached Exhibit A (the "Property") from the RM-1 District (Multiple-Family Residential) to the PD District (Planned Development).

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to recommend preliminary Planned Development Preliminary Site Plan Approval for Fieldstone Site Condominiums (Parcel No. 21-19-126-002), subject to:

1. a waiver to allow an average lot area of 5,823 sq. ft.;
2. a waiver to allow a minimum lot width of 50 ft.;
3. a waiver to allow an overall density of 4.3 units per acre;
4. a waiver to allow a side yard setback of 5 feet, totaling a minimum of 10 feet between structures;
5. a waiver to allow a maximum overall building coverage average of 30% and a maximum impervious surface not to exceed 35%;
6. a waiver for a 30-foot rear yard setback with Lots 7, 18, 20, 21 and 22 dropping below 30 feet.;
7. the requirement that the installation of landscape buffering abutting Colonial Acres to be installed at the beginning of the project/construction;
8. brick or stone be required on first-floor and site elevations; facades with 100% siding will not be offered as an option to buyers;
9. the requirement that wainscoting be used on Lots 27 and 28 side elevations;
10. an anti-monotony policy be established as part of the condominium documents;
11. missing landscape calculation and unit data (square footage) be provided in the final site plan submittal;
12. draft condominium documents to be submitted during final site plan approval; and
13. Approval and rezoning of Parcel No. 21-19-126-002 from Multiple Family, RM-1 to Planned Development, PD.

## **ORDINANCE NO.**

### **CITY OF SOUTH LYON OAKLAND COUNTY, MICHIGAN**

#### **AN ORDINANCE TO AMEND THE OFFICIAL ZONING MAP OF THE CITY OF SOUTH LYON REZONING PARCEL NO. 21-19- 126-002 (THOMASVILLE} FROM THE RM-1 DISTRICT (MULTIPLE-FAMILY RESIDENTIAL} TO THE PD DISTRICT (PLANNED DEVELOPMENT}**

**WHEREAS**, the approximately 11.65 acres of real property located south of Eleven Mile Road and west of Pontiac Trail, Parcel No. 21-19-126-002, was previously rezoned from RM-1 (Multiple Family Residential) to PD (Planned Development) and a Preliminary (Stage I) Planned Development Site Plan was approved for a 50-unit site condominium development to be known as Thomasville, but a Final (Stage II) Planned Development Site Plan was not approved, and no construction was undertaken nor any extension of the preliminary approval within one year, consequently, the preliminary plan approval expired and the Property's zoning reverted to RM-1 pursuant to Section 102-391 of the City of South Lyon's Zoning Ordinance;

**WHEREAS**, the owner of the property submitted an application to rezone the Property from RM-1 to Planned Development (PD) and for approval of the Preliminary (Stage I) Planned Development Site Plan for a 50-unit detached single family residential site condominium;

**WHEREAS**, the 50-unit Fieldstone Preliminary (Stage I) Planned Development Site Plan and requested rezoning of the Property (Parcel No. 21-19-126-002), meets the standards contained in Section 102-382 of the City of South Lyon Zoning Ordinance for the Planned Development district;

**WHEREAS**, the rezoning and proposed development will have a beneficial effect, in terms of public health, safety, welfare or convenience, on present and potential surrounding land uses which cannot be achieved under a single zoning district;

**WHEREAS**, the uses proposed will encourage a more efficient use of public utilities and services and lessen the burden on circulation systems, surrounding properties, and the environment and will improve emergency access to adjacent parcels;

**WHEREAS**, the rezoning and proposed development is consistent with the City's Master Plan designation for the Property;

**WHEREAS**, the rezoning is warranted by the design and amenities incorporated in the Preliminary (Stage I) Planned Development Site Plan and based on the shape of parcel, its proximity to the railroad tracks and the existing pond;

**WHEREAS**, the proposed development provides for 50 detached single-family residential site condominium units which is less than the number of units permitted under the Property's



current RM-1 zoning;

**WHEREAS**, the proposed development provides for usable open space;

**WHEREAS**, the proposed development meets the City's off-street parking requirements;

**WHEREAS**, the proposed development provides adequate landscaping and other buffering measures to ensure the proposed uses will be adequately buffered from adjacent uses;

**WHEREAS**, the proposed development provides adequate vehicular and pedestrian circulation and allows for safe, convenient, uncongested and well-defined circulation within and to the Property;

**WHEREAS**, the proposed development reasonably protects and preserves natural and historical features on the Property by preserving open spaces;

#### **THE CITY OF SOUTH LYON ORDAINS:**

**PART I.**     **Amendment of Official Zoning Map.** The Official Zoning Map of the City of South Lyon, incorporated into the South Lyon Zoning Ordinance by Section 102-182, is hereby amended to rezone the Property (Parcel 21-19-126-002) more fully described in the attached Exhibit A (the "Property"), from the RM-1 District (Multiple-Family Residential) to the PD District (Planned Development), subject to the following conditions:

A.     Sections 102-381 through 102-392 of the City of South Lyon Zoning Ordinance pertaining to the PD Planned Development zoning district, as amended, which is part of the City of South Lyon Code of Ordinances, Chapter 102;

B.     The Preliminary (Stage I) Planned Development Site Plan for Fieldstone plans prepared by The Umlor Group plans revised and dated March 18, 2020;

C.     City Council approval of a Final (Stage II) Planned Development Site Plan for Thomasville pursuant to the City's Zoning Ordinance;

D.     City Council approval of a Planned Development Agreement for the Thomasville Site Condominium development;

E.     Any and all conditions of the approvals of the City of South Lyon Planning Commission relating to the Property and Preliminary (Stage I) and Final (Stage II) Planned Development Site Plans for Thomasville, as reflected in the official minutes of May 14, 2020, and documentation of such approvals, including:

Planning Commission **recommends approval** to City Council for the **Preliminary PD Site**

**Plan** for Fieldstone Site Condominiums, as presented in the March 18, 2020 revised site plan submission, with the following conditions:

1. a waiver to allow an average lot area of 5,823 sq. ft.;
2. a waiver to allow a minimum lot width of 50 ft.;
3. a waiver to allow an overall density of 4.3 units per acre;
4. a waiver to allow a side yard setback of 5 feet, totaling a minimum of 10 feet between structures;
5. a waiver to allow a maximum overall building coverage of 30%, as specifically noted in the calculation table and a maximum impervious surface not to exceed 35%;
6. a waiver for a 30-foot rear yard setback with Lots 7, 18, 20, 21 and 22 dropping below 30 feet.;
7. the requirement that the installation of landscape buffering abutting Colonial Acres to be installed at the beginning of the project/construction;
8. brick or stone be required on first-floor and site elevations; facades with 100% siding will not be offered as an option to buyers;
9. the requirement that wainscoting be used on Lots 27 and 28 side elevations;
10. an anti-monotony policy be established as part of the condominium documents;
11. missing landscape calculation and unit data (square footage) be provided in the final site plan submittal; and
12. draft condominium documents to be submitted during final site plan approval.

F. All applicable City Ordinances and design standards.

G. All development, improvements, and use of the Property being subject to and in compliance with the approved Preliminary (Stage I) and Final (Stage II) Planned Development Site Plans for Fieldstone, all other applicable conditions thereon as reflected in the official minutes and documentation and approvals, and the Planned Development Agreement.

**PART II. Severability.** Should any section, subdivision, clause, or phrase of this Ordinance be declared by the courts to be invalid, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated.

**PART III. Savings Clause.** This Ordinance amends the Zoning Ordinance only as specified herein, and the Zoning Ordinance shall remain in full force and effect.

**PART IV. Repealer.** All other Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

**PART V. Publication.** The City Clerk shall publish this Ordinance in the manner required by law and shall publish at the same time, a notice of the adoption of this Ordinance and stating that a copy of the Ordinance is available to the public at the office of the City Clerk for inspection.

**PART VI.**     **Effective Date.** This Ordinance shall become effective on the date provided by applicable law following publication.

EXHIBIT A  
LEGAL DESCRIPTION  
CITY OF SOUTH LYON ORDINANCE

THAT PART OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 19, T. 1 N., R. 7 E., CITY OF SOUTH LYON, OAKLAND COUNTY MICHIGAN MORE FULLY DESCRIBED AS COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 19, THENCE N 89°30'34" W 102.27 FEET ALONG THE NORTH LINE OF SAID SECTION 19 TO THE POINT OF BEGINNING; THENCE S 00°37'38" W 380.75 FEET; THENCE S 87°38'26" W 164.63 FEET; THENCE S 00°29'48" W 40.53 FEET; THENCE S 77°55'48" W 160.32 FEET; THENCE N 89°26'55" W 272.74 FEET; THENCE S 43°24'20" W 173.88 FEET TO THE NORTHEASTERLY LINE OF THE C & O RAILROAD; THENCE N 46°01'24" W 859.35 FEET ALONG THE NORTH LINE OF THE C & O RAILROAD TO THE NORTH LINE OF SECTION 19; THENCE S 89°30'34" E 1336.46 FEET ALONG SAID NORTH SECTION LINE TO THE POINT OF BEGINNING. SUBJECT TO ALL EASEMENTS & ENCUMBRANCES OF RECORD.

Containing 11.635 (Gross)

Containing 10.636 AC (Net Usable- Less R/W)

Parcel Tax Number: 21-19-126-002

**From:** Mike Noles <mnoles@umlorgroup.com>  
**Sent:** Tuesday, June 9, 2020 2:56 PM  
**To:** mcintyre cibplanning.com  
**Cc:** Joe Skore; 'Paul Schyck'; Wes Umlor  
**Subject:** Fieldstone additional requested information  
**Attachments:** 18-235 Soils Investigation.pdf; Fieldstone PD Lot fit analysis 6-9-2020.xlsx; Fieldstone LOT FIT updated with Aspire.xlsx

Good afternoon,

Please find attached the **Fieldstone PD Lot Fit Analysis 6-9-2020** requested by the City Council.

The "**Lot Specific**" tab represents the largest possible house footprint with all the available options that will fit on the lot and maintain the required impervious area (35%) and well as the PD waiver request for Lot Coverage waiver (33% max individual lot, 30% max overall site)

The "**Lot 1, Lot 2, Lot 3....etc.**" tabs show all the possible combination of four homes (Newton, Dalton, Hampton, York) on each lot and their respective coverage ratios. This matrix represents the greatest possible lot coverage, though we are quite certain the actual results will come in under that figure.

Next, attached is the **Fieldstone LOT FIT updated Aspire** , for reference.  
Each time a house or elevation is added the matrix must be updated.

Additionally, I have attached the geotechnical **18-235 Soils Investigation** requested by Council.  
The study includes observations of sub-surface water as well as soils types.

These spreadsheets contain an enormous amount of information.  
They can be overwhelming if the reviewer is unfamiliar with the methodology.  
I would be happy to walk any interested part through how these work, if necessary.

Thank you,

**Michael T. Noles**

*Vice President*



**LAND DEVELOPMENT SERVICES**  
49287 West Road | Wixom, MI | 48393  
mobile: (248) 361-2443  
[mnoles@umlorgroup.com](mailto:mnoles@umlorgroup.com)

June 17, 2020

Planning Commission  
City of South Lyon  
335 S. Warren Street  
South Lyon, MI 48178

Subject: AMENDED and REISSUED Fieldstone Site Condominium, Planned Development (PD) Rezoning and Preliminary PD Site Plan Review

Description of Application:	The applicant is requesting Planned Development (PD) rezoning and Preliminary PD Site Plan approval for the proposed development of a 50-unit single-family residential development on an 11.635 acre parcel.
Site Location:	South side of Eleven Mile, 1/4 mile west of Pontiac Trail
Applicant:	Pulte Homes of Michigan, LLC 100 Bloomfield Hills Parkway, Suite 150 Bloomfield Hills, MI 48304
Current Zoning:	RM-1, Multiple-Family Residential District
Plan Date:	January 23, 2020

Dear Planning Commissioners:

We have reviewed the above Planned Development (PD) Rezoning and Preliminary PD Site Plan request to construct a 50-unit, detached single-family residential site condominium development fronting 11 Mile Road and abutting Colonial Acres (to the east and south). The site is triangular in shape and bordered by 11 Mile Road and single-family residential to the north; the railroad and multiple family condominium units to the east and south. A pond is also located at the northwest corner of the site. This property is currently zoned RM-1 Multiple Family, where if developed as multiple family residential could accommodate up to 154 units (given all other height, bulk, density and area regulations area met).

## BACKGROUND

This parcel has been presented to the Planning Commission a few times over the past several years. Proposals have included single-family condominium units in a Planned Development ranging from a 60-unit, single-story “empty-nester” targeted development, to a 50-unit multiple story/floor plan, family-centric development. The originally approved development (formerly known as Thomasville) was for the empty-nester housing to meet the demand for this type of housing and was a qualifying condition for the PD project. To approve the rezoning of this property to Planned Development, the project must meet Zoning Ordinance standards (Section

102-382). The Planning Commission should determine the qualifying conditions that support the rezoning and waiver of certain zoning ordinance standards.

This application for PD Rezoning and Preliminary PD Site Plan approval has 50 single family condominium units with both single- and multiple-story elevations/floor plans. Much of this proposed plan is similar to the last plan reviewed in 2018/2019, using the same entryway location off of Eleven Mile Road and the same road layout and circulation. The major difference is that the applicant has shown the largest possible footprint for each model- options that may include enclosed sunroom, extended garages, and the resulting lot coverage calculations (should the purchaser choose every option on the model).



#### **CURRENT ZONING REQUIREMENTS**

The RM-1 District allows the development of single-family residential units as a permitted use, provided the dimensional requirements of the R-3 District are met. The R-3 District permits a maximum density of 3.7 units per acre (Section 102-457(n), Notes to Schedule of Regulations) with a minimum lot size of 8,750 square feet. Based upon the total acreage, this means that 43 units would be allowed by right under the R-3 District. Fifty (50) units are proposed. To develop the site as shown, the applicant must utilize the PD, Planned Development Option.

#### **PLANNED DEVELOPMENT (PD) REVIEW AND APPROVAL PROCESS**

A Planned Development is an “overlay zoning” in that the requirements of the underlying district are met. In exchange for community benefits, like increased density and creative use of land, the City may waive certain standards in order to develop the site. The proposed PD, Planned



Development Rezoning and corresponding Preliminary PD Plan approval provide general acceptance of the road layout, unit (lot) sizes, open space, preliminary landscaping, and housing designs. A public hearing is scheduled, as required under the ordinance, for PD Rezoning and Preliminary PD Site Plan review, and the Commission will make a recommendation to City Council on the Rezoning and on the Preliminary Site Plan. If the PD Rezoning, and corresponding Preliminary PD Plan, is approved by City Council, the applicant will return to the Planning Commission for Final PD Plan review and recommendation to City Council. All of the requirements for site plan submissions in Article IV of the zoning ordinance must be complied with at that time.

## **PD, PLANNED DEVELOPMENT REZONING REVIEW STANDARDS**

Section 102-382 of the Zoning Ordinance lists the following standards that must be met for consideration of a Planned Development rezoning request:

- a. The uses proposed will have a beneficial effect, in terms of public health, safety, welfare or convenience or any combination thereof, on present and potential surrounding land uses. The uses proposed will encourage a more efficient use of public utilities and services and lessen the burden on circulation systems, surrounding properties, and the environment. This beneficial effect for the city (not the developer) shall be one which could not be achieved under any other single zoning classification.***

Review Comment: The proposed use will create less density than a multiple family residential development. Correspondingly, with less units, traffic and demands on utilities and public services will be less than required for multiple family. However, the development will be much more compact than originally anticipated. The proposed development *may* increase property values in the surrounding area.

- b. The uses proposed shall be consistent with the master plan of future land use for the city.***

Review Comment: The proposed future land use designation for the site is Suburban Residential, which includes "Planned developments that may contain a mix of suburban and traditional residential."

- c. The zoning is warranted by the design and amenities incorporated in the development proposal.***

Review Comment: Given the unique characteristics of the site (unusual shape, a pond, proximity to a railroad, etc.) a Planned Development is more appropriate than a project developed under RM-1, Multiple-Family Residential zoning regulations. The major concern is whether the narrow roads and driveways will be suitable for larger houses, and the potential for additional vehicles, than the originally-approved empty nester units.

- d. Usable open space shall be provided, at least equal to the total of the minimum usable open space which would be required for each of the component uses of the development. The city may, if deemed appropriate, require for planned developments more or less open space than that required by this chapter.***

Review Comment: Given the challenging shape of the lot and unique characteristics of the site, the open space is provided between the units that back up to one another, thereby preventing the creation of through-lots. The pond at the northwest corner of the site will also be used as a detention basin; some trees along 11 Mile Road will be preserved; and a passive recreation trail is planned around the pond.

- e. Off-street parking sufficient to meet the minimum required by section 102-476 shall be provided and the city may, if deemed appropriate by the city require for planned developments more or less parking than that required by this chapter.***

Review Comment: Under the R-3 zoning designation, single family residential units must provide two (2) parking spaces per unit on the property it serves. Each proposed unit has a garage and driveway meeting this standard. The narrower roads will make it more difficult to accommodate additional vehicles in the future, primarily and visitors.

- f. Landscaping shall be provided so as to ensure that proposed uses will be adequately buffered from one another and from surrounding public and private property. The city may, if deemed appropriate, require for planned unit developments more or less landscaping than that required by this chapter.***

Review Comment: Landscape buffering is to be provided along the south and east property lines, abutting the existing condominium units. Additional landscaping is proposed along the railroad tracks to create a vegetated buffer.

- g. Vehicular and pedestrian circulation, allowing safe, convenient, uncongested and well-defined circulation within and to the district shall be provided.***

Review Comment: Vehicular access to the property will be from 11 Mile Road and meets the above criteria. Sidewalks are also provided within the project, however, there are several locations where a connection needs to be made to create safe pedestrian circulation.

- h. Natural and historical features of the district shall reasonably be protected and preserved.***

Review Comment: The pond and some trees on the northern edge of the property will be preserved under this project.

## **PRELIMINARY PD PLAN REVIEW COMMENTS**

Section 102-131(a) of the City of South Lyon Zoning Ordinance lists the submittal requirements for site plan review. Based on our review of the proposal, discussions with the applicant, and comments received from the Planning Commission during Conceptual Review of the project, we offer the following for your consideration:

1. **Overall Density.** *Section 102-387(b)(1)*, General Design Standards, of the ordinance states that "The maximum permitted residential density for single-family dwelling shall not exceed the density allowed for the area currently zoned single-family as shown on the zoning district map." The current zoning designation for the subject property is RM-1 but the ordinance states that "The standards of the schedule of regulations applicable to the R-3 one-family residential district shall apply as minimum standards when one-family detached dwellings are erected." Footnote (n) for the R-3 District also states that "Single-family detached condominiums in condominium subdivisions shall meet all requirements and standards of the district in which such dwellings are to be constructed, including minimum floor area requirements, and excepting minimum lot size, which shall be so developed that the number of dwelling units per gross acre shall not exceed the following: (4) R-3, 3.7 dwelling units per gross acre." **The applicant is requesting 50 units at a density of 4.7 dwelling units per acre.**

**A waiver will have to be granted to allow an overall density of approximately 4.7 units per acre.**

2. **Area and Bulk.** The proposed site was reviewed in accordance with Section 102-456, Schedule limiting height, bulk, density, and area, as described in the following table:

<b>Standard</b>	<b>Required</b>	<b>Provided</b>	<b>Comments</b>
<b>Unit (Lot) Area</b>	8750 sq. ft.	Average of 5,823 square feet	Does not meet standard <b>A waiver is required by the Planning Commission</b>
<b>Unit (Lot) Width</b>	70 feet	50 feet	Does not meet standard <b>A waiver is required by the Planning Commission</b>
<b>Residential Density</b>	3.7 units/acre max.	5.2 units/acre	Does not meet standard <b>A waiver is required by the Planning Commission</b>
<b>Front Yard Setback</b>	25 feet	25 feet	Meets standard
<b>Side Yard Setback</b>	6 feet minimum one side/total of	5/10	Does not meet standard <b>waiver is required by the Planning Commission</b>

	16 ft. for both		
<b>Rear Yard Setback</b>	35 feet	30 feet (exception to the 30 foot rear yard setback are: Lot 7=25 feet Lot 18=25 feet Lot 20=15 feet Lot 21=15 feet Lot 22=5 feet)	Does not meet standard <b>A waiver is required by the Planning Commission</b>
<b>Building Height</b>	2 stories, 25 feet	2 stories, 25 feet	Meets standard
<b>Building Coverage</b>	25%	30% average Individual lots range from 15.5% to 30.9%	Does not meet standard <b>A waiver is required by the Planning Commission</b>

3. **Units:** The units (lots) range has not been provided. The average size of a unit is 5,823 square feet. The applicant has shown specific models on specific lots to demonstrate that a particular model can be build within the setbacks (with exception of the noted lots).

The proposed lot coverage on some lots exceeds the maximum of 25%. The applicant states that the average lot coverage by buildings is 30% (average). To calculate lot coverage and verify these calculations, the square footage of each unit (lot) should be provided in a table on the plans.

The City recently amended the Zoning Ordinance to permit a maximum lot coverage (of all buildings) not to exceed 25% and an additional 10% for impervious structures (decks, patio, swimming pool).

The Planning Commission may grant a waiver of the lot coverage requirement, but should also consider the number of waivers the applicant is requesting. The proposed reduced unit size allows a higher density than is permitted and given that the applicant is also requesting a waiver for lot width, side yard and rear yard, the Commission should determine if allowing a greater lot coverage will overbuild the units.

**Six (6) dimensional waivers will have to be granted to reduce the density, lot size, lot width, side yard setback, rear yard setback, and lot coverage.**

4. **Overall Layout.** The layout of the proposed development takes into account the surrounding land uses and natural constraints. The streets are designed in a curvilinear pattern to maximize the usable area of the site. The overall layout of the development echoes and complements neighboring residential developments.

**Circulation:** The proposed development is accessed from the paved portion of Eleven Mile and will be a two-way traffic pattern. The roads are 30 feet from back of curb to back of curb. Due to the width of the roadway, on-street parking may be an issue if cars are permitted to park on both sides of the street.

5. **Pedestrian Circulation.** The applicant shows a five (5) foot sidewalk along the interior of the property with the exception of Lots 17, 27, and 28 and the north side of Fieldstone Circle. The proposed sidewalk plan has “gaps” in connection and forces residents to walk on the street to access the walking path. Sidewalks should be installed in the noted locations to provide connection. Additionally, the applicant shows a sidewalk along Eleven Mile, from the east property line and terminating at Lexington Drive. This sidewalk should be continued along Eleven Mile Road to the end of the property
6. **Emergency Access.** The Police and Fire Departments requested the installation of a paved, gated emergency access drive to 11 Mile Road. This has been provided and details for construction and maintenance will have to be provided at the time of Final PD Plan review.
7. **Natural Features.** The existing pond is surrounded (west, south, and east sides) by trees. The landscape plan does not show existing woodlands surrounding the pond, however, shows new plantings. It is not clear if the existing trees will be removed. Existing trees should be shown in addition to any new plantings. The tree removal and replacement tree calculations and general landscape data are not provided and must be shown on the Final PD Site Plan.
8. **Open Space/Park Area.** A pond exists at the northwest corner of the property, as well as open areas between the rears of units on Fieldstone Circle. A walking path is provided around the pond. Specification for benches are included on the site plans, however, their location is not shown. Walking along the path is the only active recreation proposed. The applicant should consider adding other activities.
9. **Preliminary Landscape Plan.** The preliminary landscape plan provides both the required landscaping and street trees. While a buffer zone is not required between the two properties (Fieldstone and Colonial Acres), due to the concerns of Colonial Acres residents, the applicant is providing a six (6) foot vinyl privacy fence along the property line, adjacent to Colonial Acres, as well as narrow evergreen trees (five (5) foot minimum height). We recommend that the minimum size at the time of planting be six (6) feet in height. The plantings and fencing should be installed prior to construction on the development.
10. **Building Elevations.** The use of high-quality building elevations and materials is critical to the successful development of a small lot, single-family project such as this. The applicant is proposing five (5) different floor plans with optional add-on features to each plan. The footprints of each plan are provided, however, the applicant has not provided elevations. Example photos of the York and the Aspire were provided with the project summary. The

photos show brick on the garages and first floor with siding on the second story. The applicant's project summary states that brick is optional on the sides and rear and that options (sunroom, etc.) add more interest and variety to the elevations, eliminating the need for the brick (to break up the rear facades). The Planning Commission should consider requiring that houses constructed without a sunroom or gathering room have brick/stone (or other approved material) on the side and rear elevations.

**The applicant should bring façade plans and material samples to the Planning Commission meeting for review and approval.**

## **RECOMMENDATION**

Based upon the above review, there should be discussion about whether the proposed larger houses would be suitable for this development, which was originally designed for smaller empty-nester units. If the Planning Commission is of the opinion that the proposed project meets the qualifying conditions of the PD, we recommend that the Planning Commission recommend approval to City Council for the PD, Planned Development rezoning and Preliminary PD Site Plan for the Fieldstone development, with:

1. a waiver to allow an average lot area of 5,823 sq. ft.;
2. a waiver to allow a minimum lot width of 50 ft.;
3. a waiver to allow an overall density of 4.3 units per acre;
4. a waiver to allow a side yard setback of 5 feet, totaling a minimum of 10 feet between structures;
5. a waiver for a 30-foot rear yard setback with Lots 7, 18, 20, 21 and 22 dropping below 30 feet.;
6. gaps in the internal sidewalk connection and long Eleven Mile Road be installed;
7. require that the installation of landscape buffering abutting Colonial Acres to be installed at the beginning of the project/construction;
8. brick or stone be required on first-floor side elevations;
9. brick or stone be required on first- floor rear elevations if a sunroom or gathering room is not added to the base model.
10. missing landscape calculation and unit data (square footage) be provided; and
11. draft condominium documents to be submitted during final site plan approval.

If you have any further questions, please contact us at 810-335-3800.

Sincerely,

CIB PLANNING

Kelly McIntyre  
Director of Planning

# **AGENDA NOTE**

**New Business # /**

**MEETING DATE:** June 22, 2020

**PERSON PLACING ITEM ON AGENDA:** City Manager

**AGENDA TOPIC:** Oakland County CARES Act Resolution

**EXPLANATION OF TOPIC:** In order for the City to receive CARES Act funds through the Federal Government and Oakland County, the City will need to adopt the Resolution to Approve the Agreement for CARES Act distribution between Oakland County and the City of South Lyon. These funds are directly related to activities and expenses pertaining to Covid-19.

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:** Resolution and CARES Act Fund Agreement

**POSSIBLE COURSES OF ACTION:** Adopt or not adopt Resolution to Approve the Agreement for CARES Act distribution between Oakland County and the City of South Lyon

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to adopt Resolution to Approve the Agreement for CARES Act distribution between Oakland County and the City of South Lyon.



**CITY OF SOUTH LYON**  
**RESOLUTION TO APPROVE AGREEMENT FOR CARES ACT DISTRIBUTION**  
**BETWEEN OAKLAND COUNTY AND THE CITY OF SOUTH LYON**

**RESOLUTION NO. \_\_\_\_\_**

At a regular meeting of the City Council for the City of South Lyon, Oakland County, Michigan, held via Zoom in accordance with Executive Order 2020-75, on the 22<sup>nd</sup> day of June 2020, at 7:30 p.m.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preamble and resolution was offered by \_\_\_\_\_  
and seconded by \_\_\_\_\_.

**WHEREAS**, the City Charter, Section 11.1, authorizes the City Council to enter into contracts on behalf of the City; and

**WHEREAS**, the Urban Cooperation Act, 1967 PA 7, Ex. Sess., as amended, MCL 124.501 et seq. ("Public Act 7"), authorizes public agencies to enter into intergovernmental agreements in order to jointly exercise any power, privilege, or authority that the agencies share in common and that each might exercise separately; and

**WHEREAS**, the City Council has considered the Agreement for Cares Act Distribution Between Oakland County and the City of South Lyon (the "Agreement") and has decided that it is in the best interests of the City to approve the Agreement.

**NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:**

1. The City Council of the City of South Lyon hereby approves the Agreement, attached hereto as Exhibit A.
2. The Mayor and the City Clerk are hereby authorized to execute any and all documents and take any and all other actions as may be necessary or appropriate in order to effectuate the Agreement, in accordance with the Charter, Section 11.1.
3. The City Clerk shall be responsible for the record keeping, reporting, audit response, and fund return requirements of Section 3 of the Agreement, as necessary.

4. The Agreement shall remain in effect until January 31, 2021, or until cancelled or terminated by either Party pursuant to the terms of the Agreement.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

A vote on the foregoing resolution was taken and was as follows:

ADOPTED.

YEAS: \_\_\_\_\_

NAYS: \_\_\_\_\_

STATE OF MICHIGAN     )  
  )  
COUNTY OF OAKLAND    )

I, Lisa Deaton, City Clerk of the City of South Lyon, hereby certify this to be a true and complete copy of Resolution No. \_\_\_\_\_, duly adopted at a regular meeting of City Council held on the 22<sup>nd</sup> day of June, 2020.

\_\_\_\_\_  
Lisa Deaton  
South Lyon City Clerk

**AGREEMENT FOR CARES ACT DISTRIBUTION BETWEEN  
OAKLAND COUNTY AND  
[Insert Public Body]**

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This Agreement (the "Agreement") is made between Oakland County, a Municipal and Constitutional Corporation, 1200 North Telegraph Road, Pontiac, Michigan 48341 ("County"), and the [Insert Public Body] ("Public Body") [Insert Public Body Address]. County and Public Body may be referred to individually as a "Party" and jointly as "Parties".

**PURPOSE OF AGREEMENT.** County and Public Body enter into this Agreement pursuant to the Urban Cooperation Act of 1967, 1967 Public Act 7, MCL 124.501 *et seq.*, for the purpose of County distributing a portion of its CARES Act funds to Public Body. County has allocated a portion of its CARES Act funds to be distributed to CVTs within Oakland County, which will be used to assist CVTs in meeting certain areas of need caused by the COVID-19 pandemic.

In consideration of the mutual promises, obligations, representations, and assurances in this Agreement, the Parties agree to the following:

1. **DEFINITIONS.** The following words and expressions used throughout this Agreement, whether used in the singular or plural, shall be defined, read, and interpreted as follows:
  - 1.1. **Agreement** means the terms and conditions of this Agreement and any other mutually agreed to written and executed modification, amendment, Exhibit and attachment.
  - 1.2. **Claims** mean any alleged losses, claims, complaints, demands for relief or damages, lawsuits, causes of action, proceedings, judgments, deficiencies, liabilities, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are incurred by or asserted against County or Public Body, or for which County or Public Body may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
  - 1.3. **Confidential Information** means all information and data that County is required or permitted by law to keep confidential, including records of County's security measures, including security plans, security codes and combinations, passwords, keys, and security procedures, to the extent that the records relate to ongoing security of County as well as records or information to protect the security or safety of persons or property, whether public or private, including, but not limited to, building, public works, and public water supply designs relating to ongoing security measures, capabilities and plans for responding to violations of the Michigan Anti-terrorism Act, emergency response plans, risk planning documents, threat assessments and domestic preparedness strategies.
  - 1.4. **County** means Oakland County, a Municipal and Constitutional Corporation, including, but not limited to, all of its departments, divisions, the County Board of Commissioners, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, volunteers, and/or any such persons' successors.
  - 1.5. **Day** means any calendar day beginning at 12:00 a.m. and ending at 11:59 p.m.

- 1.6. **Public Body** means the [Insert Public Body] including, but not limited to, its council, its Board, its departments, its divisions, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, subcontractors, attorneys, volunteers, and/or any such persons' successors.
- 1.7. **Public Body Employee** means any employees, officers, directors, members, managers, trustees, volunteers, attorneys, representatives of Public Body, licensees, concessionaires, contractors, subcontractors, independent contractors, agents, and/or any such persons' successors or predecessors (whether such persons act or acted in their personal, representative or official capacities), and/or any persons acting by, through, under, or in concert with any of the above who use or have access to the Oakland Together CVT funds provided under this Agreement. "Public Body Employee" shall also include any person who was a Public Body Employee at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in that capacity. "Public Body Employee" does not include an individual resident of Public Body who receives an authorized distribution of Oakland Together CVT funds.
- 1.8. **CARES Act funds** means the money distributed to the County by the United States Department of Treasury pursuant to section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act.
- 1.9. **CVTs** means Cities, Villages, and Townships.
- 1.10. **Oakland Together CVT funds** means that portion of the CARES Act funds which the County has allocated to CVTs within Oakland County.
- 1.11. **Expenditure Submission Form** means the form which Public Body must complete and submit to the Office of the County Executive (OCE) prior to any disbursement of Oakland Together CVT funds to Public Body.
- 1.12. **OCE** means the Office of the Oakland County Executive, which includes the Chief Deputy and other Deputy County Executives.
- 1.13. **Oversight Committee** means the committee established by the Oakland County Board of Commissioners in the resolution allocating the Oakland Together CVT funds.
2. **COUNTY RESPONSIBILITIES.**
  - 2.1. OCE will review Public Body's Expenditure Submission Form(s) to determine whether Public Body is eligible to receive a distribution of Oakland Together CVT funds. This determination will be in the OCE's discretion pursuant to the "Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Government" or other guidance issued by the Federal Government. OCE may request any supporting documentation it deems necessary to fully evaluate Public Body's eligibility.
  - 2.2. If OCE determines that Public Body is eligible to receive a distribution, County will distribute the eligible amount to Public Body.
  - 2.3. County is not obligated or required to distribute any Oakland Together CVT funds to Public Body if OCE determines that Public Body is not eligible to receive the funds, or if the amount of Oakland Together CVT funds available are not sufficient to fulfill Public Body's Expenditure Submission Form.
  - 2.4. After November 30, 2020, County will not accept any further Expenditure Submission Forms from Public Body, and County will retain the balance of any Oakland Together CVT funds for which Public Body was originally eligible, but which are not covered by an approved Expenditure Submission Form.

- 2.5. If County retains the balance of Oakland Together CVT funds not covered by an approved Expenditure Submission Form under Section 2.4, County may redistribute any or all of that amount to other eligible CVTs or as otherwise deemed appropriate by OCE.
- 2.6. OCE will work in collaboration with the Oversight Committee in determining Public Body's eligibility for Oakland Together CVT funds, and the amount of said funds to be distributed to Public Body.

### 3. **PUBLIC BODY RESPONSIBILITIES.**

- 3.1. Public Body may be eligible to receive a portion of Oakland Together CVT funds. Public Body shall complete and submit an Expenditure Submission Form to OCE and receive OCE approval prior to the receipt of any Oakland Together CVT funds.
- 3.2. In its first Expenditure Submission Form, Public Body shall only apply for Oakland Together CVT funds to pay for expenditures or programs already made by Public Body, or for funds to pay Public Body's required 25% "cost share" or "local match" required to obtain a FEMA grant.
- 3.3. Public Body shall follow all guidance established by the United States Treasury Department, and the County, when expending Oakland Together CVT funds, including, but not limited to, Section 601(d) of the Social Security Act and the "Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Governments."<sup>1</sup>
- 3.4. Public Body shall not submit an Expenditure Submission Form for any expense which is eligible to be covered by a FEMA (Federal Emergency Management Agency) Public Assistance Reimbursement. Public Body may use Oakland Together CVT funds to pay the required 25% "cost share" or "local match" required to obtain a FEMA grant.
- 3.5. Public Body shall only expend Oakland Together CVT funds to pay for expenses incurred due to the COVID-19 public health emergency, and which expenses were not accounted for in Public Body's most recently approved budget as of March 27, 2020.
- 3.6. Public Body shall only expend Oakland Together CVT funds for expenses incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.
- 3.7. Public Body shall not use Oakland Together CVT funds as revenue replacement.
- 3.8. Public body shall not redistribute Oakland Together CVT funds, except Public Body shall be allowed to provide direct assistance to individual residents of Public Body, and pay vendors and service providers, as permitted by the CARES Act.
- 3.9. Public Body shall not expend Oakland Together CVT funds in any manner that Public Body did not include in a submitted and approved Expenditure Submission Form.
- 3.10. If Public Body receives an amount of funding from the federal or state government to cover expenses for which Public Body received Oakland Together CVT funds, Public Body shall return that amount of Oakland Together CVT funds to County.
- 3.11. Public Body shall keep records of all expenditures of Oakland Together CVT funds sufficient to demonstrate that said expenditures were in accordance with the guidance documents included in Section 3.3 for a period of 10 (ten) years, at a minimum.
- 3.12. Public Body shall produce said records of expenditures upon request by County or OCE, or as required by any future audit of the CARES Act program.

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<sup>1</sup> This document is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

- 3.13. Public Body shall submit records to OCE within 30 (thirty) days after expenditure of Oakland Together CVT funds with a detailed description of how the funds were expended and how the expenditure of funds complied with the CARES Act guidance unless Public Body has already submitted said records with its Expenditure Submission Form.
- 3.14. In the event it is determined by OCE, or any other audit under the CARES Act program, that Public Body expended an amount of Oakland Together CVT funds in violation of the CARES Act requirements or this Agreement, Public Body shall be required to return that amount of money to County.
- 3.15. In any case where Public Body is required to return an amount of money to County under this Agreement, Public Body agrees that unless expressly prohibited by law, County or the Oakland County Treasurer, at their sole option, shall be entitled to set off from any other Public Body funds that are in County's possession for any reason, including but not limited to, the Oakland County Delinquent Tax Revolving Fund ("DTRF"), if applicable. Any setoff or retention of funds by County shall be deemed a voluntary assignment of the amount by Public Body to County. Public Body waives any Claims against County or its Officials for any acts related specifically to County's offsetting or retaining of such amounts. This paragraph shall not limit Public Body's legal right to dispute whether the underlying amount retained by County was actually due and owing under this Agreement.
- 3.16. Nothing in this Section shall operate to limit County's right to pursue or exercise any other legal rights or remedies under this Agreement or at law against Public Body to secure payment of amounts due to County under this Agreement. The remedies in this Section shall be available to County on an ongoing and successive basis if Public Body becomes delinquent in its payment. Notwithstanding any other term and condition in this Agreement, if County pursues any legal action in any court to secure its payment under this Agreement, Public Body agrees to pay all costs and expenses, including attorney fees and court costs, incurred by County in the collection of any amount owed by Public Body.
- 3.17. Public Body shall respond to and be responsible for Freedom of Information Act requests relating to Public Body's records, data, or other information.

#### **4. DURATION OF INTERLOCAL AGREEMENT.**

- 4.1. This Agreement shall be effective when executed by both Parties with resolutions passed by the governing bodies of each Party. The approval and terms of this Agreement shall be entered in the official minutes of the governing bodies of each Party. An executed copy of this Agreement and any amendments shall be filed by the County Clerk with the Secretary of State.
- 4.2. This Agreement shall remain in effect until January 31, 2021, or until cancelled or terminated by any of the Parties pursuant to the terms of the Agreement. Public Body shall comply with the record keeping, reporting, audit response, and fund return requirements of Section 3 after the termination of this Agreement if necessary.

#### **5. ASSURANCES.**

- 5.1. **Responsibility for Claims.** Each Party shall be responsible for any Claims made against that Party by a third party, and for the acts of its employees arising under or related to this Agreement.
- 5.2. **Responsibility for Attorney Fees and Costs.** Except as provided for in Section 3.16, in any Claim that may arise from the performance of this Agreement, each Party shall seek its own

legal representation and bear the costs associated with such representation, including judgments and attorney fees.

- 5.3. **No Indemnification.** Except as otherwise provided for in this Agreement, neither Party shall have any right under this Agreement or under any other legal principle to be indemnified or reimbursed by the other Party or any of its agents in connection with any Claim.
- 5.4. **Costs, Fines, and Fees for Noncompliance.** Public Body shall be solely responsible for all costs, fines and fees associated with any misuse of the Oakland Together CVT funds and/or for noncompliance with this Agreement by Public Body Employees.
- 5.5. **Reservation of Rights.** This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity for either Party.
- 5.6. **Authorization and Completion of Agreement.** The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.
- 5.7. **Compliance with Laws.** Each Party shall comply with all federal, state, and local ordinances, regulations, administrative rules, and requirements applicable to its activities performed under this Agreement.

6. **TERMINATION OR CANCELLATION OF AGREEMENT.**

- 6.1. County may terminate or cancel this Agreement at any time if it determines that Public Body has expended Oakland Together CVT funds in violation of CARES Act requirements or this Agreement. Either OCE or the Board of Commissioners is authorized to terminate this Agreement under this provision. If County terminates or cancels this Agreement, Public Body shall be liable to repay County the amount of money expended in violation of CARES Act requirements or this Agreement. County may utilize the provisions in Sections 3.15 – 3.16 to recoup the amount of money owed to County by Public Body.
- 6.2. Public Body may terminate or cancel this Agreement at any time if it determines that it does not wish to receive any Oakland Together CVT funds. If Public Body terminates or cancels this Agreement, it shall immediately return to County any and all Oakland Together CVT funds it has already received.
- 6.3. If either Party terminates or cancels this agreement they shall provide written notice to the other Party in the manner described in Section 13.

7. **DELEGATION OR ASSIGNMENT.** Neither Party shall delegate or assign any obligations or rights under this Agreement without the prior written consent of the other Party.
8. **NO THIRD-PARTY BENEFICIARIES.** Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right in favor of any other person or entity.
9. **NO IMPLIED WAIVER.** Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement.

No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.

10. **SEVERABILITY**. If a court of competent jurisdiction finds a term or condition of this Agreement to be illegal or invalid, then the term or condition shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.
11. **PRECEDENCE OF DOCUMENTS**. In the event of a conflict between the terms and conditions of any of the documents that comprise this Agreement, the terms in the Agreement shall prevail and take precedence over any allegedly conflicting terms and conditions.
12. **CAPTIONS**. The section and subsection numbers, captions, and any index to such sections and subsections contained in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers, captions, and indexes shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural, any reference to gender, and any use of the nominative, objective or possessive case in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.
13. **NOTICES**. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (i) the date of actual receipt; (ii) the next business day when notice is sent express delivery service or personal delivery; or (iii) three days after mailing first class or certified U.S. mail.
  - 13.1. If Notice is sent to County, it shall be addressed and sent to: Oakland County Executive, 2100 Pontiac Lake Rd., Waterford, MI, 48328, and the Chairperson of the Oakland County Board of Commissioners, 1200 North Telegraph Road, Pontiac, MI, 48341.
  - 13.2. If Notice is sent to Public Body, it shall be addressed to: [insert Public Body Address].
14. **GOVERNING LAW/CONSENT TO JURISDICTION AND VENUE**. This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Agreement shall be brought in the 6th Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above.
15. **SURVIVAL OF TERMS**. The following terms and conditions shall survive and continue in full force beyond the termination or cancellation of this Contract (or any part thereof) until the terms and conditions are fully satisfied or expire by their nature: Definitions (Section 1); Assurances (Section 5); No Third-Party Beneficiaries (Section 8); No Implied Waiver (Section 9); Severability (Section 10); Precedence of Documents (Section 11); Governing Law/Consent to Jurisdiction and Venue (Section 14); Survival of Terms (Section 15); Entire Agreement (Section 16), and the record keeping, reporting, audit compliance, and fund return provisions of Section 3.
16. **ENTIRE AGREEMENT**.
  - 16.1. This Agreement represents the entire agreement and understanding between the Parties regarding the Oakland Together CVT funds. With regard to the Oakland Together CVT funds, this Agreement supersedes all other oral or written agreements between the Parties.



16.2. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

IN WITNESS WHEREOF, [insert name and title of public body official] hereby acknowledges that he/she has been authorized by a resolution of the [insert public body], a certified copy of which is attached, to execute this Agreement on behalf of Public Body and hereby accepts and binds Public Body to the terms and conditions of this Agreement.

EXECUTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
[insert name of official, title, and name of public body]

WITNESSED: \_\_\_\_\_ DATE: \_\_\_\_\_  
[insert name, title]

IN WITNESS WHEREOF, David Woodward, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners to execute this Agreement on behalf of Oakland County, and hereby accepts and binds Oakland County to the terms and conditions of this Agreement.

EXECUTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
David Woodward, Chairperson  
Oakland County Board of Commissioners

WITNESSED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Oakland County Board of Commissioners  
County of Oakland

## **AGENDA NOTE # 2**

**MEETING DATE:** June 22, 2020

**PERSON PLACING ITEM ON AGENDA:** Patricia Tiernan, Finance and Benefit Administrator

**AGENDA TOPIC:** Budget Amendments

**EXPLANATION OF TOPIC:** FYE June 30, 2020 budget amendments totaling \$47,370 for General Fund, \$5,665 for Downtown Development Authority Fund and \$167,582 for Vehicle/Equipment Replacement Fund.

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:** Budget Amendment Explanation for General Fund, Downtown Development Authority Fund, and Vehicle/Equipment Replacement Fund.

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**POSSIBLE COURSES OF ACTION:** Approve/Reject the proposed budget amendments.

**RECOMMENDATION:** Approve the proposed FY 2019-2020 budget amendments for General Fund, Downtown Development Authority Fund, and Vehicle/Equipment Replacement Fund.

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to approve the proposed budget amendments for FYE June 30, 2020.

**Budget Amendment Explanation**  
**FYE June 30, 2020**

**General Fund**

Administrative – Proposed increase of \$37,000 to Planning Consultant account line item (101-200.000-817.000) from \$35,000 to \$72,000. Additional expenses billed and anticipated June expenses for CIB Planning services have increased this line item. Total Department expense budget will increase to \$1,469,497.

Veterans Memorial Project – Proposed increase of \$10,370 to Veterans Memorial Project Installation & Maintenance account line item (101-820.000-883.100) from \$0. The Veterans Memorial Project budget was created after Fiscal Year 2019-2020 commenced. \$10,370 represents the amount of expenses to date for the Memorial's installation and maintenance. Total Department expense budget will increase to \$10,370.

Total appropriation for General Fund will increase \$47,370 to \$6,350,415.

**Downtown Development Authority Fund**

Downtown Development Authority – Proposed increase of \$5,665 to Capital Improvements account line item (280-000.000-970.000) from \$5,000. The \$5,665 increase due to the purchase of 32 - gallon trash containers for downtown South Lyon approved by the DDA Board. Overall, the Downtown Development Authority expense budget will increase to \$56,165 from \$50,500.

Total appropriation for Downtown Development Authority Fund will increase \$5,665 to \$56,165.

**Vehicle/Equipment Replacement Fund**

Vehicle/Equipment Replacement – At the November 12, 2018 Council Meeting, City Council approved the purchase of 2020 Freightliner salt/plow dump truck and equipment for \$167,582. The truck and equipment were ordered, but the City did not take delivery of the outfitted truck until September 3, 2019. Due to delay in delivery, the funding originally approved for the 2018-2019 City budget must be expensed in the current 2019-2020 budget year.

Proposed increase of \$167,582 to 5-yard Dump/Salt Truck account line item (641-000.000-959.500) from 0. Overall, the Vehicle/Equipment Replacement expense budget will increase to \$251,124.

Total appropriation for Vehicle/Equipment Replacement Fund will increase \$167,582 to \$251,124.

<b>101-200 GENERAL FUND OPERATION</b>							
<b>ADMINISTRATION</b>							
		Audited	Proposed	Amended	Proposed	Proposed	Proposed
<b>Expenditure</b>	<b>Description</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
702	Wages/Salaries	340,040	357,654	357,654	<b>353,677</b>	362,519	371,582
715-720	Fringe Benefits	148,076	154,330	154,330	<b>162,620</b>	166,685	170,852
725	OPEB Retiree Health Care Trust				<b>12,600</b>	12,600	12,600
727	Office Supplies	5,134	5,000	5,000	<b>5,000</b>	5,125	5,253
740	Operating Expense	41,963	26,000	26,000	<b>27,000</b>	27,675	28,367
801	Professional Services	424,858	279,100	279,100	<b>279,650</b>	286,641	293,807
802	Contractual Services	114,151	97,983	97,983	<b>108,125</b>	110,828	113,599
807	Auditor	37,800	30,000	30,000	<b>35,000</b>	35,875	36,772
817	Planning Consultant	29,979	35,000	72,000	<b>40,000</b>	41,000	42,025
818	Elections	17,326	12,000	12,000	<b>28,000</b>	28,700	29,418
820	Computers	7,882	21,000	21,000	<b>21,000</b>	21,525	22,063
826	Legal Fees	125,163	130,200	130,200	<b>70,000</b>	71,750	73,544
830	Memberships & Dues	12,197	12,130	12,130	<b>12,780</b>	13,100	13,427
853	Telephone	7,520	8,000	8,000	<b>8,000</b>	8,200	8,405
861	Transportation & Mileage	3,181	8,000	8,000	<b>6,000</b>	6,150	6,304
863	Vehicle Maintenance	1,057					
880	Community Promotions	65,121	94,000	98,000	<b>94,000</b>	96,350	98,759
900	Printing	7,206	7,500	7,500	<b>7,500</b>	7,688	7,880
900-100	Publishing	3,223	15,000	15,000	<b>10,000</b>	10,250	10,506
910	Insurance & Bonds	55,390	55,000	55,000	<b>55,000</b>	56,375	57,784
920	Utilities	23,048	25,000	25,000	<b>25,000</b>	25,625	26,266
931	Building Maintenance	409	2,900	2,900	<b>2,900</b>	2,973	3,047
957	Education/Training	2,540	7,000	7,000	<b>7,000</b>	7,175	7,354
962	Miscellaneous Expense	1,341	1,000	1,000	<b>1,000</b>	1,025	1,051
969-200	Contribution-Solid Waste	18,960	17,700	17,700	<b>18,500</b>	18,963	19,437
969	Contribution-Comm. Schools--SRO	25000					
969-300	Contribution-Comm Schools--A/V Equip.	0	20,000	20,000	<b>0</b>	-	-
971-100	Beautification	10,011	6,000	6,000	<b>6,000</b>	6,150	6,304
974-100	Rental Properties		500	500	<b>0</b>	-	-
977	Equipment Miscellaneous		500	500	<b>500</b>	513	525
	<b>TOTAL</b>	<b>1,528,576</b>	<b>1,428,497</b>	<b>1,469,497</b>	<b>1,396,852</b>	<b>1,431,458</b>	<b>1,466,929</b>
Printed: 6/17/2020							

<b>101-820 GENERAL FUND OPERATION</b>							
<b>Veterans Memorial Project</b>							
			Proposed	Amnded	<b>Proposed</b>	Proposed	Proposed
<b>Expenditure</b>	<b>Description</b>		2019-2020	2019-2020	<b>2020-2021</b>	2021-2022	2022-2023
740	Operating Expense						
801	Professional Services						
802	Contractual Services						
880	Community Promotions						
883.1	Installation & Maint.			10,370			
962	Miscellaneous Expense						
974	Land Improvements				<b>11,000</b>		
	<b>TOTAL</b>		-	10,370	<b>11,000</b>	-	-
Printed:	6/17/2020						

GENERAL FUND OPERATION							
SUMMARY OF EXPENDITURES							
Expenditure	Description	Audited 2018-2019	Proposed 2019-2020	Amended 2019-2020	Proposed 2020-2021	Proposed 2021-2022	Proposed 2022-2023
200	Administration	1,528,576	1,428,497	1,469,497	1,396,852	1,431,458	1,466,929
276	Cemetery	104,202	119,791	119,791	115,124	118,002	120,952
295	Public Transportation	85,289	81,554	81,554	84,270	86,377	88,536
300	Police	2,624,500	2,771,002	2,771,002	2,850,948	2,921,586	2,993,991
335	Fire	529,752	541,333	575,431	915,169	651,909	668,207
346	Ambulance	80	1,580	1,580	4,580	5,080	0
440	Public Works	715,885	916,292	916,292	955,195	977,979	1,001,845
690	Parks & Recreation	152,877	303,626	363,728	297,267	304,698	312,316
732	Historical	23,568	27,795	27,795	36,420	37,331	38,264
800	Cable	3,942	6,325	6,325	8,975	9,199	9,429
802	Cultural Arts	1,265	7,050	7,050	5,800	5,945	6,094
820	Veterans Memorial Project			10,370	11,000		
	<b>Totals</b>	<b>5,769,936</b>	<b>6,204,845</b>	<b>6,350,415</b>	<b>6,681,599</b>	<b>6,549,564</b>	<b>6,706,563</b>
Printed: 6/17/2020							

<b>DOWNTOWN DEVELOPMENT AUTHORITY</b>							
<b>OPERATING FUND</b>							
<b>280</b>							
		Audited	Proposed	Amended	<b>Proposed</b>	Proposed	Proposed
<b>Revenue</b>	<b>Description</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
402	Current Property Taxes (Captured)	41,425	45,933	45,933	<b>48,229</b>	49,435	50,671
570	State Shared Revenues					0	0
664	Interest Income	243	300	300	<b>350</b>	350	350
675-1	Contribution - FM Sponsorship Fees	8,070	12,000	12,000	<b>12,500</b>	12,500	12,500
675-410	Contribution - FM Vendor Fees	8,895	6,500	6,500	<b>8,000</b>	8,000	8,000
675-2	Contribution - Winter Events		4,000	4,000	<b>4,000</b>	4,000	4,000
675-3	Ladies Night Out Sponsorship Fees	1,350	2,500	2,500	<b>3,000</b>	3,000	3,000
698.1	Contrib. Business Directory		500	500	<b>500</b>	500	500
676.101	Transfer In - General Fund			4,000	<b>4,000</b>	4000	4000
	<b>Total Revenues</b>	<b>59,983</b>	<b>71,733</b>	<b>75,733</b>	<b>80,579</b>	<b>81,785</b>	<b>83,021</b>
		Audited	Proposed	Amended	<b>Proposed</b>	Proposed	Proposed
<b>Expenditure</b>	<b>Description</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
969-369	Contribution to Bldg. Auth. TIF Funds	36,685					
702.2	Wages/Salaries	13,502	15,000	15,000	<b>12,500</b>	12,813	13,133
715-20	Fringe Benefits					0	0
740	Operating Expense	3,573	1,000	1,000	<b>1,000</b>	1,025	1,051
740-2	Seasonal Improvements	2,782	7,000	7,000	<b>7,500</b>	7,688	7,880
801	Professional Services		3,000	3,000	<b>3,000</b>	3,075	3,152
880	Community Promotion	11,231	1,000	1,000	<b>2,500</b>	2,563	2,627
880.1	Community Prom. CBD Winter	1,704			<b>2,000</b>	2,050	2,101
880.2	Community Promo. Design		1,000	1,000	<b>2,500</b>	2,563	2,627
880.4	Community Events		8,500	8,500	<b>12,500</b>	12,813	13,133
900	Printing/Publishing	441	4,000	4,000	<b>5,500</b>	5,638	5,778
957	Education & Training	2,121	4,000	4,000	<b>4,500</b>	4,613	4,728
962	Miscellaneous Expense	1,912	1,000	1,000	<b>1,000</b>	1,025	1,051
969.101	Transfer to General Fund					0	0
970	Capital Expenditure		5,000	10,665	<b>5,000</b>	5,125	5,253
	<b>Total Expenditures</b>	<b>73,951</b>	<b>50,500</b>	<b>56,165</b>	<b>59,500</b>	<b>60,988</b>	<b>62,512</b>
	<b>BEGINNING FUND BALANCE</b>	<b>22,562</b>	<b>8,595</b>	<b>8,595</b>	<b>28,163</b>	<b>49,242</b>	<b>70,039</b>
	<b>TOTAL REVENUES</b>	<b>59,983</b>	<b>71,733</b>	<b>75,733</b>	<b>80,579</b>	<b>81,785</b>	<b>83,021</b>
	<b>TOTAL EXPENDITURES</b>	<b>73,951</b>	<b>50,500</b>	<b>56,165</b>	<b>59,500</b>	<b>60,988</b>	<b>62,512</b>
	<b>ENDING FUND BALANCE</b>	<b>8,595</b>	<b>29,828</b>	<b>28,163</b>	<b>49,242</b>	<b>70,039</b>	<b>90,548</b>
Printed: 6/17/2020							

641 VEHICLE/EQUIPMENT REPLACEMENT							
REVENUES							
		Audited	Proposed	Amended	Proposed	Proposed	Proposed
Revenue	Description	2018-2019	2019-2020	2019-2020	2020-2021	2021-2022	2022-2023
664	Interest	3,542	1,600	1,600			-
668-101	Rental General Fund-DPW	10,000	10,000	10,000	10,000	10,250	10,506
668-202	Rental Major Streets	26,500	26,500	26,500	22,000	12,300	12,608
668-203	Rental Local Streets	28,980	28,980	28,980	24,000	12,300	12,608
676-102	Proceeds From Long Term Debt						
676-276	Rental Cemetery	4,600	4,600	4,600			
676-592	Rental Water & Sewer Oper.	71,000	71,000	71,000			
676-690	Rental Parks & Recreation	11,025	11,025	11,025	11,025	11,301	11,583
	Charges for Services						
	<b>TOTAL</b>	155,647	153,705	153,705	67,025	46,151	47,304
	<b>BEGINNING FUND BALANCE</b>	462,042	441,618	441,618	511,781	535,764	538,873
	<b>TOTAL REVENUES</b>	155,647	153,705	153,705	67,025	46,151	47,304
	<b>TOTAL EXPENDITURES</b>	176,071	83,542	251,124	43,042	43,042	-
	<b>ENDING FUND BALANCE</b>	441,618	511,781	344,199	535,764	538,873	586,177
<b>EXPENDITURES</b>							
		Audited	Proposed	Amended	Proposed	Proposed	Proposed
Expenditure	Description	2018-2019	2019-2020	2019-2020	2020-2021	2021-2022	2022-2023
959	Ex-Mark Zero Turn	13,397					
959-100	Leaf Vac/Chipper						
959-400	4 X 4 Truck/Street Sweeper	43,042	43,042	43,042	43,042	43,042	0
959-500	5 yard Dump/Salt Truck			167,582			
959-600	Backhoe	89,449					
959-300	F350 Pickup w/plow		40,500	40,500			
959	F350 1 Ton						
959	Vactor						
959-800	Mowing Equipment						
959-700	4 X 4 Truck	30,183					
	<b>TOTAL</b>	176,071	83,542	251,124	43,042	43,042	-
Printed:	6/17/2020						



# AGENDA NOTE #3

**MEETING DATE:** June 22, 2020

**PERSON PLACING ITEM ON AGENDA:** Patricia Tiernan, Finance and Benefit Administrator

**AGENDA TOPIC:** Establishing an OPEB trust through the MERS Retiree Health Funding Vehicle (RHFV).

**EXPLANATION OF TOPIC:** In compliance with the State of Michigan Corrective Action Plan approved by Council on October 14, 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 qualified trust with investment options. MERS will have fiduciary responsibility for plan compliance, investment oversight and administration. The City will accept fiduciary responsibility for establishing an Investment Policy, asset allocation, contribution remittance and documenting expenditures for reimbursements in compliance with Michigan Public Employee Retirement System Investment Act (PERSIA). There will be a future corresponding adjustment to the City of South Lyon Investment Policy to reflect this additional investment.

**MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:** MERS Retiree Health Funding Vehicle Uniform Resolution, MERS Resolution Establishing Authorized Signatories, MERS RHFV Fact Sheet, MERS 2020 Q1 Investment Summary.

**POSSIBLE COURSES OF ACTION:** Approve/Reject the two proposed resolutions to establish an OPEB trust through the MERS RHFV.

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ 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.

**SUGGESTED MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ to adopt and approve the Resolution Establishing Authorized Signatories for Municipal Employees' Retirement System of Michigan (MERS) Contracts and Service Credit Purchase Approvals.

# MERS Retiree Health Funding Vehicle Uniform Resolution



1134 Municipal Way Lansing, MI 48917 | 800.767.6377 | Fax 517.703.9707

[www.mers-of-mich.com](http://www.mers-of-mich.com)

**WHEREAS**, Section 36(2)(a) of the Municipal Employees' Retirement Act ("MERA"), 1984 PA 427, MCL 38.1536(2)(a), and Section 71(2)(a) of the MERS Plan Document, authorized the Municipal Employees' Retirement Board ("Board") to establish additional programs;

**WHEREAS**, the Board has authorized MERS' establishment of a retiree health funding vehicle ("RHFV"), which a participating municipality or court, or another eligible public employer that constitutes a "municipality" under Section 2(23) of the Municipal Employees' Retirement System ("MERS") Plan Document and Section 2b(2) of MERA, MCL 38.1502b(2) ("Eligible Employer"), may adopt.

**WHEREAS**, the Board has established a governmental trust ("Trust Fund") under Section 115 of the Internal Revenue Code ("IRC") to hold the assets of the RHFV, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS duly-appointed Program Administrator (as defined in the MERS RHFV Plan Document), and is tax-exempt under Section 115 as confirmed by MERS' Private Letter Ruling from the Internal Revenue Service dated January 13, 2004;

**WHEREAS**, the Public Employee Health Care Fund Investment Act, 1999 PA 149, MCL 38.1211 et seq. ("PA 149") allows a public corporation to create a public employee health care fund, and provides for its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries;

**WHEREAS**, a MERS RHFV health care trust fund created under PA 149 constitutes a governmental trust established by an Eligible Employer under IRC Section 115; provided that the PA 149 trust does not accept assets from any defined benefit health account established under IRC Section 401(h);

**WHEREAS**, the Board is the investment fiduciary of the Trust Fund under PA 149 and the Public Employee Retirement System Investment Act ("PERSIA"), 1965 PA 314, MCL 38.1132 et seq., and is responsible for the custody of assets in the Trust Fund, as well as the establishment and monitoring of the investment options that comprise the investment menu among which a participating Eligible Employer of the RHFV may select one or more for the investment of its assets;

**WHEREAS**, each participating Eligible Employer is also a fiduciary of the assets in the RHFV under PA 149, and is responsible for the allocation of its assets by use of the investment options offered within the RHFV investment menu, establishment of an investment policy for its RHFV assets, and compliance with PERSIA.

**WHEREAS**, adoption of this MERS Retiree Health Funding Vehicle Uniform Resolution ("Uniform Resolution") by the Eligible Employer is necessary and required in order that the benefits available under the RHFV may be extended to the Eligible Employer; and

**WHEREAS**, this Uniform Resolution has been approved by the Board under the authority of Section 36(2)(a) of MERA and Section 71(2)(a) of the MERS Plan Document. The RHFV shall not be implemented with respect to any Eligible Employer unless in strict compliance with the terms and conditions of this Uniform Resolution, the RHFV Plan Document, and Trust Agreement.

# MERS Retiree Health Funding Vehicle Uniform Resolution

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of

City of South Lyon

(Municipality name)

6315

(Municipality number)

adopts the MERS Retiree Health Funding Vehicle as provided below,

with an effective date of: 06/01/2020

(MM/DD/YYYY)

for the following covered employees: All retirees eligible for retiree healthcare

(List covered employee groups)

## I. MERS RETIREE HEALTH FUNDING VEHICLE

**CONTRIBUTIONS** shall be made only by the Eligible Employer, remitted to MERS by the Eligible Employer, and credited to the Eligible Employer's account as a bookkeeping entry within the Trust Fund for the RHFV. As this RHFV account is funded solely by the Eligible Employer on a cash or actuarial basis as determined by the Eligible Employer, there is no requirement for an agreement establishing the schedule of contributions. Amounts in an Eligible Employer's RHFV account shall be used to provide or subsidize the provision of health insurance for eligible retirees or their beneficiaries, to provide health benefits as defined by IRC Section 213 and are excludable from income under IRC Sections 105 and 106 as amended from time to time.

**INVESTMENT** of funds accumulated and held in the Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to PERSIA, as provided by Section 76 of the MERS Plan Document, Section 39 of MERA, MCL 38.1539, and PA 149. However, each participating Eligible Employer shall be responsible for the asset allocation of its assets within the RHFV investment menu, in accordance with PERSIA as required by PA 149.

**THE ELIGIBLE EMPLOYER** shall abide by the terms of the RHFV, including the MERS RHFV Plan Document, RHFV Trust Agreement, all investment, administration, and service agreements, and all applicable provisions of the IRC, PERSIA, PA 149 and other law. It is affirmed that no assets from any defined benefit health account established under IRC Section 401(h) shall be transferred to, or accepted by MERS.

**DISTRIBUTIONS** In order to receive a distribution for allowable expenses, an Eligible Employer must complete the applicable form approved by MERS. The Program Administrator shall establish any procedures necessary to process distribution requests and transfer funds within the period set by the Program Administrator.

## II. IMPLEMENTATION DIRECTIONS

- (A) The governing body of the Eligible Employer desires that all assets placed in its RHFV account (as a sub-fund of the pooled Trust Fund) be administered by MERS with respect to maintaining appropriate custody of the assets, and the establishment and monitoring of investment options included in the RHFV investment menu among which options the governing body may select one or more to invest its assets, and shall do so in compliance with PERSIA, PA 149, all applicable provisions of the IRC and other relevant law.
- (B) The RHFV is designed as an IRC Section 115 and PA 149 compliant trust. All assumptions, including the rate of investment return used in any OPEB valuation, are the responsibility of the Eligible Employer. The Eligible Employer acknowledges and affirms its fiduciary responsibility for selecting the investment allocation for its RHFV assets from the options in MERS' RHFV investment menu, and its obligation to comply with all applicable provisions of PERSIA as a co-fiduciary of its RHFV account.

# MERS Retiree Health Funding Vehicle Uniform Resolution

- (C) All allocations must use a whole percentage, and the total percentage of allocated assets must equal 100%.
- (D) The Eligible Employer makes the following initial investment allocation election from MERS' RHFV investment menu:

Portfolios Built for You (Stocks/Bonds)		Funds to Build Your Own Portfolio	
MERS Total Market Portfolio	%	Large Cap Stock Index	%
MERS Global Stock Portfolio (100/0)	%	Mid Cap Stock Index	%
MERS Capital Appreciation Portfolio (80/20)	%	Small Cap Stock Index	%
MERS Established Market Portfolio (60/40)	%	International Stock Index	%
MERS Balanced Income Portfolio (40/60)	%	Emerging Market Stock	%
MERS Capital Preservation Portfolio (20/80)	%	Short-Term Income	%
MERS Diversified Bond Portfolio (0/100)	%		

Please refer to the Fund Summary Sheets for information regarding each investment option, including potential redemption fees, and restrictions ([www.mersofmich.com](http://www.mersofmich.com)).

- (E) Changes in the investment option(s) selected or allocations made in paragraph (D) may be made by the Eligible Employer in writing using the form approved and provided by MERS and submitted to the RHFV Program Administrator or online via the Eligible Employer's online RHFV account. The Eligible Employer chooses the following method to change its investment option(s) and/or allocation (choose only 1):
- ☐ Fund election changes will be made by submitting a completed RHFV Investment Change Form (RH-602) and supporting certified minutes identifying governing body approval.
- ☒ The employer will designate the RHFV Investment Contact in the manner required by MERS to make ongoing fund election changes through the online RHFV account.
- (F) All monies in the RHFV Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of Eligible Employees who shall constitute "qualified persons" who have retired or separated from employment with the Eligible Employer or their beneficiaries, and for any administration expenses. RHFV Trust Fund monies shall not be used for any other purpose and shall not be distributed to the State.
- (G) Participation in and any coverage under the RHFV shall not constitute nor be construed to constitute an "accrued financial benefit" under Article 9, Section 24 of the Michigan Constitution of 1963, nor shall any contribution method for Eligible Employer funding other than "pay as you go" cash funding be required or imposed, and all benefits, rights, and obligations conferred by or arising under the RHFV shall be as provided under this Uniform Resolution and the RHFV Plan Document.
- (H) The Eligible Employer will determine who constitutes an "Eligible Employee" to receive retiree health care benefits subsidized under its RHFV account. The Eligible Employer will provide proof of liability for retiree health care benefits by way of the collective bargaining agreement and/or personnel policy, OPEB valuation, or most recent and active contract with its health insurer.

## **MERS Retiree Health Funding Vehicle Uniform Resolution**

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- (I) The Eligible Employer designates in writing an employer contact person who may request distributions of fund monies for the benefit of the Eligible Employees; makes investment allocations of the Eligible Employer's assets within the RHFV investment menu to the extent authorized in paragraph (D); receive necessary reports, notices, etc. using the MERS Contact Form and this document.
- (J) The Eligible Employer acknowledges its responsibility to create and comply with an investment policy with respect to its RHFV account assets, as required by PA 149.
- (K) It is expressly agreed and understood as an integral and nonseverable part of, extension or continuation of coverage under this Uniform Resolution Adopting MERS Retiree Health Funding Vehicle, that Section 43 of the MERS Plan Document regarding collective bargaining agreements shall not apply to this Uniform Resolution, the RHFV Plan Document, the Trust Agreement, or any administration or interpretation.
- (L) In the event any alteration of the language, terms or conditions stated in this Uniform Resolution is made or occurs under Section 43 of the MERS Plan Document, other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty to administer (or to have administered) the RHFV or its Trust Fund, or to continue administration.

### **III. PLAN TERMINATION**

Plan Termination may occur for any of the following reasons provided for in the RHFV Plan Document: Automatic Termination, Plan Asset Transfer, or Satisfaction of RHFV Liabilities. The Program Administrator shall determine what documentation is necessary to demonstrate termination of any of the above circumstances. After receipt of such documentation, and approval of the termination, the Program Administrator shall supply the Eligible Employer with the necessary forms to complete the termination.

### **IV. EFFECTIVE DATE OF THIS RHFV UNIFORM RESOLUTION**

This Uniform Resolution shall have no legal effect until an executed copy is filed with MERS, and MERS determines that all necessary requirements under Section 71 of the MERS Plan Document, PA 149, this Uniform Resolution, and other relevant laws, have been met. Upon MERS' determination that all necessary documents have been completed (if necessary) and submitted, MERS shall execute this Uniform Resolution and return a copy to the Eligible Employer's designated contact person.

In the event an amendatory resolution or other action by the Eligible Employer is required by MERS, such resolution or action may be deemed effective as of the date of this Uniform Resolution or such action, if agreed to in writing by all of the parties, including, the Program Administrator, if necessary. Section 86 of the MERS Plan Document shall apply to this Uniform Resolution and all acts performed under MERS' authority. The terms and conditions of this Uniform Resolution supersede any prior resolution, and its terms are controlling on the parties.

## MERS Retiree Health Funding Vehicle Uniform Resolution

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This MERS Retiree Health Funding Vehicle Uniform Resolution is hereby adopted and approved

on the \_\_\_\_\_ day of \_\_\_\_\_, 20<sup>20</sup>

by the governing body of

City of South Lyon

\_\_\_\_\_  
(Eligible Employer)

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: \_\_\_\_\_, 20<sup>20</sup>

\_\_\_\_\_  
(Authorized MERS signatory)

# Resolution Establishing Authorized Signatories for MERS Contracts and Service Credit Purchase Approvals



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

This resolution applies to reporting unit(s) # 01 of the participating municipality listed below.

**WHEREAS**, City of South Lyon ("Employer") is a participating municipality with the Municipal Employees' Retirement System of Michigan ("MERS") and has adopted one or more retirement, insurance, investment or other post-employment benefit products administered by MERS;

**WHEREAS**, MERS requires signatures of an authorized representative of the Employer to execute contracts with MERS, the entry of which is authorized by the governing body and permitted under the applicable MERS Plan Document(s);

**WHEREAS**, the Employer wishes to designate certain job position(s), the holder(s) of which may sign MERS' contracts relating to the adoption, amendment and termination of MERS' products, and defined benefit service credit purchase approvals on behalf of Employer to implement decisions and actions of the governing body;

**WHEREAS**, this Resolution is not intended to apply to MERS forms or any other MERS document except as specifically mentioned herein,

Therefore, the Governing Body resolves:

The holders of the following job position(s) are hereby *Authorized Officials* that can sign: (1) MERS Adoption Agreements, Resolutions, Participation Agreements, Administrative Services Agreements, Withdrawal Agreements and any other contracts between MERS and the Employer with respect to Employer's participation in any MERS-administered product and any amendments and addendums thereto, and (2) MERS Defined Benefit service credit purchase approvals:

1. City Manager

Optional additional job positions:

2. Finance & Benefit Administrator

3. \_\_\_\_\_

This Resolution may be revoked in writing or amended by the Governing Body at any time, provided that it will not be effective until such writing or amended Resolution is received by MERS. The Governing Body agrees that MERS may rely upon this Resolution as conferring signing authority upon the holders of the above job position(s) to bind Employer with respect to MERS.

Adopted at a regular/special meeting of the Governing Body on \_\_\_\_\_, 20 20.

Authorized signature (must be currently in a position named above): \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Witness signature: \_\_\_\_\_

Witness name: \_\_\_\_\_

Witness title: \_\_\_\_\_



**Municipal Employees' Retirement System of Michigan**

1134 Municipal Way ♦ Lansing, MI 48917

517.703.9030 ♦ 800.767.2308 ♦ Fax: 517.703.9706

www.mersofmich.com ♦ benefitplancoordinators@mersofmich.com

You will find listed below all the employer contacts and their access that MERS currently has in our system. Please review this information and if there are changes needed, indicate the correct information in the box to the right of the incorrect information listed below. When completed, please email, fax, or mail it to MERS at the above contact information.

**631501 - South Lyon, City of Address Information**

	MERS Current Information	Correct Information
Name of location	Main	
Street	335 S Warren St	
P.O. Box		
City	South Lyon	
State	MI	
Zip	48178-1394	

**631501 - South Lyon, City of Contact Information**





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Primary	MERS Current Information	Correct Information
<b>Name</b>	<b>Zelenak, Paul</b>	
E-mail	manager@southlyonmi.org	pzelenak@southlyonmi.org
Phone (area code and number)	(248) 437-1735	
Fax (area code and number)	(248) 486-0049	
Position title	City Manager	
Relationship role(s)**	Highest Administrative Position, Primary	Add Authorized Signer
Term of Office End		
Contact address(s)	Main	
<b>Finance</b>	<b>MERS Current Information</b>	<b>Correct Information</b>
<b>Name</b>	<b>Tiernan, Patricia</b>	
E-mail	ptiernan@southlyonmi.org	Add Authorized Signer and RHFV Investment Contact
Phone (area code and number)	(248) 437-1735	
Fax (area code and number)	(248) 486-0049	
Position title	TBD	Finance and Benefit Administrator
Relationship role(s)**	Administrative Portal, ePayment, Finance, Human Resources, Reporting Portal	
Contact address(s)	Main	
	<b>MERS Current Information</b>	<b>Correct Information</b>
<b>Name</b>	<b>Pelchat, Daniel</b>	
E-mail	DPelchat@southlyonmi.org	
Phone (area code and number)		
Fax (area code and number)		
Position title	Mayor	
Relationship role(s)**	Highest Board Seat	
Term of Office End		
Contact address(s)	Main	
<b>Additional Contact</b>		

\*\* Valid Relationship roles include the following: Administrative Portal, Annual Valuations, Authorized Contact, Authorized Signer, ePayment, Finance, Human Resources, Quarterly Statement, Primary, RHFV Investment, and Reporting Portal.

\*Please add/update a Highest Board Seat and Highest Administrative Position role (with term date) to receive MERS Special Communications. (Please contact MERS if any assistance is required.)



**Municipal Employees' Retirement System of Michigan**

1134 Municipal Way ♦ Lansing, MI 48917

517.703.9030 ♦ 800.767.2308 ♦ Fax: 517.703.9706

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You will find listed below all the employer contacts and their access that MERS currently has in our system. Please review this information and if there are changes needed, indicate the correct information in the box to the right of the incorrect information listed below. When completed, please email, fax, or mail it to MERS at the above contact information.

Name	
E-mail	
Phone (area code and number)	
Fax (area code and number)	
Position title	
Relationship role(s)**	
Contact address(s)	

**Additional Contact**

Name	
E-mail	
Phone (area code and number)	
Fax (area code and number)	
Position title	
Relationship role(s)**	
Contact address(s)	

**For MERS Internal Use**

☒ DB
 ☐ DC
 ☐ HCSP
 ☐ RHFV
 ☐ ISP
 ☐ GLD
 ☐ 457
 ☐ Hybrid

**Authorization**

MERS is committed to respecting and protecting the privacy of its members, retirees, beneficiaries, and participating employers. For this reason MERS staff will not give out any information on your employees unless they are on this contact form.

MERS uses all the administrative, procedural, physical, and electronic safeguards required to keep your valuable information safe from foreseeable threats and unauthorized use. MERS is constantly working to update and improve these safeguards to better serve you and provide you with security, now and in the future.

MERS collects only the information necessary to administer the system and its benefits for the exclusive benefit of its members, retirees, beneficiaries and participating employers. We are dedicated to protecting personal information from unauthorized use and take every reasonable precaution to safeguard such information. We recommend that you encourage your employees and retirees to review statements and confirmations for accuracy.

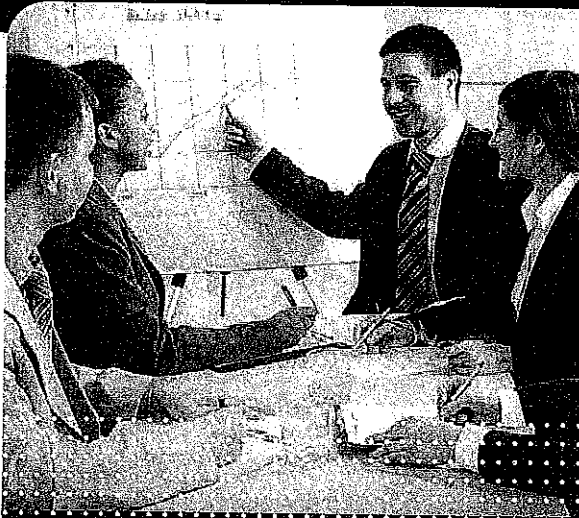
Authorized By: (Signature)	Authorized By: (Print Name)	Date (mm/dd/yyyy)

\*\* Valid Relationship roles include the following: Administrative Portal, Annual Valuations, Authorized Contact, Authorized Signer, ePayment, Finance, Human Resources, Quarterly Statement, Primary, RHFV Investment, and Reporting Portal.

\*Please add/update a Highest Board Seat and Highest Administrative Position role (with term date) to receive MERS Special Communications. (Please contact MERS if any assistance is required.)

## *The MERS Retiree Health Funding Vehicle*

The MERS Retiree Health Funding Vehicle offers you a simple solution to a complex problem: how to establish a qualified medical trust with cost-effective diversified investments. The Retiree Health Funding Vehicle helps employers set aside assets for funding their liability, while benefitting from investing in the available investment options.



### *Pre-funding Your OPEB*

Just as your doctor says about an ounce of prevention, the same holds true for your OPEB liability. By pre-funding your OPEB liability instead of a pay-as-you-go method, you can prepare for the future in the present.

- Assets held in trust are legally protected from creditors and may only be used for OPEB
- By joining the funding vehicle, you are joining a 115 Governmental Integral Part Trust
- We save you the cost, time and effort of forming a trust on your own — we do the work for you!
- You determine the contribution frequency and amount to the Trust
- The Trust has been approved by a Private Letter Ruling from the IRS
- You'll benefit from the strength of our large membership, with cost-effective diversified portfolios
- By pre-funding your OPEB liability through a Trust, you can use a higher discount rate to calculate your unfunded liability. The result is a reduction in the amount reported
- Earnings on assets will reduce your long-term contributions and unfunded liability
- Funding may prevent your net OPEB obligation from becoming a significant liability on your balance sheet
- Funding can contribute to a positive credit rating



**Municipal Employees' Retirement System of Michigan**

1134 Municipal Way • Lansing, MI 48917

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[www.mersofmich.com](http://www.mersofmich.com)

*This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date (as of the date of publication 9/19/16). If this publication conflicts with the relevant provisions of the Plan Document, the Plan Document Controls. MERS, as a governmental plan, is exempted by state and federal law from registration with the SEC. However, it employs registered investment advisors to manage the trust fund in compliance with Michigan Public Employee Retirement System Investment Act. Past Performance is not a guarantee of future returns. Please make independent investment decisions carefully and seek the assistance of independent experts when appropriate.*

FORM 3149 20160919



1134 Municipal Way, Lansing, MI 48917 | 517.703.9030 | 800.767.MERS (6377)

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## Retiree Health Funding Vehicle (RHFV) and Investment Services Program (ISP)

### Performance and Fee Summary

Online users can click on any fund name below for more detailed information.

Fund Name	Returns						Annual Expense		
	Quarter-to-date	Year-to-date	1 yr.	3 yr.	5 yr.	10 yr.	Investment <sup>1</sup>	Admin Fee <sup>2</sup>	Total
<b>Portfolios Built for You (Stocks/Bonds)</b>									
MERS Total Market Portfolio <i>Note: 2.00% charge from amounts withdrawn/ transferred within 90 days of each contribution</i>	-12.42%	-12.42%	-5.75%	1.61%	3.19%	6.01%	0.28%	0.18%	0.46%
MERS Global Stock Portfolio (100/0)	-25.26%	-25.26%	-16.77%	-0.82%	2.09%	--	0.27%	0.18%	0.45%
MERS Capital Appreciation Portfolio (80/20)	-21.53%	-21.53%	13.46%	-0.17%	2.58%	--	0.21%	0.18%	0.39%
MERS Established Market Portfolio (60/40)	-16.49%	-16.49%	-8.65%	1.00%	3.01%	5.56%	0.22%	0.18%	0.40%
MERS Balanced Income Portfolio (40/60)	-11.17%	-11.17%	-3.66%	2.15%	3.33%	--	0.23%	0.18%	0.41%
MERS Capital Preservation Portfolio (20/80)	-6.11%	-6.11%	1.21%	3.26%	3.67%	--	0.21%	0.18%	0.39%
MERS Diversified Bond Portfolio (0/100)	-1.71%	-1.71%	4.31%	3.32%	2.95%	3.83%	0.24%	0.18%	0.42%
<b>Funds to Build Your Own Portfolio</b>									
Large Cap Stock Index	-19.17%	-19.17%	-6.51%	5.30%	6.79%	10.45%	0.05%	0.18%	0.23%
Mid Cap Stock Index	-29.51%	-29.51%	-22.18%	-3.94%	0.76%	7.96%	0.05%	0.18%	0.23%
Small Cap Stock Index	-32.47%	-32.47%	-25.49%	-5.13%	0.57%	--	0.05%	0.18%	0.23%
International Stock Index <sup>3</sup>	-22.32%	-22.32%	-14.14%	-1.79%	-0.72%	--	0.08%	0.18%	0.26%
Emerging Market Stock	-25.00%	-25.00%	20.41%	-5.14%	-0.84%	--	0.29%	0.18%	0.47%
Short-Term Income	2.19%	2.19%	4.74%	2.58%	1.84%	1.31%	0.05%	0.18%	0.23%

<sup>1</sup>**Investment Manager Expense:** This expense is charged by the investment manager(s) for the specified fund in order to invest the program's assets. This expense is calculated into the daily unit share pricing and reflected in the performance.

<sup>2</sup>**Administrative Fee:** This fee accrues during each month and is charged at the end of each month to the account based on the daily average balance. This fee is shown on your quarterly statement as a line-item charge under "Administrative Fee."

<sup>3</sup>Not available for ISP

### Disclaimer

**Returns:** Returns are presented after the Total Annual Operating Expense. Returns for the MERS Retirement Strategies are provided by AllianceBernstein; all other fund return information is provided by Bank of New York Mellon, custodian for the MERS Funds. Returns for periods greater than one year are annualized. Past performance is no guarantee of future results. Current performance may be higher or lower. Funds are subject to investment risk from a number of sources, including the management style of the fund and market volatility. Markets are volatile and can rise or decline significantly in response to company, political, regulatory, market, or economic developments. A fund's total return, like securities prices generally, will fluctuate within a wide range. As a result, you could lose money over short or long periods. Funds are also subject to investment-related risk, which is the chance that returns from companies in which the fund is invested will trail returns from other asset classes or the overall market.

**Fees:** The Total Annual Operating Expense consists of MERS' operating costs, custody and recordkeeping costs, and investment management expenses. The Total Annual Operating Expense includes a Fund Company Rebate, which is a reimbursement from the fund company for services provided by MERS' recordkeeper. For additional information on the MERS IRA, see the MERS IRA Disclosure Statement available on the MERS website.

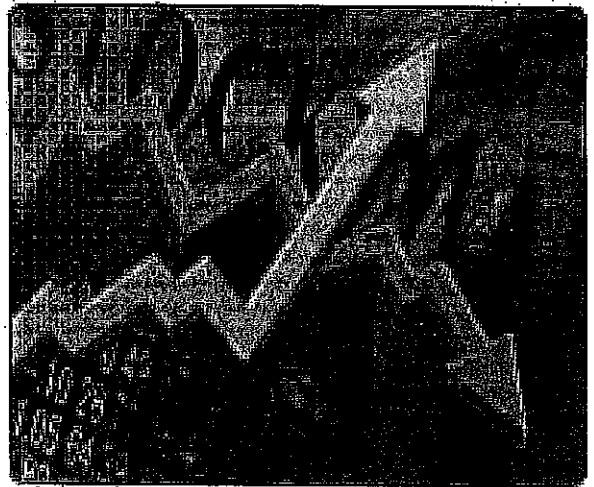
**Diversification:** To help achieve long-term financial security, you should give careful consideration to the benefits of a well-balanced investment portfolio. Diversifying your assets among different asset classes can help you achieve a favorable rate of return while reducing your overall risk of investment loss. This is because market or other economic conditions that cause one asset class (or particular security) to perform well, often cause another asset class (or another particular security) to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be sufficiently diversified. This concern does not apply to the MERS Retirement Strategy portfolios, which are comprised of a diversified mix of securities that automatically adjust and rebalance over time as you approach and continue in retirement. Diversification is not a guarantee against loss, however, it is an effective strategy to help you manage investment risk. This summary is for informational purposes only. You should research all possible investment choices by reading each fund's fund summary sheet. MERS, as a governmental plan, is exempted by state and federal law from registration with the SEC. The MERS Funds consist of a portfolio of assets in a separate account in a collective trust, specifically for MERS Plans. Unlike a mutual fund, only the participants in a MERS Plan can invest in the MERS Funds. It is important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to determine whether your retirement savings will meet your retirement goals. In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone due to various factors including differing financial goals, differing time horizons for meeting those goals, and differing risk tolerance. Investment decisions should be made carefully and in consultation with your personal investment professional.

# **Oakland County**

## **Local Government Investment Pool**

### **The County Treasurer's Commitment to You**

The County's Local Government Investment Pool is committed to providing you an additional Investment Opportunity that is safe, easy to use and has a competitive rate of return.



### **Who do I Contact?**

Andy Meisner, County Treasurer  
Jody Weissier DeFoe, Chief Deputy Treasurer  
Natalie Neph, Investment Administrator  
Sheryl Sutherland, Revenue Collection Specialist

Oakland County Treasurer  
1200 N Telegraph Rd., Department 479  
Pontiac, MI 48341-0479

Telephone Number: (248) 858-0626  
Facsimile Number: (248) 858-1810

**Andy Meisner  
County Treasurer**



## **The Oakland County Local Governmental Investment Pool**

Oakland County's Local Government Investment Pool, formed under the Local Government Investment Pool Act, Act 121 of 1985, is a short-term fund designed for local units located in Oakland County. The Pool complies with all statutory requirements of Michigan Public Act 20 of 1943, as amended.

The fund is intended to fill the gap between your money market needs and your longer-term investments. The fund should be considered a long-term fund and should not replace your money market fund.

The pool is a well-diversified portfolio of high-quality, investment instruments. Holdings in the Pool may include money market funds, certificates of deposit, U.S. Treasury securities, U.S. Government agencies, commercial paper, bankers' acceptances and repurchase agreements.

### **Investment Objective**

It is the policy of the LGIP, pursuant to the Investment Policy of Oakland County, to invest LGIP assets in a manner which will seek the highest investment return consistent with the preservation of principal; to manage the LGIP portfolio to meet the liquidity needs of its participants; to ensure compliance with all Michigan statutes governing the investment of public funds; and to administer the LGIP in a manner which enables localities to comply with generally accepted accounting principles and the Governmental Accounting Standards Board's (GASB) reporting requirements. LGIP is offered exclusively and continuously to Oakland County local units.

The Treasurer of Oakland County and the Investment Unit of the County Treasurer's office serve as investment adviser to the portfolio. The Treasurer and his staff are responsible for the direct management of the investments; the development of cash management policies; forecasting of cash receipts and disbursements; procurement of banking services, and the issuance and management of the County's debt.

The Treasurer's investment staff, subject to approved policies and guidelines issued by the Board of Commissioners, make investment decisions for the portfolio and execute orders for the buying and selling of securities on behalf of the portfolio. The County Treasurer has contracted with a third party safe-keeper to provide Custody services for the portfolio.

The County Treasurer is committed to managing the portfolio in accordance with certain risk limiting provisions which help maintain a stable net asset value (NAV) of \$1.00 per share. Although the LGIP cannot guarantee a \$1.00 share price, this goal is facilitated as follows:

- The LGIP is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31.

- The portfolio securities are valued by the amortized cost method, and on a monthly basis this valuation is compared to current market to monitor any variance.
- At the time of purchase, portfolio securities must have a remaining maturity of three years or less.
- Whenever possible, investments are limited to short-term, high quality credits that can be readily converted into cash with little price variation.

### **Advantages to Participants**

The LGIP offers Oakland County local units investment diversification, liquidity, and professional portfolio management. Through participation in the LGIP, Oakland County local units can take advantage of:

1. **Convenience and Compliance**-Participants own shares of the County's diversified portfolio, which is managed in compliance with Michigan's state statutes.
2. **Cash Management**-Next day liquidity permits flexibility and fine-tuning of cash management needs.
3. **Costs**-All administrative and management fees are deducted from the portfolio earnings prior to distribution of the earnings to participants; therefore, fees are totally transparent to participants.
4. **Statements**-Monthly statements include all transactions, the earnings rate, and the monthly dividend/interest.
5. **Competitiveness**-The LGIP offers a competitive rate of return, which should enhance the rates offered to you on alternative investments.

### **Opening an Account**

Opening an account is simple. Obtain application documents from the County Treasurer's office. Complete them as outlined and return them to the County Treasurer's office. At that point you're ready to participate.

Shares of the investment portfolio are offered on a continuous basis to local units located in the County of Oakland. Requests can be accepted until 1:00 p.m. on the date of investment; however, participants are urged to contact the County on the prior business day whenever practical.

An account must be opened with an initial investment of \$100,000. Subsequent investments or redemption can be made in any amount. A properly completed application indicating all individuals authorized to transact for the account must be received for each account before redemption can be honored.

**Agreement  
Between  
The County of Oakland  
and**

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This Agreement is made between Oakland County, a Michigan Constitutional Corporation, whose address is 1200 N. Telegraph Road, Pontiac, Michigan 48341 ("County") and the

Michigan, \_\_\_\_\_ ("Participant"). In this Agreement, the County and the Participant may be referred to individually as "Party" or jointly as "Parties."

In consideration of the mutual promises, obligations, representations and assurances in this Agreement, the Parties agree as follows:

1. **Purpose of Agreement.** Pursuant to the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 *et seq.*, the Parties enter into this Agreement to place surplus funds into an investment pool which the Oakland County Treasurer ("Treasurer") shall manage, invest, or reinvest the money on behalf of the Participant in the same manner as surplus county funds under 1943 PA 20, MCL 129.91 *et se.* Participation in the Local Government Investment Pool ("LGIP") is offered on a continuous basis to public entities in Oakland County, Michigan.
2. **Terms.**
  - 2.1. **Opening An Account.** Requests can be accepted until 10:00 a.m. on the date of investment; however, participants are urged to contact the County on the prior business day whenever practical. A properly completed application indicating all individuals authorized to transact for the account must be received for each account before redemption can be honored. Applications should be mailed to:  
  
LGIP  
Oakland County Treasurer  
Investments Unit  
1200 N Telegraph Rd. Department 479  
Pontiac, MI 48341-0479
  - 2.2. **Separate Accounts.** Each Participant shall have their funds maintained in a separate account designated by name and number. Each account shall show the deposits, earnings and withdrawals of the Participant.
  - 2.3. **Transaction Size and Investment Term.** An account must be opened with an initial investment of \$100,000. Subsequent transactions are not restricted in size.

Participants are encouraged, however, to consider the cost effectiveness of small transfers. Funds transferred to the LGIP should be considered longer-term funds and should remain in the portfolio for thirty (30) days or more. The LGIP should not be used as a money market type fund.

- 2.4. **Dividends and Distributions.** Net investment income is declared as a dividend to each Participant account. Dividends are accrued throughout the month and automatically reinvested in additional shares on the first day following month end. Participant's share of earnings will be based on their daily average account balance as a percent of all participants in the portfolio.
- 2.5. **How to Invest in the Portfolio.** Investments can be made through any of the following methods:

- 2.5.1. **By Wire:** Funds received by wire are invested for same day credit when the portfolio staff is notified prior to 10:00 a.m. on the date of investment. Investments are made on the assumption that the funds will be received and your account is automatically credited without waiting for the actual receipt of the funds. If unavoidable circumstances prevent the transfer of funds, it will be necessary for the portfolio to deduct the interest accrued for that date from the account's monthly dividend distribution. In the event this is necessary the Participant will always be contacted to discuss the circumstances and a follow up letter outlining the details will be provided. Advise the portfolio staff by 10:00 a.m. of your daily investment transactions by calling (248) 858-0626.

Instruct your bank to wire federal funds in the amount of your investment to:

PNC Bank  
ABA #041000124  
For credit to Account # 4255065437  
Oakland County Transfer Account  
FBO: LGIP - *Your Name*

- 2.5.2. **By Mail:** Checks drawn on your bank account should be made payable to the Oakland County Treasurer and mailed as follow:

LGIP  
Oakland County Treasurer  
Investment Unit  
1200 N Telegraph Rd, Department 479  
Pontiac, MI 48341-0479

Investment by check will delay credit to your account and the anticipated loss in earnings should be compared with the cost of a wire.

- 2.6. **Withdraws from the Portfolio.** Redemption can be made on any U.S. banking day provided that the Federal Wire system is available and that the County is also open. There are no redemption fees or withdrawal penalties; however, the LGIP must have a client authorization form on file before a redemption can be honored. All redemptions are executed by ACH transfer to the pre-established instructions on file



with the LGIP. Withdrawals can be any size up to the public units account balance. Prior day notice of pending withdrawals is required for both the efficient operations of the portfolio and for cost efficient transfers.

A redemption request can be made by either of the following methods:

- 2.6.1. **By E-mail:** Redemption requests by e-mail must be signed by "the Authorized Public Official" as indicated on the official application and must indicate the amount of the redemption, the LGIP account name, and the requested payment date. E-mail redemption requests received by the portfolio staff prior to 4:00 p.m. will be processed the next business day. The LGIP will ACH your redemption to your authorized bank account for credit in Federal Funds. Redemption requests received after 4:00 p.m. will be processed the day following the next business day.

E-mail redemption requests to **Both:** [nephn@oakgov.com](mailto:nephn@oakgov.com) & [sutherlands@oakgov.com](mailto:sutherlands@oakgov.com).

- 2.6.2. **By Letter:** Redemption requests by letter must indicate the amount of the redemption, the LGIP account name, and the requested payment date. Requests must be signed by "the Authorized Public Official" as indicated on the official application. Mail withdrawal requests will be honored the day following the receipt of the written request. Letter redemption requests can be faxed. Faxed letter requests received by the portfolio staff prior to 4:00 p.m. will be processed the next business day.

Fax or mail the request to:

LGIP  
Oakland County Treasurer  
Investment Unit  
1200 N Telegraph Rd., Department 479  
Pontiac, MI 48341-0479

Or by Fax: (248) 858-1810

- 2.7. **Monthly Statements.** Statements are mailed to Participants on a monthly basis. Statements contain the following information:

- 2.7.1. *Average Monthly Yield* is an arithmetic average of the "Daily Yields" for the period.
- 2.7.2. *Effective Yield* assumes reinvestment of the monthly dividend at the current "Average Monthly Yield." It is slightly higher due to the effect of monthly compounding.
- 2.7.3. *Account Balance* reflects the ending balance for your account.
- 2.7.4. *Account Summary (year-to-date)* reflects the accumulated calendar year-to-date dividend paid.

2.7.5. *Account Activity* describes each account transaction during the month.

**2.8. Duties and Powers of the Treasurer:**

- 2.8.1. The Treasurer shall invest the money in the investment pool with the degree of judgment and care, under circumstances then prevailing, that a person of prudence, discretion, and intelligence exercises in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of his or her capital as well as the probable income to be derived from an investment of his or her capital.
- 2.8.2. The Treasurer may use safekeeping depositories for the holding of securities. Security in the form of collateral, surety bond, or another form may be taken for the deposits or investments of an investment pool.
- 2.8.3. If a default occurs in the payment of principal, interest, or other income of an investment of the investment pool, the treasurer may do one (1) or more of the following:
  - 2.8.3.1. Institute a proceeding to collect the matured principal, interest, or other income.
  - 2.8.3.2. Accept a compromise, adjustment, or disposition of the matured principal, interest, or other income as the county treasurer considers advisable for the purpose of protecting the money invested in the investment pool.
  - 2.8.3.3. Accept a compromise or adjustment as to future payments of principal, interest, or other income as the county treasurer considers advisable for the purpose of protecting money invested in the investment pool.
- 2.8.4. An order or warrant shall not be issued upon a Participant's account in an amount greater than the total of the account to which that order or warrant applies. If an order or warrant for an amount greater than the total of the account to which the order or warrant applies is issued and the order or warrant is paid, the county treasurer shall be personally liable under his or her official bond for the overdraft resulting from the payment.

**2.9. Investment Policies.**

- 2.9.1. Assets will be vested in a manner which will seek the highest investment return consistent with the preservation of principal; to manage the LGIP portfolio to meet the daily liquidity needs of participants; to ensure compliance with all Michigan statutes governing the investment of public funds; and to administer the LGIP in a manner which enables Participants to comply with generally accepted accounting principles and the Governmental Accounting Standards Board's (GASB) reporting requirements.

2.9.2. The Treasurer will manage the portfolio in accordance with certain risk limiting provisions which help maintain a stable net asset value (NAV) of \$1.00 per share. Although the LGIP cannot guarantee a \$1.00 share price, this goal is facilitated as follows:

2.9.2.1. The LGIP is managed in accordance with the "2a- 7 like pool" risk limiting requirements of GASB Statement No. 31.

2.9.2.2. The portfolio securities are valued by the amortized cost method, and on a monthly basis this valuation is compared to current market to monitor any variance.

2.9.2.3. At the time of purchase, portfolio securities must have a remaining maturity of three years or less.

2.9.2.4. Whenever possible, investments are limited to short-term, high quality credits that can be readily converted into cash with little price variation.

#### **2.10. Investment Management.**

2.10.1. The Treasurer and the Investment Unit of the Treasurer's office serve as investment adviser to the portfolio. The Treasurer and his staff are responsible for the direct management of the investments; the development of cash management policies; forecasting cash receipts and disbursements; procurement of banking services, and the issuance and management of the County's debt.

2.10.2. The Treasurer's investment staff, subject to approved policies and guidelines issued by the Oakland County Board of Commissioners, make investment decisions for the portfolio and execute orders to buying and selling of securities on behalf of the portfolio. The Treasurer has contracted with JPMorgan Chase Bank, N.A. (which may change from time to time based on the direction of the Treasurer) to provide Custody services for the portfolio.

#### **2.11. Management Fees.**

2.11.1. Pool participants are charged an all-inclusive .037% annual management fee, which is deducted from the earnings prior to distribution to participants. For example, the *annual fee* for each \$1,000 invested in the LGIP is \$0.37. The fee is totally transparent to participants.

2.11.2. The management fee is based on both Direct and indirect costs associated with the operation of the investment pool and therefore, can change from time to time based on changes in those costs.

2.12. **Performance.** The County's portfolio has consistently exceeded its investment objective of providing investors with a high level of current investment income consistent with the constants of its primary objective of preservation of principal. Keep in mind that past performance does not indicate how the portfolio will perform

in the future. The portfolio is subject to several risks such as stock market risk, interest rate risk, credit risk and management risk, all of which could lower investment return.

- 2.13. **Yield Information.** The portfolio yield is available on a daily basis by calling the Treasurer's Investment staff at (248) 858-0626. Yields are quoted net of the management and administration fee.
- 2.13.1. The "Daily Yield" refers to the income generated by your investment on that day, expressed as an annual percentage. Both the Daily Yield and the Average Monthly Yield reflect the same methodology-averaged over the applicable period.
- 2.13.2. The "Effective Yield" assumes that the income earned is reinvested based on the stated period. It is slightly higher due to the effect of monthly compounding.
- 2.14. **Net Asset Value (Nav).** The NAV of the portfolio is determined at the close of each business day. It is calculated by adding the amortized cost value of all portfolio securities and other assets, deducting actual and accrued liabilities, and dividing by the number of units (shares) outstanding.
- 2.15. **Valuation.** The portfolio is valued by the amortized cost valuation technique, which does not take into account unrealized gains and losses. Externally managed pools are permitted to use this method of valuation pursuant to Rule 2a- 7 of the Securities and Exchange Commission; provided, certain risk limiting conditions are met to minimize share price fluctuations. The portfolio adheres to these rules pursuant to its investment guidelines.
- 2.15.1. The amortized cost valuation method values securities at their acquisition cost adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors. While this method provides certainty of valuation, it may result in periods during which values as determined by amortized cost are higher or lower than the price the LGIP would receive if the individual securities were sold. To monitor the extent of any fluctuation, the LGIP portfolio is marked-to-market on a monthly basis and the market-based valuation is compared to the amortized cost valuation.
- 2.16. **Maintenance Of Constant Share Price.** Shares are purchased and redeemed at their NAV which, barring extraordinary circumstances, will maintain the constant price of \$1.00 per share. Management procedures used to facilitate this end include minimizing market and credit risks while maintaining sufficient liquidity through investments in short-term, high quality credits that can readily be converted into cash with limited price variation.
- 2.17. **Safekeeping Policies.**
- 2.17.1. Established safekeeping policies of the portfolio ensure that securities purchased by the Treasurer's office are held in a manner that maximizes the

Treasurer's ability to maintain control over such securities at all times. All deliverable security transactions are conducted as delivery versus payment (DVP); i.e., the custody bank will not release the funds to pay for purchased securities until securities are delivered, regardless of settlement date. Portfolio securities are required to be held in the portfolio's custody account and kept separate from all securities owned by the bank. The ownership and title to such securities remain vested in the Treasurer, the legal custodian of the securities. The Trust Department of J.P. Morgan (current portfolio custodian), holds the portfolio's securities, in custody, if items are deliverable.

- 2.17.2. Repurchase Agreements, if used, are collateralized at 105% with U.S. Treasury and/or federal agency securities. A custodial bank holds the collateralized securities for the portfolio until the agreement(s) matures. Provisions of the repurchase agreement require the securities to be marked to market on a daily basis. At the time of pricing, market value must equal at least 105% of the repurchase agreement principal, plus accrued interest in the case of term repurchase agreements.
- 2.18. **GASB Statement No.3.** Pooled investment funds, like the LGIP, are recognized as an investment type under GASB Statement No.3; which states that if a governmental entity invests in a Pool managed by another government, no disclosure of the individual deposits and investments of the Pool nor disclosure of the credit risk category is required by the participating public entity. These disclosures are provided in the audited financial statements of the County. Investment in the County portfolio (LGIP) should be treated as an investment with a market value equal to the value of the entity's investment. In the case of the LGIP, the value would be the dollar value of the individual participant account value as of the reporting date.
- 2.19. **Audit And Compliance.** The County's external auditor examines the financial statements and the portfolio as of the close of each fiscal year. The external auditor also assesses the accounting principles used and the management of the portfolio and evaluates the overall financial statement presentation. The audited financial statements and the Independent Auditor's Report are available for participant review. The portfolio also presents monthly performance data and portfolio market valuation to the Finance Committee of the Board of Commissioners for their review.
- 2.20. **Change Of Authorization.** The LGIP application permits the "Authorized Public Official" to delegate authority to other individuals to act on their behalf in communicating transaction information to the LGIP. If there is a change in the status of any of the authorized individuals, it is the responsibility of the "Authorized Public Official" to immediately notify the portfolio staff. Maintaining up-to-date records prevents possible delays in transfers and ensures the integrity of the program.
- 2.21. **Closing An Account.** Participants should contact portfolio staff for assistance in closing an account.
  - 2.21.1. You may close your account at any time (except as stated otherwise in this Client Agreement). The same signatures required for making withdrawals are required to close the account.

- 2.21.2. We reserve the right to close your account at any time for any reason. We will try to notify you in advance should this be necessary, but we are not obliged to do so. We also reserve the right to close your account if a zero balance remains for over forty-five (45) days.
- 2.21.3. If we close your account, we will send you a check for your final balance, if any, minus applicable service fees.
- 2.22. **Account Errors and Problem Resolution Procedures.** If you think there has been an error in an electronic transaction, including the wrong amount of cash dispensed, an automatic deposit or a transfer that has not been credited properly, or an incorrect record, contact us as soon as possible. We will investigate and resolve each problem as quickly as possible. As soon as you contact us, we will start our investigation. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.
  - 2.22.1. You have a responsibility to review your account statements in a timely manner and to notify us promptly of any errors. You must notify us in writing within thirty (30) days after we send or make available to you your account statement and accompanying items of any errors, discrepancies, or unauthorized transactions not involving an electronic funds transfer. If you fail to do so, we will not be liable for debits or charges to your account resulting from such errors, discrepancies or lack of authorization.
  - 2.22.2. You also agree that any suit you bring based on an account error, discrepancy, or unauthorized transaction must be brought within one year after the date of the first account statement on which the error, discrepancy, or unauthorized transaction appears.
  - 2.22.3. If, by mistake, funds to which you are not entitled are deposited into your account, we have the right to remove these funds from the account at any time without prior notice to you. If there are insufficient funds in the account to correct the mistake, we may charge your other accounts for the necessary funds.
  - 2.22.4. We must acknowledge your letter within thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the bill was correct.
- 2.23. **Emergency Circumstances.**
  - 2.23.1. The Treasurer can postpone payment of redemption proceeds for up to seven calendar days. In addition, the Treasurer can suspend redemptions and/or postpone payments of redemption proceeds beyond seven calendar days at times when the New York Stock Exchange is closed or during emergency circumstances, as determined by the U.S. Securities and Exchange Commission.
  - 2.23.2. Notwithstanding any other term or provision of this Contract, the County shall not be liable to the Participant for any failure of performance hereunder if such failure is due to any cause beyond the reasonable control of the County and the County cannot reasonably accommodate or mitigate

the effects of any such cause. Such cause shall include, without limitation, acts of God, fire, explosion, vandalism, any law, order, regulation, direction, action, or request of the United States government or of any other government, national emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor difficulties. Reasonable notice shall be given to the Participant of any such event.

- 2.24. **Fraud.** The County will not be responsible for any account losses due to fraud, so long as we reasonably believe that the person transacting business on an account is authorized to do so. Please take precautions to protect yourself from fraud. Keep your account information private, and immediately review any account statements that we send to you. Contact the Treasurer immediately about any transactions you believe to be unauthorized.
- 2.25. **Our Responsibility to You.** If we do not complete a transfer to your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:
- 2.25.1. If, through no fault of ours, you did not have enough money in your account to make the transfer.
  - 2.25.2. If the transfer would have caused you to exceed your available credit.
  - 2.25.3. If circumstances beyond our control, or natural disasters such as fire or flood, prevented the transfer, despite reasonable precautions taken by us.
  - 2.25.4. If we fail to stop payment on an automatic recurring transfer as you requested, but we did not receive your stop payment instructions at least three business days before the transfer was scheduled to be made, or
  - 2.25.5. If through no fault of ours, the money in your account was attached, subject to legal process or was blocked in some other way, or
- 2.26. **Our Right To Refuse Deposits.** We may, at our discretion, refuse to accept funds for deposit to your account for any reason, including but not limited to:
- 2.26.1. Checks with multiple payees or endorsements, if we are unable to verify all signatures.
  - 2.26.2. Checks which we have reason to doubt are collectible.
  - 2.26.3. We will, to the extent practicable, try to facilitate your transaction by the best means available. Your account will not be credited until collection or processing is completed.
- 2.27. **Withdrawal Refusals.** In some instances, we may refuse a request for a withdrawal from an account. The following is a list of the most common reasons we refuse withdrawal requests:
- 2.27.1. If the funds you wish to withdraw are not yet available.
  - 2.27.2. If there are insufficient funds in your account.

**2.28. Legal Process.**

2.28.1. We may comply with any writ of attachment, adverse claim, execution, garnishment, tax, levy, restraining order, subpoena, warrant or other legal process which we believe (correctly or otherwise) to be valid. A fee for processing will be assessed. If we are not fully reimbursed for our record research, photocopying and handling costs by the party which served the process, we may charge such costs to your account, in addition to the minimum legal process fee.

2.28.2. Forfeited Accounts. If your account is seized by or forfeited to the United States government or a state government, you no longer have title to the account, and the funds in it will no longer earn interest, even if the funds are eventually returned to you.

2.28.3. Freedom of Information Act Requests: We will comply with Freedom of Information Act (MCL 15.231 *et. seq*) requests concerning the LGIP.

2.29. **No Employee-Employer Relationship.** Nothing in this Agreement shall be construed as creating an employer-employee relationship between the County (including any of its employees) and the Participant (including any of its employees).

2.30. **No Indemnification.** Each Party shall be responsible for the acts and/or omissions of its employees. Nothing in this Agreement shall be construed as creating an obligation to indemnify or defend the other Party for any claim, damage or liability arising out of or stemming from services provided pursuant to this Agreement.

2.31. **No Third Party Beneficiaries.** Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation and/or any other right in favor of any other person or entity.

2.32. **Reservation of Rights.** This Agreement does not, and is not intended to impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty or immunity of the Parties.

2.33. **Agreement Modifications or Amendments.** Any modifications, amendments, recessions, waivers, or releases to this Agreement must be in writing and agreed to by both Parties.

2.34. **Duration.** This Agreement and any subsequent amendments shall be for a term of two years from the date the Agreement is signed by both parties. Unless the Agreement is terminated, the Agreement will be renewed automatically for successive two-year terms.

2.35. **Termination.**



2.35.1. Either Party may terminate this Agreement upon thirty (30) days written notice to the Other Party. Termination may be for any reason including convenience.

2.35.2. Upon termination the County Treasurer or his Agent shall provide the Participant with all funds belonging to the Participant and a statement of all transactions, the earnings rate, and the dividend/interest from the date of the last statement to the date of termination.

2.36. **Entire Agreement.** This Agreement represents the entire Agreement between the Parties and supercedes all other Agreements between the Parties governing the matters described here. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained here. This Agreement is not effective unless it is authorized by a resolution of the governing body of the Participant and a copy of that resolution is attached to this Agreement.

For \_\_\_\_\_:

\_\_\_\_\_

\_\_\_\_\_ Date

**For the County of Oakland:**

\_\_\_\_\_

Andy Meisner  
Oakland County Treasurer

\_\_\_\_\_ Date

finalcontract ..