

City of South Lyon
Regular City Council Meeting
June 28, 2021

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

Mayor Pelchat led those present in the Pledge of Allegiance

Roll Call: Councilmembers: Dilg joined the meeting from South Lyon MI, Kurtzweil joined the meeting from South Lyon MI, and Kennedy joined the meeting from South Lyon MI, Richards joined the meeting from South Lyon MI, and Kivell joined the meeting from South Lyon MI

Also, present: City Manager Zelenak, Attorney Hamameh, Chief Sovik, Chief Vogel, Finance and Benefit Administrator Tiernan, DDA Director Mack, Superintendent Varney and Clerk/Treasurer Deaton

Absent- Councilmember Walton

CM 6-1-21 MOTION TO EXCUSE ABSENCE

Motion by Kurtzweil, supported by Richards

Motion to excuse Councilmember Walton's absence

VOTE: MOTION CARRIED UNANIMOUSLY

MINUTES

Councilmember Kennedy stated on page 4 the word agreed needs to be added in the last sentence, and the vote count should be changed from 4-3 to 3-3 in the sentence above.

CM 6-2-21 MOTION TO APPROVE MINUTES

Motion by Dilg, supported by Kennedy

Motion to approve minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

CM 6-3-21 MOTION TO APPROVE AGENDA

Motion by Dilg, supported by Kennedy

Motion to approve the agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

CONSENT AGENDA

1. South Lyon Volleyball Boosters Charitable gaming license

2. Resignation of Alex Hansen from ZBA

CM 6-4-21 MOTION TO APPROVE CONSENT AGENDA

Motion by Kurtzweil, supported by Kennedy

Motion to approve the consent agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT- None

DISCUSSION- Downtown

DDA Director Nate Mack stated the Farmers Market have had some issues with the rainy weather the last few weeks which has depressed turnout, but we are hoping for better weather this weekend. He stated Abbey Park was a sponsor of the Farmers Market and they gave away a 50-inch flat screen tv to people that attended the market, then donated the proceeds to Active Faith. He stated people were very excited

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about it and it did get some traction on Facebook, but the weather held people back. He then stated he has been working on organizing a Food Truck Rally on September 3rd, but he has only found one truck with availability, he then asked if anyone has any suggestions, he will keep searching for more. He then stated he met with someone from Oakland Community Development last week, and he gave him a tour of our downtown. We talked about different projects we are working on. The DDA will be meeting next week and they are continuing to work on the electrical charging centers with DTE. He then said the Oakland County Relief Program has come to an end and we were able to assist 6 bars and restaurants with a total of \$40,000 in funds or greenhouses and igloos. It was a great program in the County. Councilmember Dilg stated the tents at the Witches Hat look great. Councilmember Kurtzweil asked if the County has any plans to assist with raising the employment levels with our businesses. Director Mack stated there was no discussion on that, he will reach out. Councilmember Kurtzweil explained that when restaurants are closing early because they can't get employees, and when you go into a restaurant and they have areas marked off closed because they can't get employees, not because of the pandemic, that is a real problem. She asked if there are any incentives that the DDA, the city or the County can do to get people to come to the city to work. She stated she waited 5 hours for a tow truck because there aren't enough tow truck drivers, they have moved out of Michigan. Her car won't be ready for a week because there isn't enough mechanics. We need to find incentives for people to come to the city and work. Councilmember Kennedy stated at the SEMCOG meeting last week, they identified the problem Michigan is going through. He said during the pandemic, they lost approximately 410,000 jobs, and they only expect to get 360,000 back by 2023 and 2024. People have left the work force and the state. It is a challenge state wide.

FIRE CHIEF REPORT

Chief Vogel stated there was some flooding from the storm on Friday and it continued onto today, with the Witches Hat Depot having problems with their alarm because water got into it. He then stated it kept them busy over the weekend. He stated they are rolling out their CPR program and he asks anyone interested to call the Fire Department. Chief Vogel stated they have final numbers and design on the ladder truck, but they found a major flaw. He said they weren't happy with the way the large hose comes off the truck, but we are moving forward and we will have it as an agenda item in July.

POLICE CHIEF REPORT

Chief Sovik congratulated the Girls State Champion Division One Softball Team. He stated they had the opportunity to escort them through town on Thursday and Saturday from the high school to 96. It was a great turnout. He then stated he heard someone is trying to get congratulation signs to put as you come into town which will say 2021 State Champion Division Softball Champs. Chief Sovik stated they have a lot of public contact with our residents. Officer Jacobs was out and spoke with a family, and the young child was pushing the bike, not riding it and his parent said it is because it is bath night so he isn't in a hurry to get home. He then stated on Orchard Ridge, 2 of our officers met Audrey and Ivey and they setup a kool aid stand because they were trying to save up to buy a stuffed animal. Chief Sovik stated according to state law, people can start to have fireworks between tomorrow through July 4th, he stated if anyone has concerns, to please contact the Police Department. He stated the Pumpkinfest will be on the next agenda.

UNFINISHED BUSINESS

1. Charter Amendments

City Manager Zelenak stated Council has previously discussed the potential to make charter amendments to address issues pertaining to quorum requirement, notices of special meetings, nominations and filling vacancies on Council. At the last meeting, Council agreed to look at the 3 charter amendments that will

be discussed tonight. Attorney Hamameh discussed the language that was changed, removed or added by the Assistant Attorney General, she then stated we will still need formal approval from the Attorney's General Office after Council approves the resolution. She then explained most of the amendments are clarifying language that is already in our Charter. She then explained proposal number 2 was approved, but he wanted us to add MCL.15.328 to the language and he won't approve the language unless it was added and there is no harm in it, so it was added. She then explained that this deals with a conflict of interest and contracts between public officials and businesses. She then explained that we added the language about local law or Ordinance, so basically you are excluded from voting on anything where there is a financial interest or on their own conduct. The next part is that on all other questions a councilmember must vote, unless you have consent of the remaining members present. She then reminded Council that a new Council in the future has the ability to amend any Ordinances, so this could be changed in the future. Further discussion was held regarding conflict such as where someone will have a personal conviction and they cannot be an impartial decision maker and, in that case, you don't want someone to vote. Councilmember Kurtzweil stated the statute that the Attorney General is referring to refers to Kwame Kilpatrick, it is basically saying as a public official, you can't be making side deals with people for your own benefit, then as a Councilmember as Council to pay on those contracts. Councilmember Dilg pointed out the word presents, in the charter ballot language should be present. Councilmember Kennedy asked what the deadline is for the ballot language. The deadline is in August, but it is to be determined if we have time for this because we will need the final approval from the Attorney Generals Office and we don't know how long that will take.

CM 6-5-21 MOTION TO APPROVE RESOLUTION APPROVING CHARTER AMENDMENTS

Motion by Kurtzweil, supported by Kivell

Motion to approve resolution approving charter amendment ballot propositions as amended

ROLL CALL VOTE:

Kennedy- Yes

Dilg- Yes

Kivell- Yes

Richards- Yes

Kurtzweil- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

2. Road Improvement Plan Discussion- Bond Counsel

City Manager Zelenak stated this will be our 5th discussion regarding the long-term repair of our roads, including discussing our options with our bond counsel which will include alternative ballot language. He stated this discussion will include the Headlee override, and the potential for bond improvements. Pat McGow of Miller Canfield discussed the two opinion letters that were included with the packet. He stated there are really only 2 options for road improvements. He stated the city cannot vote for an additional Capital Improvement millage for road purposed because of language in the Charter. He stated it authorizes the City up to 20 mills which is the maximum allowed under the home rules city act. He further stated Council allocates and decides how the money will be spent. He further stated one of the two options is to ask the voters for a Headlee override. If approved by the voters, that would mean the city could restore capturing some of the mills up to the original 20. The second option is to ask the voters to ask for a bond proposal. He stated that would be a similar process as in 2002. He stated the Headlee amendment was a constitutional amendment passed in 1978 which was designed to limit the ability of local government to increase revenue from taxes higher than the rate of inflation. He stated each year there is a calculation that determines that with growth in the city and if it exceeds the rate of inflation that year, there is a millage reduction fraction that is applied that limits the amount of the tax that can be levied. He further explained the original 20 mills have been reduced to 15.59 mills due to growth over

time. The city can ask the voters to undo part of that for a number of years. It is effectively a tax increase; however, you can't specify what the mills will be used for in the ballot language. As an example, you can ask the voters to increase it by a number of mills for up to a number of years, but you can't say it would be for road purposes. He then explained the second option which is asking the voters to vote for a bond proposal. He explained if the voters approve the borrowing of a certain dollar amount which will then allow you to raise a millage at whatever level is needed to pay that back. The duration is tied to how long you issue the bonds for. Mr. McGow detailed how the bonds work and how it is a multiyear program, because you can only work on so many roads at a time. He stated the current sewer bond that the city has, is to be paid off in 2025, which would then drop the tax mills down by 3 mills. You could structure the bond mill levy so it will not fully fall on the tax bills until the 3 mills dropped off, which would make it easier on the taxpayers. Councilmember Kivell stated the idea of this being accomplished, it would be something necessary like 12 million dollars in 10 years, which only covers $\frac{1}{4}$ of what we have to accomplish. Is it a simple matter of, we having a series of bonds at the conclusion of the previous bonds, and we are looking at 4 decades of getting the 40 million in road repair finished? Mr. McGow stated some communities do bonds every 20 years. You can't issue bonds over the life of the road improvements. You need to ensure your not paying debt service as the roads are deteriorating again. Councilmember Kivell asked what is the difference between raising a mill or bonding, it is the same community that is funding the money. Mr. McGow stated the difference is the way the tax is authorized. Voting for a millage to pay for a bond is separate than the other category of the city levying mills. That money is only used to pay for the bonds. Councilmember Kivell stated it is odd that one allows you to say what you are generating the mills for, as the bond has the ability to be used for that one project. Councilmember Kennedy clarified that if going the Headlee Override route, we can talk about using the mills for the roads, but that language couldn't be used in the ballot language. Mr. McGow stated that is correct, you can say that could be the current councils wish, but a different council could come in and change that down the line. Councilmember Kennedy stated the bonds can't outlast the life of the roads, and it was discussed at a previous meeting, the milling and overlaying on certain roads, then asked how long would the repairs last. Mr. Darga of HRC stated most roads which would be fixed by a mill and overlay would last 10 years, but we do have money in there for maintenance which would extend their lifetime. Mr. Alix of HRC stated you will still be doing spot repairs and so on. Councilmember Kurtzweil stated the Headlee override seems to have mixed results. Mr. McGow stated renewal questions are more apt to be approved by the voters. A Headlee Override is an additional millage and that is written into the ballot language which makes it a more uphill battle. Councilmember Kurtzweil stated the data is there, it's a mixed bag. It isn't a guarantee, there is more of a risk there than a bond. She then asked if the voters approved the Headlee override of 3 mills could be rolled back due to the rate of inflation. Mr. McGow stated yes, it would be eligible to be rolled back. Further discussion was held regarding Headlee rollback and bonds. Mr. McGow stated the bonding option will get you a certain dollar amount of money when it is needed. The ballot question has to say it is for repaving and reconstruction and it must stay in that fund. Councilmember Richards suggested we put 3 choices on the ballot for road payments. Mr. McGow stated that would be very confusing for the voters, and he suggests only one question should be added. Councilmember Richards stated people know we can't fix the roads in 10 years with a certain dollar amount, but people will be confused anyway. Discussion was held regarding using general fund money for maintenance work on the roads that can be salvageable as of now, due to the fact that bonds can't be used for that, only capital improvement projects. Councilmember Kivell stated when you issue bonds, is the debt obligation established up front, or is it reevaluated each year. Mr. McGow stated you would sell half of bonds authorized and they are sold at a fixed interest rate. The bond service is fixed, and if you go to issuing half the bonds in year 1, and then half in year 3, you won't know what the interest cost is in year three. Mr. McGow stated generally you can't pay off bonds within 10 years, the buyer wants to know the funds will be in the market for a minimum of 9 years. He further stated the rates are

generally low right now, so there are many communities going that route. City Manager Zelenak stated we will only get one chance with this and by doing the proposal with the bond, we can say what we are using the funds for, which would be the roads. He then described the next step in this process which is HRC bringing to Council a cost of what each subdivisions roads will be to repair so Council can see what this will look like over a 10-year period. We will also bring in our financial advisor to look at the different bonding, and costs and terms. He further stated in 3 years, the general obligation bond is going to go away. Council needs to decide if this goes on the ballot for this November Election, or the ballot for next year. He further stated we need to work on educating the public on what needs to be done and how it will get done. Further discussion was held regarding the money we may get money through the rescue dollars will have to be used for water and sewer, it won't be able to be spent on roads. Further discussion was held regarding the timing of having the proposal on the ballot. City Manager Zelenak stated if we don't start working on the roads, they are continually going to get worse. He then stated we will have the plan from HRC at the next meeting for a presentation.

3. Budget amendment- FY2021-2022 and millage resolution

Finance and Benefit Administrator Tiernan stated we need an amendment to the budget due to the presentation of the millage was originally split with the inclusion of the capital improvement mill which we found out should be part of general operation. She stated we are unable to level an additional mill for capital improvement. The overall mill for the city is 15.4938 for the upcoming year. There was no change in expenditures, and no change in the second resolution other than the date. She further stated the main change was the presentation and the overall mills that will be levied as well as what would be assigned to the downtown development authority. There was a little over \$3,000 removed from the DDA revenue budget.

CM 6-6-21 MOTION TO APPROVE THE MILLAGE RATE RESOLUTION

Motion by Kennedy, supported Dilg

Motion to approve the millage rate resolution

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

CM 6-7-21 MOTION TO APPROVE THE BUDGET AMENDMENT RESOLUTION

Motion by Kennedy, supported by Dilg

Motion to approve the budget amendment resolution

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. 2020-2021 Budget Amendments

Finance and Benefit Administrator Tiernan stated she is requesting approval of budget amendments for the fiscal year 2020-2021 budget which will end on June 30th. For that fiscal year, the revenue

amendments totaled \$540,756 which include \$29,300 for the Cemetery Perpetual Care Fund, \$68,472 for the Drug Forfeiture Fund, \$11,873 for the DDA Fund, \$7,830 for the 2003 Sanitary Sewer GO bond Fund which was due to interest rates, \$1,454 for the Capital Improvement Fund and \$54,600 for Equipment Replacement Fund. She stated she is also asking for expenditure budget amendments totaling \$278,598. \$9,859 for General Fund, \$59,332 for Drug Forfeiture and \$59,332 for Water and Sewer Fund. She said she has included the amended budget spreadsheets for Council to review. She said we had more revenue than anticipated due to grant funding due to COVID projects and some had to do with the drug forfeiture funds we received earlier in the fiscal year. Councilmember Richards asked why the DDA has 7 different funds and why the decrease in revenue. Finance and Benefit Administrator Tiernan explained each of those items are accounts within the DDA fund. Each one is what we are requesting changing to so it will be balanced for the end of the year. They are not separate funds, each were approved at the time we did the budget, or were completed during Council meetings with agenda notes because of funds that came in or funds that were spent due to COVID. Some of the changes were due to some events that we weren't able to hold due to the pandemic.

CM 6-8-21 MOTION TO APPROVE BUDGET AMENDMENTS

Motion by Kurtzweil, supported by Kennedy

Motion to approve the proposed fiscal year 2020-2021 budget amendments

ROLL CALL VOTE:

Kivell- Yes

Richards- Yes

Dilg- Yes

Kennedy- Yes

Kurtzweil- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

BUDGET- None

PUBLIC COMMENT- None

MANAGER'S REPORT

City Manager Zelenak stated someone contacted him about an Eagle Scout Project that will entail someone putting in a bicycle repair area on the Rail Trail in McHattie Park. At the next meeting in July, we will be bringing Pumpkinfest before Council for approval as well as additional discussion on the road improvement plan. He further stated we are working with the schools to try to get the final numbers for the equipment in the Council Chambers to improve the broadcast for the public as we come back to meeting in person soon. He then stated there is a vacancy on the ZBA Board if anyone is interested, contact the Clerk's Office. City Hall will be closed on Monday July 5th in observance of the 4th of July holiday. Councilmember Kurtzweil stated there was a headline in the South Lyon Herald that Milford and Lyon Township received a major grant for their bike path and trails of \$175,000. She asked if he knew anything about it. City Manager Zelenak stated he hopes we can receive that grant in the future. Councilmember Kivell asked about 318 W Lake. City Manager Zelenak stated he met with Nate and our planner and they just finished reviewing the information packet they will be putting out, and they are looking at advertising in the local paper as well. He believes people wanting to bid on this property can start getting the packets on August 1st and we are hoping for submission by October. Councilmember Kivell asked if he was able to look into the speed limit on 10 Mile. It appears there have been restriping of parking spaces and such in the walk way and crosswalks which is nice, but will we be looking at this with a broader review, with how close we are in being able to make a case for the justification of the speed limit being 35 mph. City Manager Zelenak stated it looks like within 30 days, he met with the Police Department because one portion of the traffic counts have already been looked at, we are still

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looking at accidents, signage, the crosswalks, the road width, school bus routes and other discussions with the County. Councilmember Kivell asked how much leverage does the County have in the outcome. City Manager Zelenak stated he believes much of it is based on our recommendations, which we need to know what they are, not just the speed limit. We want a comprehensive report, and part of that is meeting with the County officials, as well as looking at why that was changed to begin with. It is an undertaking; it isn't just a review of the speed limit. Councilmember Kivell asked if that corridor is looking at it as a total, or only the downtown area. City Manager Zelenak stated we are looking at how many commercial and residential homes there are. Councilmember Kivell stated MSP have their own criteria but the access point of the item and trying to maintain their neighborhood when everyone else's in subdivisions are 25 mph. The access ratio to the length of this corridor is residential, he hopes someone is taking that into account. He would like that to be one more component if this area deserves to be looked at the same as regular subdivisions. Councilmember Kivell stated he contacts people at City Hall and he often gets an acknowledgement back, but it isn't universal. It seems running a business like the city, when someone reaches out to city hall, it needs to be acknowledged that they are going to look into it and get in touch with them. Councilmember Kennedy asked for an update on the recruiting process to replace the city mechanic. City Manager Zelenak stated Doug went out for additional advertisement, but he isn't sure what has come of it yet. Finance and Benefit Administrator Tiernan stated we have only had one applicant for the position and he is reviewing their qualifications and the background check. Councilmember Kennedy stated he discussed this with Mr. Varney and he was looking at using a different method for advertising. City Manager Zelenak stated in the past we have used the MML but we are now going to try ZipRecruiter. He may have followed up with a different newspaper.

COUNCIL COMMENTS

Councilmember Richards stated the Historic Village was open and it was the 3rd Sunday they were open. We had 18 visitors and some children and it was wonderful. The work is progressing on the gazebo ramp and should be ready for the concerts in the park next month. He then stated he visited the fire hall and got a tour of the rescue truck, but the Chief wasn't there. Mr. Arnold showed him around and he was impressed with the facilities we have. He then stated he stopped by the Farmers Market after the rain stopped and there were 7 or 8 vendors there and they said they did very well. He then stated 110 Detroit has a sign on it saying condemned. He then stated on Saturday he met with 2 representatives from the WRC at the Yerkes Drain at McMunn and they cleaned out some places and he told them he was glad to see them and hoping to see them more in the future. He said if things go well, it will save the city over hundreds of thousands of dollars that will cost to clean the dangerous drain out. He then said the city is going to be responsible for the sink hole at the drain and the tube mill is responsible for the drain in their parking lot. He then said the tube mill will have a shorter shut down, not the full two weeks.

Councilmember Dilg congratulated the Girls South Lyon Softball Team, the game was very exciting to watch and our freshman pitcher got an all American or all state award. They have great team work and they are a great group of girls.

Councilmember Kivell stated they did dominate and it was remarkable. He then said the car show last week was terrific and we caught a break with the weather. They counted 178 cars there and much more foot traffic than the last show. He hopes they have good weather for the rest of the car shows. He then stated things are picking up downtown and it seems we are turning a corner. He further stated his wife works at Michigan Caterpillar and they are also having problems getting mechanics so it may be difficult for us to get a mechanic soon. He then stated he received a phone call from someone from Oakland County Health and Family Services saying there is a promotion going right now where if you get

vaccinated, you can get a \$50.00 gift card before July 1st. Eligible is 12 years and up. You can find the information at www.oaklandcountyvaccine.com or nurse on call at 1-800-848-5533.

Councilmember Kennedy recognized the generosity of the Lake Street Cruise-in organization for donating \$1,000 to the South Lyon Educational Foundation or SLEF. The Foundation works to provide additional resources for the students and staff throughout the South Lyon Community School district. Their membership includes parents, teachers and community leaders. The donations they receive help fund grants, scholarships and other exciting ideas in education for the students in our community. Councilmember Kennedy stated if you would like to show your support for the South Lyon Educational Foundation, just as the Lake Street Cruise-in did, please visit their website at slefoundation.org. There you can purchase bumper stickers, South Lyon umbrellas and other materials to help support their efforts or just make a donation, he then asked people to consider supporting the South Lyon Educational Foundation.

Councilmember Kurtzweil stated she went to an estate sale in the City on Friday held by “Bring Me Home Estate Sales”. While she was there, she met a volunteer named Violet Barbet and she is an incredible lady at 101 years old. She has never met anyone that age. She was a pleasure to speak with and she asked how she got to that age, looking that good. She then stated Ms. Barbet told her she eats whatever she wants, no specific diet, she has had no traffic tickets, or accidents, she hears great, she wears glasses, but she has good eyesight, and she stopped driving when she was 98 years old. Councilmember Kurtzweil stated she didn’t quit driving at 98 because of her age, but because her car wore out. She has stayed active her whole life and there she was helping her family out. She then stated it would be nice if she was a grand marshal in the Pumpkinfest parade this fall. She further stated she was a great inspiration and wants to send out warm wishes and blessings to her and her family. She stated while she was there, the woman next door was Phyllis who retired from the city. She is doing good and she gave her a garden tour which was beautiful. She then stated she wanted to thank our retirees because they could go anywhere but when they retire from here and stay in the city it shows it is worth staying around.

Mayor Pelchat stated the American Legion is having their golf outing at Rolling Meadows on July 24th which is great because in the past this conflicted with the car show but this year it won’t. He stated if anyone is interested to contact him for information. He congratulated the Girls Softball Team and it has been brought up to him that at some point we will have to honor them in some way. He then stated the Girls Golf Team won last year as well. He then stated he hopes we can get the congratulation signs in our community for them as well.

ADJOURNMENT

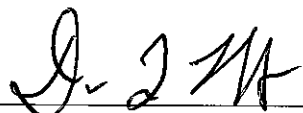
CM 6-9-21 MOTION TO ADJOURN

Motion by Kurtzweil to adjourn the meeting at 9:42 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,



Dan Pelchat, Mayor



Lisa Deaton, Clerk/Treasurer