

City of South Lyon
Regular Council Meeting
July 27,2020

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

Present: Mayor Pelchat, Councilmembers Dilg, Kennedy, Kivell, Kurtzweil, Richards and Walton

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

MINUTES- JULY 13 2020

Councilmember Kennedy stated the word stated needs to be removed on page 3, in the 5th line down.

CM 7-1-20 MOTION TO APPROVE MINUTES

Motion by Kivell, supported by Kennedy

Motion to approve the minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

CM 7-2-20 MOTION TO APPROVE THE AGENDA

Motion by Kennedy, supported by Walton

Motion to approve the agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT- None

DISCUSSION- Downtown

Nate Mack, the Downtown Director stated they posted on Facebook the results of the support downtown campaign and it reached nearly 2,000 people and 93 likes which is many more than they normally get. Mr. Mack stated he has been reaching out to businesses to let them know about state and county wide grants that are available. He stated they have decided to waive the \$50.00 fee for the outside café seating, but they are still asking people to fill out the application and return it to City Hall. He stated he has also delivered 15-20 more of the Oakland County re-opening kits to businesses and he also delivered some to businesses outside of the downtown. He then stated the Farmers Market was able to get a cash sponsorship from Wonder Jump as opposed to the bounce houses as they have done in the past. We have received the shop and dine local flags that will be put up around town in the next week or so. We have been working with the Chamber and the Township as well to get people to shop and dine local. Mr. Mack stated the guides have been placed at the banner poles in town. He then stated the Cool Yule Committee met to discuss this years Cool Yule. Councilmember Dilg asked if the commission made a decision. Mr. Mack stated it will most likely be cancelled due but they are looking at other things people can do to celebrate the season. Councilmember Dilg stated she thought it was already discussed that the City was going to waive the fees for the outside seating permit. Councilmember Kivell stated he doesn't want people to think we were just charging that for no reason, there are costs involved when issuing the permit such as for our planner to review, the building department to review as well as the Fire Chief.

7-27-2020

FIRE CHIEF REPORT

Chief Vogel stated Chief Weir has been cleared to come back to work on August 10th. Chief Vogel stated it was brought to his attention that the tornado siren in the city's parking lot has been damaged. He has spoken with the County to see whose responsibility it is. Apparently when it was installed, the City paid 75% and the County paid 25%, but then the County takes over all the maintenance. He stated as of now, we will find out Saturday when they test it if it works or not. He stated the County is going to cover the damage, but asked us to assist with finding out who did the damage. Chief Vogel stated there doesn't appear to be any cameras in that area, and the contractors at the old RCA building said they didn't do the damage.

POLICE CHIEF REPORT

Chief Sovik thanked Chief Vogel and our Finance and Benefit Administrator Tiernan for helping with the first responder hazard pay program. He stated the portable speed limit radar was on 9 Mile and there were 28,000 cars that passed it, 34 MPH was the average speed, and top speed was 51 MPH. Chief Sovik stated they will have an update on the new phone system that they are requesting at the next meeting. Chief Sovik thanked Finance and Benefit Administrator Tiernan for all her assistance with running numbers and getting statistics for the POLC and POAM negotiations. Councilmember Dilg stated she spoke with a downtown business owner and they told her that Chief Sovik is one of the best leaders in our community, he is real, rational, motivated and a real asset to our community, and every single interaction with him has been professional, prompt and flat out pleasant. They hope he will be our Police Chief for many years to come. Chief Sovik thanked her for sharing that and it is a team effort and our guys feel the same way about our community.

PRESENTATION- Water/Sewer Rate Analysis

Brian Camiller of Plante Moran showed a brief PowerPoint presentation. He stated he was originally here with two options for the water and sewer rate model. At that time, Council requested a third option which is what he is showing everyone tonight. The third option is basically in the middle of option one and two. He stated rates must generate enough cash flow to cover the day to day costs of operating the plants. He stated based on the recommendations by the city's engineers, there are some significant capital outlay in the near future for the water and sewer systems. The existing rates and cash on hand are not sufficient to pay for the necessary improvements. He stated they built a 10-year model and over the course of the 10-year projection, the City is paying for capital improvements over a long enough period of time that the cost of the improvements will be borne by customers of the system that benefit from the improvements. That will ensure the City is able to make the improvements without having to go out for a bond. Mr. Camiller explained there is not a single right way to set rates. He stated the model suggests using a change to the methodology the city has utilized. A higher fixed fee which is called a readiness to serve charge and a variable rate for each unit of water used, as opposed to a minimum usage charge. Mr. Camiller further explained the rate model. This is an industry standard practice. He stated the City has a choice, the readiness to serve could be zero, or 100% ready to serve charge. The City stated with the 18% recouplement. He further stated this should be looked at every year. He stated in years 2-10 and the capital lists of projects doesn't change too terribly. He stated the rates won't fluctuate too much because we are smoothing the increase out. In year one there is a larger change, and some customers will see a slight decrease, and other an increase. After that rates will change the same for everyone and everyone will see a rate increase. Mr. Camiller stated the low volume residential customer under option 1, they had an 18% increase. Option 2 reflects a 25% increase, and option 3 reflects an increase of approximately 5%. He then stated the residential increase for the high-volume user, or for example, a family of four under option 1 reflects a 19% increase, option 2 a 28% increase and option 3 a 24% increase. The high-volume commercial user will see

a less severe increase, but they are paying much more than a residential address. He stated the 2" meter pays a ready to serve charge higher than the residential customers. He then stated a low volume commercial such as a restaurant reflect, they are hit harder the first year, then future years would be 5% or 6%. He then stated the rate model provides the City with enough capital to make improvements and you don't have to go out for a bond. He stated the City needs to decide what rate increase you want to pass and direct them to move forward with which option and they will publish it for the City, then the City will have to update the software. Councilmember Kivell stated he is leaning toward the 18% but his concern is the RTS code for the high-volume user spending \$62 or \$68 dollar for their meter. He stated it doesn't seem remotely close. Mr. Camiller stated the residential customer uses the smaller meters so their ready to service charge is smaller. Councilmember Kivell stated giving the high-volume commercial user a meter increase that large seems unfair. Mr. Camiller stated most communities use something like this model, the difference is what they want to recoup with their fixed charges, everyone is different with the RTS charge. Councilmember Kivell stated not knowing the general side of a residential usage rate versus a commercial rate concerns him. Councilmember Kennedy thanked Mr. Camiller for putting together the 3rd option. He then stated he is inclined to go with that option as well. He stated it treats the basic users most favorably. He then stated we have 300 business in the City and about 3,300 residences without looking at the usage it seems the majority of the usage would be from residential just be looking at the number of buildings in the City. Councilmember Kurtzweil stated she likes the numbers with option 3. She asked if the rate would be lowered when the bond is paid off. Mr. Camiller stated he doesn't know if the bond will be paid off in the next 10 years, but it doesn't correspond to a drop in the rates because they have smoothed out the entire 10 years. We want to have an even smooth increase every year versus raising and dropping it every year, it becomes chaotic and the marketplace doesn't like it. He further stated it all evens out. Mr. Camiller stated the rate increase on the commodity will go up every year and the RTS as well based on the operation costs. Councilmember Kurtzweil stated smoothing to her is saying this is what we will need over the next 10 years and we will average that so that each year you are paying the same amount whether you do or do not use a lot of water. Mr. Camiller stated it is a smooth increase each year. Councilmember Kurtzweil thanked him for clearing that up. City Manager Zelenak stated we are asking Council for direction so Plante Moran can go ahead and finalize the report, publish the report, then it will be reviewed for Council to make a final decision on the rate increase. Councilmember Kurtzweil stated we have 2 dates for implementation and she suggests we don't add the increase until later in the year, because the dollar increase on the high volume user is about \$500.00 increase because we have many businesses that are struggling and some businesses are not even open, yet they still have to pay utilities. Councilmember Dilg stated she agrees because we need to have time to communicate it to our residents and businesses so they can understand why we need to do this. Councilmember Kennedy stated he agrees that he would rather see the rate increase at the end of the year. City Manager Zelenak stated if Council concurs with the 18% Plante Moran will write the report, publish it and then it will be brought back to Council for approval and to discuss how to educate the public on why the rate increase needs to be done. He further stated this can be looked at each year with the annual review at budget time. Council agreed to move forward with the option 3, the 18% plan.

OLD BUSINESS

1. Amendment to resolution approving commercial rehabilitation exemption certificate application for 1855 Holdings, LLC at 135 E. Lake St

Attorney Hamameh stated the exemption certificate has already been approved. She explained this is amending the original resolution that was based on the State form that had optional language that the statute doesn't require therefore we removed that language. When the resolution was sent to the State, it was sent back to the City stating that they do require that language. She stated the required language that was added

to the amended resolution is Whereas, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property previously exempt and currently in force under Public Act 210 of 2005 (exceeds/does not exceed” 5% of the total taxable value of the governmental unit and whereas exceeding 5% will not have the effect of substantially impeding the operation of the governmental unit or of impairing the financial soundness of an affected taxing unit, and it has a notation that This statement is required on every resolution, however the statement is not required unless your answer to the statement is yes it does exceed 5%. If the answer is no, you may remove the statement from the resolution altogether.

CM 7-3-20 MOTION TO APPROVE RESOLUTION 02-20

Motion by Walton, supported by Kennedy

Motion to approve the amendment to the resolution approving commercial rehabilitation exemption certificate application for 1855 Holdings, LLC at 135 E Lake

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

2. Resolution approving proposed charter amendment ballot proposition

Attorney Hamameh stated we have been discussing ballot amendments for the Charter. Council decided we are going to make every effort on the November 2020 ballot. She stated the format is what is required for the Attorney Generals office. The AG’s Office as informally approved the language. She stated if Council approves the resolution this evening, we can get the information to the State tomorrow and we should have time for it to be approved before the deadline. She stated we are hopeful we will have the approval of the Governor’s Office and the Attorney General’s office by the next Council Meeting on August 10th. She further stated we will bring this back to Council if we haven’t gotten approval and Council can decide if they want to move forward with it anyway.

CM 7-4-20 MOTION TO APPROVE RESOLUTION

Motion by Kennedy, supported Dilg

Motion to approve the resolution approving proposed charter amendment ballot proposition

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Plante Moran professional service agreement- Audit engagement

City Manager Zelenak stated Plante Moran has for the last years provided the City with an audit of our financial statements. He stated the agreement and engagement letter will provide an audit of the city’s financial statements as of the year ending June 30, 2020. The fees range from \$58,000 to \$63,000 which is consistent with the prior years fee range and takes into economic uncertainty for the City due to the recent pandemic. The fees will be billed accordingly to several city funds audit line item (807) based upon

distribution of work. Councilmember Kurtzweil asked the City Attorney if the release and hold harmless and portion of the agreement is more common now. Attorney Hamameh stated it is more common in everything such as waivers going into participation agreements.

CM 7-5-20 MOTION TO APPROVE THE PROFESSIONAL SVC AGREEMENT

Motion by Kivell, supported by Walton

Motion to approve Professional Services Agreement- Audit Engagement Letter with Plante Moran for an amount not to exceed \$63,000

ROLL CALL VOTE:

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

2. Fire Department- rescue truck body replacement

Chief Vogel stated we have a vehicle that is becoming more utilized on a daily basis and there isn't enough space. He stated he got a quote about a year ago, however due to timing and Covid costs, there is a slight increase. We are now at \$68,945.00. He stated we were able to save some money in the budget so this should affect his budget. Councilmember Kennedy complimented Chief Vogel on the thoroughness of the specifics of what he wants so he will get exactly what he needs. Councilmember Kivell stated this is a beautifully written spec, and this will be a benefit to our department.

CM 7-6-20 MOTION TO APPROVE PURCHASE

Motion by Kennedy, supported by Walton

Motion to approve the installation of a poly body on our supplied Ford F-350 chassis for a cost of \$68,945.00 to CSI from account 110-335-978

ROLL CALL VOTE:

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

MOTION CARRIED UNANIMOUSLY

3. First responder hazard pays premiums program (FRHPPP)

Chief Vogel stated the Michigan Department of Treasury has a program to reimburse municipalities for qualifying first responder hazard pay. He then stated unfortunately the Fire Department employees couldn't have COVID days or sick days because they are paid on call and a lot of their employees had their paychecks cut. They couldn't have training and they couldn't go on medical calls. He stated when he saw this program and it seems there is a way to get money for the Fire Department and Police Department. He stated if approved, we apply for the grant, then we would pay their people a premium pay of \$1,000. The majority of his employees would get it and it is very important. Finance and Benefit Administrator Tiernan stated she just wanted to make it clear that this program is for Fire and Police Department, and licensed EMT's only.

CM 7-7-20 MOTION TO APPROVE ONE TIME PAYMENT OF HAZARD PAY

Motion by Walton, supported by Kurtzweil

Motion to approve a one-time payment of \$1,000 hazard pay premium for qualified South Lyon Fire Department and Police Department pending Michigan Department of Treasury FRHPPP grant approval

ROLL CALL VOTE:

Kurtzweil-Yes

Kivell-Yes

Kennedy-Yes

Dilg-Yes

Walton-Yes

Richards-Yes

Pelchat-Yes

MOTION CARRIED UNANIMOUSLY

4. Resolution for Main Street Oakland County COVID-19 small business relief program grant agreement

City Manager Zelenak stated the South Lyon DDA conducted a crowdfunding campaign with the encouragement from Main Street Oakland County to assist downtown businesses adversely effected by COVID-19. The DDA was successful in raising funds to receive the maximum matching amount from Main Street Oakland County. In order to have these funds released to the DDA, there must be a resolution passed by the governing body and Oakland County.

CM 7-8-20 MOTION TO ADOPT MAIN STREET OAKLAND COUNTY RESOLUTION

Motion by Kennedy, supported by Walton

Motion to adopt the resolution for the Main Street Oakland County COVID-19 small business relief program grant agreement between Oakland County and the South Lyon Downtown Development Authority

ROLL CALL VOTE:

Walton- Yes

Dilg- Yes

Kennedy- Yes

Kivell- Yes

Richards- Yes

Kurtzweil- Yes

Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

BUDGET- None

MANAGER'S REPORT

City Manager Zelenak stated the planning commission has been working on a rewrite of the zoning ordinance and he has given Council copies for them to look over before scheduling a joint meeting with Council and the Planning Commission. City Manager Zelenak stated the Governor has extended the ability to hold virtual meetings which is now tied to the State of Emergency Order with an additional 28-day extension that will take us through September. He spoke with the MML and they expect it to be extended. He suggests that we continue to hold our meetings as we do until further notice due to the Covid virus. City Manager Zelenak then asked everyone to fill out their 2020 census. Our community funding for roads, block grant funding and other items depend on our residents filling out the form. He stated we are approximately 82% counted. He further stated our act 51 funds are based on population and the miles of streets that we have in the City. He stated potentially we could lose \$75.00 per resident and if we lose 1,000

in residents, we could lose \$750,000 in road funding. He further stated it is very important for everyone to fill out the census form and turn it in. Councilmember Dilg asked how are we going to communicate the rate increases to the residents. City Manager Zelenak stated we will continue to discuss this in our Council meetings such as we did tonight, as well as social media, our website, and we would publish something in the newspaper. He stated he has had discussions with the engineers regarding the new water tank going in. We want to show people what we are doing and what is causing the rate increases. Councilmember Kivell asked about the form of the request for proposals and if they have been posted and if there have been any inquiries. City Manager Zelenak stated it is not posted yet, he is working with the City Attorney and the planner to finalize the details. We want to make sure we get it out there and to ensure we end up with a home that belongs there as opposed to a building that does not. Councilmember Kivell asked about the status of the building at 110 Detroit and Mo's Garage. City Manager Zelenak stated the Ordinance Officer and our building official is moving forward with potential action on that property. He stated they have had conversations with the realtor. He then stated regarding the old Mo's Garage, they have had discussions with the property owner and it appears their intent is to demolish that building. Councilmember Kivell stated he is happy we are looking into this because we have done what we can to help them move forward but if they aren't going to take advantage of that we need to act on it. He then asked about the old Draft Street building. City Manager Zelenak stated the owner is planning on selling it. Councilmember Kurtzweil asked if we will put deed restrictions on the property at 318 W Lake. She said you can do so as long as it isn't discriminatory. City Manager Zelenak stated the proposal will have a grading system based upon that will identify a point system based upon them following certain items within the request, based upon it being conducive to the neighborhood, based upon price, timing and years of experience in doing things like this. Councilmember Kurtzweil asked if it will be in the deed. City Attorney Hamameh stated they have discussed having it in the RFP and as the reward of the property they will require a development agreement to be signed. City Manager Zelenak stated we can hold them to that and if they fail to follow the requirements then the agreement becomes null and void. Councilmember Kurtzweil asked about educating the public on the rate increase, she hopes we will use the cable commission. They would do a great job with interviews and showing water main breaks and things like that.

PUBLIC COMMENT- None

COUNCIL COMMENTS

Councilmember Kennedy stated he would like to congratulate a number of businesses from our community that were recently recognized as the best in their category in the metro Detroit area. As part of the WDIV Vote 4 the Best Campaign these businesses were chosen based on the number of votes they received from their customers. He then recognized Martin's Hardware which received a First-Place award in the Independent Hardware Category while competing against 21 other hardware stores. He then recognized Venue for a first-place award in the category for Detroit Apparel. They were competing against 12 other similar businesses. He then stated the Salem-South Lyon District Library won second place, as best library, competing against 27 other libraries from across the metro Detroit area. Councilmember Kennedy stated Grande Trunke Home won a Second-Place award in the Home Boutique category, beating out 42 other entrants for that recognition. He then stated The Lemon Tree won a second-place award in the Gift Shop category competing against 52 other stores from across the metro Detroit area. He then stated while they did not win in their respective categories, he also wanted to recognize South Lyon Cycle and the Witch's Hat Brewing Company for their participation in the campaign as well.

So once again, congratulations to all the businesses. He stated we indeed are so very fortunate that you are part of our community.

Councilmember Richards stated the bicycle shop is tremendous with their products. He stated there is a national shortage on bicycle tires. The manufactures have shut down enough it has broken the chain of circulation and few people have them. He stated he rode down the bike path to 825 Lake Street and he observed the construction of the project. He is impressed. He stated he would like to know what the township resident has to say who is sandwiched in between the two properties in the City and the big hole that is there. He then stated he watched the DPW repair the water line on Lafayette Street and he stayed 60 feet away. They fixed that under live pressure. There was an 8" lateral split in a 10" line 8 feet down and the guys got covered with mud. It was extremely hard for them to repair and it was a tremendous effort on their part.

Councilmember Kurtzweil congratulated the South Lyon High School graduates who celebrated a walk-through graduation and many of them were found at Paul Baker Park with their families with cameras in hand taking pictures with the beautiful planters. She thanked them for being great ambassadors for the City by promoting a great positive image of our City. She then thanked the DPW for helping keeping Paul Baker Park looking as great as it does. She thanked them for their commitment to the City for keeping things looking great, today she saw them trimming trees on Lake Street, cutting grass and trimming Paul Baker Park. She further stated the DPW hung in during the dark days of the last few months, and now they are working outside in the 85+ heat for 8 hours a day and they do a great job. She asked everyone to give them a wave when they see them. Councilmember Kurtzweil then reminded everyone to wear their masks inside restaurants until they are seated. She then stated you wear your mask at any time you are not seated. Councilmember Kurtzweil stated she has found a hand sanitizer called persistence and it puts a coating on your hands that protects against burns for about 3 or 3 ½ hours so it is a good product to use if your going to be out doing things for a few hours and you don't have to keep using the regular hand sanitizer. She further stated if you are going to be flying, Staples has a fly kit that is already prepared and it provides wipes, gloves and a head rest cover and two face masks.

Councilmember Walton stated she commends the young men and women of our community for surviving the pandemic and surviving all the changes that they have been through. They had to come to term with not having prom and not having a graduation ceremony. They are writing history whether they want to or not, and they have handled it well. She then stated if you are asked to wear a mask when you are out, please wearing them. They don't want to be there asking you to wear masks but please respect them and don't take it out on them.

Councilmember Dilg stated she was very excited about the enthusiasm of our community for promoting our businesses on the best of Detroit on Click on Detroit. She stated we see crazy things happening like people arguing about masks, she has been pleased because she hasn't seen anyone not wearing a mask lately. She is excited about the partnership between Quicksilver and KV Sports and she was able to go there and get a South Lyon and South Lyon East mask, quicksilver made them and they are being sold at KV Sports.

Mayor Pelchat stated he hopes the census numbers come up, we can't let that money fall through the cracks, remind your neighbors to fill out paperwork. He then reminded everyone to support our small businesses in town and in the township and reminded everyone to support each other and wear your masks.

ADJOURNMENT

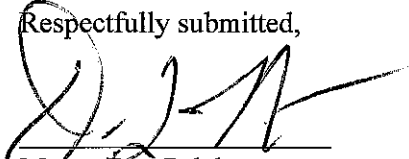
CM 7-9-20 MOTION TO ADJOURN

Motion by Kurtzweil, supported by Walton

Motion to adjourn at 8:52 p.m.

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,



Mayor Dan Pelchat



City Clerk/Treasurer Lisa Deaton