

**CITY OF SOUTH LYON  
REGULAR CITY COUNCIL MEETING  
November 23, 2009**

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

Mayor Wallace led those present in the Pledge of Allegiance to the Flag

PRESENT: Mayor Wallace  
Council Members: Kivell, Kopkowski, Kramer, Morelli, Selden and Wedell  
City Manager Murphy  
City Clerk/Treasurer Zemke  
Attorney Lee  
Department Heads: Collins, Martin and Renwick

**APPROVAL OF MINUTES:**

Councilman Selden stated that it should be noted that Councilman Morelli was also present at the meeting.

Discussion was held on page 4 and the vote on the motion to appoint Council Member Kopkowski as Mayor Pro-tem. It was stated that it has been noted correctly.

**CM 11-1-09 – APPROVAL OF MINUTES- NOVEMBER 9, 2009**

Motion by Kivell, supported by Wedell

To approve the minutes of the November 9, 2009 Regular Council meeting as amended

VOTE: MOTION CARRIED UNANIMOUSLY

**APPROVAL OF AGENDA:**

City Manager Murphy stated that New Business #2 should be removed. The applicant is withdrawing his request for the Christmas parade as there was not enough interested parties to participate.

**CM 11-2-09 APPROVAL OF AGENDA**

Motion by Wedell, supported by Kivell

To approve the agenda as amended

VOTE: MOTION CARRIED UNANIMOUSLY

**PUBLIC COMMENT:** None

**OLD BUSINESS:**

1. Public Hearing - 2010 CDBG (Community Development Block Grant) Application

Mayor Wallace opened the Public Hearing at 7:33 p.m. Hearing no public comment, Mayor Wallace closed the public hearing at 7:34 p.m.

2. Resolution Approving 2010 CDBG Application

City Manager Murphy stated that there is no need to do design work until we are ready to put the project out for bid. If we are planning on holding the funds over to another year, there is no reason to do that work until that time. When we had previously discussed the projects we discussed holding off until another year, but

we still have to go through the application process. He further stated that we could change our minds next year if Council wished to look at another project.

Mayor Wallace asked that given the economic climate, is there a possibility that we could lose these funds. City Manager Murphy stated that he has been told that we would not as long as we move forward with a project. He stated that he is being told that those funds are earmarked for the City of South Lyon. Mayor Wallace stated that he has a concern that if the money sits there, they will find another use for it.

Councilman Selden stated that he would like to stipulate that before any funds are spent that it be further reviewed by Council.

#### CM 11-3-09 2010 CDBG APPLICATION

Motion by Selden, supported by Kopkowski

WHEREAS, Oakland County is preparing an Annual Action Plan to meet application requirements for the Community Development Block Grant (CDBG) program, and other Community Planning and Development (CPD) programs, and

WHEREAS, Oakland County has request CDBG-eligible projects from participating community's for inclusion in the Action Plan, and

WHEREAS, the City of South Lyon has duly advertised and conducted a public hearing on November 23, 2009 for the purpose of receiving public comments regarding the proposed use of PY 2010 Community Development Block Grant funds (CDBG) in the approximate amount of \$29,935, and

WHEREAS, the City of South Lyon found that the following project meets the federal objectives of the CDBG program and prioritized by the community as high priority need:

Whipple Street Parking Lot Rehabilitation Alt. A in the amount of \$119,355

NOW, THEREFORE, BE IT RESOLVED, that the City of South Lyon CDBG application is hereby authorized to be submitted to Oakland County for inclusion in Oakland County's Annual Action Plan to the U.S. Department of Housing and Urban Development, and the Mayor is hereby authorized to execute all documents, agreements, or contracts which result from this application to Oakland County.

VOTE:

MOTION CARRIED UNANIMOUSLY

#### NEW BUSINESS:

##### 3. DWRP (Drinking Water Revolving Fund)

Mr. Jesse VanDeCreek, Tim Kniga and JW Papez of Hubbell, Roth & Clark, Inc. were present. Mr. VanDeCreek presented a slide show presentation of the proposed DWRP Water Main Improvements, Segment I. This presentation included the project History including Council's approval to move forward with the submittal to the MDEQ (Michigan Department of Environmental Quality), the MDEQ review and funding range. He discussed the scope and design of the project which includes replacement of approximately 26,200 feet of existing 4 inch and 6 inch cast iron water main, new water services and fire hydrants and abandonment of approximately 2,800 feet of existing 4 inch and 6 inch water main and tie over of water services to existing 8 inch or 12 inch mains as well as installation of additional low service pump in available space at water treatment plant. He discussed the areas of improvements as well as the water treatment facility improvements. Mr. VanDeCreek discussed the construction methodology including conventional open trench installation as well as trenchless technology. He discussed the advantages and disadvantages of each method. Mr. VanDeCreek discussed the DWRP schedule including the 3<sup>rd</sup> and 4<sup>th</sup> quarter funding and what time frame each entails. He discussed the application process and the responsibilities and time lines for both the City's responsibility and HRC's responsibility.

Councilman Kramer asked the criteria that they used to determine the funding and what was the difference between why we were not eligible the first time and now we are. Mr. VanDeCreek stated that the State reviews the project plans and assigns points including water quality points, etc. and then are compared to all of the other projects across the State. He further discussed the scoring. He stated that some communities might actually have water quality violations, which is not the case in South Lyon. He stated that they also look at the cost of the projects, population, economics, etc. They look at the overall impact and what project would give the most benefit to the residents of the State of Michigan. All of these applications came in for this time period as a result of the \$300 million that was put into this fund. That is why there are so many projects and so many priority or contingency lists waiting for the funds that are available.

Councilman Kivell questioned communities' ability or inability to re-pay such as Pontiac. He asked if these communities are able to bond to be able to cover the costs. Mr. VanDeCreek stated that in this arena we are served better to not second guess the State on how they judge everyone involved or how one may be able to pay something back. There are many things that go into communities moving forward. Councilman Kivell stated that the most attractive part of the first quarter funding was the potential to recoup the 42% of the investment. As soon as you are not in that first quarter, it becomes dramatically less attractive. 2.5% is still a great price, but the comprehensiveness of this project and doing it all at once becomes more punitive to the taxpayers of the community to fund the entire project ourselves through bonding. Mr. VanDeCreek stated that the principal forgiveness is only \$17 million so it is not the entire first quarter. We did not know that until just a few weeks ago. They will go down the list until the money is gone. It will not be spread out proportionately to the first quarter. Further discussion was held on the principal forgiveness.

Councilman Kramer asked out of the list of first quarter funding, how many projects are moving forward. Mr. VanDeCreek stated that it is his understanding that everyone on the list has committed. He further discussed the schedule.

Councilman Morelli stated that it is his understanding that because these are improvements for the Water Department, that it has to be funded through the Water Department and not the taxes. City Manager Murphy stated that is correct. Councilman Morelli stated that what we are then talking about how much we are willing to raise water rates. He stated that he would rather table this discussion until after we have our fire hydrant discussion because that also has to come out of the Water Department and may affect the water bill. He stated that when the auditors were here they told us that we should be raising our water rates 5-7% every year and this is going to raise it and we do not know what the fire hydrant issue will cost us. Discussion was held on usage rates versus millage rates. He further stated that nobody disagrees that this is something that will have to be done some day, but we can only put so much on the citizens.

Discussion was held on the estimated rate increase and average user costs. City Manager Murphy stated that these are all things that the financial analysts would have to go through. By doing this perhaps we may not need to keep the maintenance fund as high as we currently do because there may not be as many water main breaks. These are just rough numbers being presented at this time. He further stated that in 2016 one of our water bonds will come off the books, which is approximately \$132,000 per year.

Discussion was held on the cost of the financial analysts. City Manager Murphy stated that he did not get that far as he did not want to spend the money at this time.

Mr. VanDeCreek stated that this is a great opportunity, but it is going to cost the users of the system. At the same time, we are dealing with something we have never seen before, that being the economic climate, stimulus funding, etc. Also, we are seeing a highly competitive bidding climate.

Mr. VanDeCreek discussed the estimated costs to the users based on the project bid out in the open market versus the DWRP rate. He stated that he understands that Council cannot move forward because the financial advisor should be putting pen to paper at this time and receive a presentation on the different financing methods. In order to do that Council would have to authorize the City Manager to work with the bonding counsel. We know that we are not going to do anything for the third quarter, but if we go through

this, all is not lost. We have until March 15<sup>th</sup> to try to work something out. If you decide that this is not a cost that you want to pass on to the residents, then you decide that.

Councilman Kramer stated that the bottom line is that we still have to come up with how we are going to pay for it, and if you are passing on \$35-40 increase per quarter, that is a lot of money.

Discussion was held on the average water bill. Superintendent Martin stated that the average household bill would be \$140. However, you do have to remember that also includes administrative fee as well as garbage pick-up.

Councilman Kramer asked how critical it is to do this project now. Superintendent Martin stated that we have five miles of older pipes in the ground. The system will be maintained no matter what we do. At some point in time, it will have to be addressed.

Councilman Morelli stated that there are maintenance funds available to repair the system that we are hoping that we would not need as much of if we do this project. Even if we have a failure, we have money to fix it that we would not have to pass along to the residents.

Council Member Kopkowski asked if our required repairs are above or below average. Superintendent Martin stated that they are below. He stated that we have 8-10 breaks per year. What we find are that they are in the older parts of the community and where they are steel pipes. We have a water system and a sewer system and what attaches them is an infrastructure of pipes. If you look at a project like this, it is a very small portion of the total price of the package that we have. He stated that things do not stop deteriorating because of the economy. We are trying to look out and safe-guard the City and our systems.

Councilman Kivell stated that in order to make an educated decision, we need to know the recent history of what costs have been for repairs. If we saw an acceleration of repairs, that would be an indication that we are probably moving into a more dangerous situation. However, if we are having failures but remain fairly stable, we need to know what the annual cost of repairs are. Superintendent Martin stated that December to April seem to be the months for breaks.

Discussion was held on the cost of the average water main break. Superintendent Martin stated that we bring in 6-8 DPW workers that are on site for 5-7 hours. Superintendent Renwick stated that it varies depending on what other utilities are involved, the location, etc. The average repair would be approximately \$5,000.

Councilman Selden discussed the negative impact on the many senior citizens in the community. It was stated that there are a lot of young families hurting just as much as the seniors.

Further discussion was held on the cost of repairs. Mr. VanDeCreek stated that the repairs are not addressing the cancer that is in the system. He stated that downtown and all around the downtown, the DPW is dealing with an infrastructure, not just because of breaks but also, valves, hydrants, etc. that cannot be shut down during a break, etc. The fact is that we are sitting on a very fragile system.

Councilman Kramer stated that there is no question that at some point we are going to have to do this, but the question is can we afford to do it now. He is not hearing anyone saying that we absolutely have to do this right now because time is of the essence other than the fact that we could save some money. Council Member Kopkowski stated that we do not even know if we are actually going to save money. We do not know that next year there will be a better proposal from the State. In this economy we are second guessing everything and it is a gamble. The question that we have to ask is what burden can we put on this community. Our pipes are not going to close in on themselves overnight. It is her opinion that the community cannot take on a burden of this size at this time in this economy.

Councilman Morelli asked Council if they could agree that after the fire hydrant discussion we could give the City Manager direction to find out closer what it is going to cost each household in the community. That is no to say that we will go further or not.

Councilman Kivell stated that this is a usage driven rate so that it may give people more of an incentive to be more ecologically driven and watch how much water they are using. Further discussion was held on the need to use water. City Manager Murphy stated that it would be a great thing, but we would just have to raise the rates further to make up the difference.

Discussion was held on how much it would cost to do the financials. City Manager Murphy stated that he does not know at this time.

#### CM 11-4-09 – TABLE DISCUSSION OF THE DRINKING WATER REVOLVING FUND

Motion by Morelli, supported by Kivell

To table further discussion of the Drinking Water Revolving Fund until after discussion of the fire hydrant issue and request that the City Manager determine a cost to conduct a financial analysis

Council Member Kopkowski asked if the work that HRC has done at this point used all of the money that Council authorized. Mr. VanDeCreek stated that they have not. Council member Kopkowski stated that she would like to put a hold on any further engineering. There is no need to expend further funds when it is uncertain on how we are going to proceed.

VOTE:

MOTION CARRIED UNANIMOUSLY

#### CM 11-5-09 – SUSPEND FURTHER ENGINEERING ON THE DWRF

Motion by Kopkowski, supported by Morelli

To request that HRC suspend indefinitely any further work on the proposed DWRF project

Councilman Selden asked how much has been expended on engineering on this project so far. Mr. VanDeCreek stated that they are approximately at 50%. He stated that they had scaled back their efforts because the changes in the due date. Superintendent Martin stated that we have been invoiced approximately \$220,000.

Councilman Kivell asked that if we chose to do the project in pieces, would this work be able to identify the most needed areas. Mr. VanDeCreek stated that they would have to identify the criteria, what areas you would like to see completed over another area. It is pretty evenly concentrated in the downtown area.

VOTE:

MOTION CARRIED UNANIMOUSLY

Council Member Kopkowski stated that when we were discussing the methods of construction, it identified pipe bursting to be the most economical. What is the reason that method would not be used. Mr. VanDeCreek stated that proximity of sensitive utilities immediately adjacent to the area that they would be bursting. They would like to do it in areas that they can.

City Manager Murphy stated that in the past, the previous City Manager has always worked with Warren Kramer regarding the financials. He stated that he knows Mr. Kramer, but there are others as well and asked if Council had a preference. The consensus of Council was to leave the determination up to the City Manager.

#### 4. Dedication of Charleston Park Lift Station

Councilman Morelli stated that he was informed at 5 p.m. today that there is a lawsuit pending with the property including the property of the lift station. He stated that he has provided the information to the City Attorney, however he does not feel that we should have any discussion on this issue until the City Attorney has an opportunity to look at the information and report back to Council.

Attorney Lee stated that we have not been served with this litigation therefore knew nothing about it. However, he would agree in order to be cautious, to let him review it and if necessary get consent from all parties before acting any further.

#### CM 11-6-09 – TABLE DEDICATION OF CHARLESTON PARK LIFT STATION

Motion by Morelli, supported by Wedell

To table discussion of the dedication of the Charleston Park Lift Station until the next meeting

VOTE:

MOTION CARRIED UNANIMOUSLY

Councilman Selden asked if we have been doing the maintenance on this lift station. Superintendent Martin stated that we have been. Councilman Selden further questioned how we can maintain the equipment on private property and we cannot maintain the fire hydrants on private property. Attorney Lee stated that the Charleston Park development was done by Consent Judgment and one of the requirements was that the sewer system be revised throughout the area to eliminate the old Chester lift station that was about to fail. Much of the Hagadorn area is being served by this lift station. Councilman Selden stated that the same arrangements could be made for the fire hydrants. Attorney Lee stated that we will get into that discussion with the fire hydrant issue. The problem is that we do not have legal descriptions for these areas.

5. Christmas Parade – Removed from the agenda

6. Cancellation of the December 28, 2009 City Council Meeting

Mayor Wallace stated that it has been past practice to cancel the second meeting in December unless the City Manager finds it necessary to hold the meeting.

#### CM 11-7 -09 – CANCELLATION OF DECEMBER 28, 2009 MEETING

Motion by Selden, supported by Morelli

To cancel the December 28, 2009 Regular City Council meeting unless it is deemed necessary by the City Manager

VOTE:

MOTION CARRIED UNANIMOUSLY

7. Appointments

Mayor Wallace stated that we have a vacancy on the Parks and Recreation Commission as well as the Zoning Board of Appeals.

Councilman Selden asked who is making the request for the individual candidates. Mayor Wallace stated that he would like to be the one to do it. Attorney Lee stated that State Law requires the Mayor to make all nominations for Planning Commission. Our Charter requires that the Mayor make nominations for the Zoning Board of Appeals. All others positions of the various boards and commission could be made by any member of Council. Historically, the Mayor has always made these appointments. In past years it has not always been easy to find candidates. He stated that we simply thought it important to point out to Council their options. If Council wishes to allow the Mayor to continue to make these nominations, it is up to this

body. Mayor Wallace stated that he has gone out and knocked on doors looking for candidates, and he has always tried to make sure that we had representation from all parts of the City. He further stated that he has checked references, etc.

Council Member Kopkowski asked if Council accepted a resignation from Tom Goodcase. It was stated that Council did accept that resignation as he has moved out of town. There has been a vacancy for some time.

#### CM 11-8-09 – APPOINTMENT TO THE PARKS AND RECREATION COMMISSION

Motion by Wallace, supported by Selden

To appoint Mr. Ed McLoud of 500 Willow Drive to the Parks and Recreation Commission to fill the vacancy of Scott Black

Mayor Wallace gave a brief background of Mr. McLoud. Mr. McLoud introduced himself and stated that he recently retired and had a former career in education and has most recently been substituting in the South Lyon School District. He stated that he has a Minor in physical education and recreation with a Major in history and was a former Assistant Principal at Northville High School before going into a business career.

Councilman Morelli stated that he was always under the assumption that all appointments were made by the Mayor. Mayor Wallace stated that it is much easier to have one person researching these individuals than to have all of Council doing it.

Councilman Wedell stated that he does not know Mr. McLoud, but he does know Scott Black who did serve the Parks and Recreation Commission very well and does have some excellent experiences. He feels that we should give Mr. Black some consideration.

VOTE:

MOTION CARRIED (1 opposed)

Mayor Wallace stated that we received an application from T.J. Connolly and has checked his references. He gave a brief background and reviewed his education. He stated that he is new to the community and has been to every Council meeting since February and shows great interest in the community. He stated that he has also shown an interest in the Planning Commission, and feels that the Zoning Board of Appeals would be a good start.

#### CM 11-9-09 – APPOINTMENT TO THE ZONING BOARD OF APPEALS

Motion by Wallace, supported by Wedell

To appoint Mr. Timothy Connolly of 22286 Brookfield Drive to the Zoning Board of Appeals to fill the vacancy of Tom Goodcase

VOTE:

MOTION CARRIED UNANIMOUSLY

Council Member Kopkowski asked Mr. Connolly why he desires to be on the Zoning Board of Appeals. Mr. Connolly stated that it is about civic responsibility. He works with the Parks and Recreation Department in Clinton Township as well as the DPW and looks at this as more of a challenge. Any capacity he could work with the community he would look forward to.

Councilman Kivell stated that his concern is that the ZBA has had a history of trying to be nice to everyone thereby granting appeals without justification, which is not the role but rather finding a solution. He is looking forward to seeing Mr. Connolly assisting the ZBA with finding those solutions to the problems.

## **MANAGER'S REPORT:**

City Manager Murphy stated that the Chamber of Commerce seems to be out of debt and is moving forward.

City Manager Murphy stated that he has been working on a joint purchase of film equipment amongst five communities. Northville, Milford Township and Novi have all approved the agreement. We are waiting on Canton, and we will be the last one.

## **COUNCIL COMMENTS:**

Councilman Kivell stated that he would like Council to start considering goals and objectives for the City Manager. He has been here for 1 ½ year and it is time to start thinking about our expectations.

Council Member Kopkowski stated that due to the fact that we have been talking about water bills. She asked if we could have discussion on the shut-off notices and overdue bills. Superintendent Martin explained the criteria for receiving a shut-off notice which is non-payment for six months or a balance over \$150. He stated that the toughest time in the Water Department is when we have to do shut-offs. He stated that it may possibly be time to address that \$150 balance given the rate increases. Discussion was held on what other communities are doing. Superintendent Martin stated that if you make the amount too high, it becomes too large of a hole for the resident to dig out of. Consensus of Council was to add discussion of water bills and shut-offs on the next agenda. Further discussion was held on vacancies and foreclosures.

Councilman Selden asked the status of the vacant Bodnar building. Attorney Lee stated that a Judgment has been entered and the property owner has 30 days to clean out the building. If it is not completed he will be held in contempt.

Councilman Selden asked if there is anything new with the vacant Bonner homes. City Manager Murphy stated that Brighton is going after him. They are looking to condemn those buildings and have them demolished. Attorney Lee stated that we sued Mr. Bonner a few years ago and he did repair two of the houses. Those houses are sealed and there is no evidence that they are not up to code and we cannot get inside.

Councilman Selden stated that he would like to add an Executive Session for the first meeting in December. Mayor Wallace asked the purpose of the Executive Session. Councilman Selden stated that he would like to discuss personnel issues. Attorney Lee stated that under the Open Meetings Act, the only way you can enter into Executive Session to discuss personnel is at the request by the person who is the subject of discussion or if that person agrees to permit entering into Executive Session.

Councilman Wedell wished everyone a Happy Thanksgiving.

Councilman Morelli thanked the DPW for picking up his leaves. He asked if for next year, is it possible to get a schedule for pick-up. Mayor Wallace stated that the system has evolved into a system where if you have raked your leaves into the street, you need to call the DPW otherwise it became chaos. Superintendent Renwick stated that it has seemed to work out better this year because we have certain areas that get choked out by leaves. We need to concentrate on those areas to keep everything open. Councilman Morelli asked if everyone in their subdivision agreed to do their leaves at a certain time, then could they simply call and have them picked up. Superintendent Renwick stated that they could do that. He further stated that they are now getting into some final clean-up.

Council Member Kopkowski asked if picking up leaves with a frontend loader is the easiest way. Superintendent Renwick stated that it is the quickest way. Discussion was held on vacuuming the leaves. Superintendent Renwick stated that we did have some bearing problems with the vacuum this year. However, by using the frontend loader we have gotten ahead of the program.

Mayor Wallace stated that he would like to wish everyone a Happy Thanksgiving. He stated that he would like to commend people like Scott Black, Randy Clark, Gary Fagin and others for pursuing and getting work done at the Veteran's Memorial parking lot. He would especially like to thank Gary Fagin who personally was out digging trenches to get conduit in to get this done so that there will be lighting on the rock and the new Christmas tree.

**ADJOURNMENT:**

**CM 11-10-09 ADJOURNMENT**

Motion by Selden, supported by Kopkowski

To adjourn meeting at 9:08 p.m.

VOTE:

**MOTION CARRIED UNANIMOUSLY**

Respectfully submitted,

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John Doyle, Jr.  
Mayor

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Julie C. Zemke  
City Clerk/Treasurer