

CITY OF SOUTH LYON  
REGULAR CITY COUNCIL MEETING  
MAY 23, 2016

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

PRESENT: Mayor Galeas  
Council Members: Dedakis, Kivell, Kramer, Kurtzweil and Rzyzi  
ALSO PRESENT: City Manager Ladner, City Attorney Wilhelm, Chief Collins, Department Head Martin and  
Clerk/Treasurer Deaton  
ABSENT: Councilmember: Wedell

CM 5-1-16 MOTION TO EXCUSE ABSENCE

Motion by Dedakis, supported by Kivell  
Motion to excuse absence of Councilmember Wedell

VOTE: MOTION CARRIED UNANIMOUSLY

MINUTES

Councilmember Kurtzweil stated she would like added to under public comment; Jeff Potter was one of those mayors that comes around once in a lifetime. He was a very gifted individual and he had tremendous vision that you just don't always get anymore. When he went to the county commissioner position, we all knew we were losing a real gem that would be difficult to replace. He was an incredible individual. She further stated under Manager's Report before the last sentence she would like to add; the front of the bond issue of the bond itself says general obligation unlimited. To me, I understand unlimited to mean that you can raise the millage rate to any amount you want, it is unlimited, you are not capped at 2.5. If you look at the language on the ballot it talks about the millage estimations. To me when you are working with estimations on a ballot issue, that tells me it was unlimited, that it gave a range, not definite numbers, but a range of where that millage should be to service the debt. I don't know if the millage amount of 2.5 is in fact sufficient to cover the bond. Is there a financial analyst available to go to and say what should I recommend for this mill to be increased to so that the mill itself is covering the servicing of the debt rather than having to tap into other sources.

CM 5-2-16 MOTION TO APPROVE MINUTES AS AMENDED

Motion by Kivell, supported by Kramer  
Motion to approve minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

Attorney Wilhelm stated he would like to add the revised first reading of the Consumers Energy franchise permit under Old Business

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CM 5-3-16 MOTION TO APPROVE AGENDA AS AMENDED

Motion by Kramer, supported by Kivell

Motion to approve the addition of the 30 year gas franchise agreement with Consumers Energy under old business

MOTION CARRIED UNANIMOUSLYPUBLIC COMMENT

Marianne Mihalic of Active Faith stated they had a very successful food drive on the 14<sup>th</sup> of May and there was a lot of food donated. She further stated they served 120 people today and Active Faith is very blessed.

Carl Richards of 390 Lenox stated the historical depot will be hosting a visitation from children from three separate schools and they will be visiting the old school house. Mr. Richards stated he misstated in the past and wanted to correct he fact that the Historical Garden Club is separate from the Four Seasons Gardening Club. Mr. Richards further discussed a photograph he had brought to the last Council Meeting.

PUBLIC HEARING- South Lyon annual budget FY 2016-2017

Mayor Galeas opened the public meeting at 7:49 p.m.

There was no public comment.

Mayor Galeas closed the public meeting at 7:50 p.m.

OLD BUSINESS

1. First Reading of revised Ordinance granting Consumers Energy Company a gas franchise in the City of South Lyon for a period of thirty (30) years.

Attorney Wilhelm stated this Ordinance is based on the same idea of the first reading that was approved at the May 9<sup>th</sup> Council Meeting, except Consumers Energy made some changes to the language. Attorney Wilhelm stated he has spoken with Consumers Energy legal department and they are now in agreement with this Ordinance and the language. We will have to bring this back in 4 weeks for the second reading and there will be a gap between the old and new contract. He further stated the changes deals with the interruption of the right of way. The contract states Consumers has to restore it at their cost, but they added that if the interruption of service is caused by a third party, the third party would be financially responsible for the cost for moving the utilities. Councilmember Kivell asked if this would be the case if it was pre-planned? Attorney Wilhelm stated a County project will not force them to relocate and pay for the relocation. He further stated this arose out of the telecommunication issues.

CM 5-4-16 MOTION TO APPROVE FRANCHISE AGREEMENT

Motion by Kivell, supported by Kramer

Motion to approve the first reading of the Ordinance granting Consumers Energy a 30 year gas franchise and direct the City Clerk to publish the public notice of intent and make the proposed ordinance available for the inspections as required under the City Charter

VOTE: MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Consider approval of the resolution for the proposed 2015-2016 /2016-2017 City of South Lyon Budget

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City Manager Ladner stated she is asking Council to approve the budget resolution with a small increase in property tax levy. She stated she has supplied Council with spreadsheets from Warren Kreamer who did a financial analysis for the wastewater treatment bond. She stated it reflects the impact of what the levy needs to be to cover the bond payment. City Manager Ladner stated she is suggesting we raise the mill

Councilmember Kurtzweil stated she focused on the bond issue, because the liability is the side that will get us into trouble, not the asset side. She stated there was a letter from Miller Canfield regarding the bond and it reflects the fact that it is general unlimited tax fund, which means the City is not limited to what was estimated in the ballot language. She further stated everyone she has spoken with said we need to analyze the revenue every year otherwise we will end up playing catch up, which is where we are now. She further stated there is a statutory duty to appropriately levy for the bond.

Councilmember Kurtzweil stated most people have a problem levying a mill during economic downturns, but the time to raise the mill would have been in 2008 or 2009 during the economic downturn. The reason is because the property values were falling, which means the property owner's taxable value was dropping and they were paying less money. That would have been the opportunity to raise the mill from 2.5 to 2.9 and that would have captured the difference from the previous year's tax bill and it wouldn't have been as dramatic or as shocking as it may be now. She further stated we definitely need to raise the mills and she agrees with Mr. Kreamer and it should be raised to 3.4 mills. Councilmember Kurtzweil stated the operating cash flow needs to be discussed when Mr. Kraemer is present because that needs to be adjusted as well. In the spreadsheet it reflects the sewer water fund is operating at a loss and she thinks we need to follow his recommendations. Councilmember Kurtzweil stated she understands people do not want their taxes raised, but we are playing catch up and there is a structural imbalance in the budget and it is necessary.

Councilmember Kivell stated most of the things Councilmember Kurtzweil discussed are true, but he disagrees that the mill rate should have been raised in 2008. We were not in economic danger of not being able to meet our debt obligations at that time and the idea was not to add unnecessary difficulty to our residents who were dealing with other economic issues.

Councilmember Rzyzi stated he has many concerns regarding this budget, and he didn't receive notice ahead of time that we were going to be discussing raising the mill rate. He further stated he has requested information on what fees the City will be raising and he hasn't received that information, and he would rather the current budget be cut instead of raising the mill rate by half a mill. Councilmember Kivell stated the increase is .08

Councilmember Kramer stated he is not totally comfortable with this budget either, but we have known for a long time that something was going to have to be done. He further stated in the future he would like to have more information given to Council regarding the condition of the budget which will help them with better management.

Mayor Galeas stated Councilmember Kurtzweil did a nice job explaining where we are with the budget and the bond payments. He stated he is not comfortable with this budget either, but it needs to be dealt with. Councilmember Kivell stated it is important to recognize we are not about to default on our bond, but this will rectify our position and we can make more adjustments as we go with more analysis. He stated there is a millage that is associated to be used to pay the bond off and that is what we are using. Councilmember Kurtzweil stated she is not saying the City is close to defaulting on the bond. She stated the issue is where the money is coming from. She stated the sewer mill rate needs to pay for the bond, and the fees need to be sufficient to pay the operating. Department Head Martin stated we have seven million dollars split between the water and sewer wastewater plants, and if there are repairs that need to be done, they are paid for from the operating expense of that year's fiscal year's budget. We haven't raised sewer rates in at least 8 years, and that does need to be addressed.

Councilmember Rzyzi asked City Manager Ladner when she will have the fee schedule ready for Council to approve with the increases. City Manager Ladner stated we are hoping to have them ready the first weekend in July. Councilmember Rzyzi stated he is not comfortable with the tax increase. Discussion was held regarding the current fee structure.

CM 5-5-16 MOTION TO APPROVE THE RESOLUTION TO APPROVE BUDGET

Motion by Kramer, supported by Kivell

RESOLVED, that the City Clerk certify to the City Assessor for spreading on the Assessment Roll of the City of South Lyon for the year 2016-2017, the following amounts, based on taxable value \$329,152,650.

1. At the rate of 10.3662 mills per \$1,000 of valuation for General Fund Operation
2. At the rate of 3.300 mills per \$1,000 of valuation for Wastewater General Obligation Bonds for wastewater treatment (2002)
3. At the rate of .5838 mills per \$1,000 of valuation for Capital Improvement Fund
4. At the rate of .3000 mills per \$1,000 of valuation for 1999 Building Authority (Land Acquisition)

RESOLVED FURTHER, that due to the May 2, 1984 election whereby the Library became a free standing and District Library for all purposes including the levy of 1.4369 and the overall levy for the City will be 15.9869 mills, of which 14.55 mills will be used for City operation and debt.

RESOLVED FURTHER, that after spreading on the Assessment Roll, the amounts as required to be raised by the general ad valorem tax, the Assessor certify and deliver the same to the City Treasurer, and the City Clerk be authorized to attach her warrant thereto, directing and requiring the City Treasurer to collect the same as provided by the City Charter.

RESOLVED FURTHER, that all installments reported to the City Treasurer as delinquent on Special Assessments and other charges, together with interest due thereon, as provided in Section 1.276 of the City Charter; unpaid charges for water consumption and water tap installation, as provided in Chapter 24 of the South Lyon City Code be assessed against the properties benefited and included in the 2016 Tax Roll.

RESOLVED FURTHER, that the millage for the entire fiscal year 2016-2017 budget not to exceed 14.55 mills.

MOTION To approve the 2016-2017 and proposed 2017-2018 budgets as submitted

VOTE: Roll Call: Ayes – Kivell, Dedakis, Galeas, Kramer  
Nays – Rzyzi, Kurtzweil

MOTION CARRIED

2. Memorial Day Parade

Chief Collins stated the Memorial Day Parade is the same route as in previous years and the road closures requested will be from 9:00 and the streets will be open again by 10:30. Attorney Wilhelm stated the hold harmless agreement needs to be signed by the VFW Post 124.

CM 5-6-16 MOTION TO APPROVE ROAD CLOSURE FOR MEMORIAL DAY PARADE

Motion by Kivell, supported by Rzyzi

Motion to approve road closures for the May 30<sup>th</sup> parade from 9:00 – 10:30 with the caveat the hold harmless agreement is signed

VOTE: MOTION CARRIED UNANIMOUSLY

- 3. Consider authorizing renewal of contract with Oakland County for Assessing Services

City Manager Ladner stated this is the new contract with Oakland County for assessing services for 3 years. The cost is up slightly from the last few years. Councilmember Kivell stated we have not had a price increase in years, and we could not hire someone for less than what we will be paying the County for the services.

CM 5-7-16 MOTION TO APPROVE ASSESSING CONTRACT WITH OAKLAND COUNTY

Motion by Kivell, supported by Kramer  
Motion to approve assessing contract with Oakland County for a period of 3 years

VOTE: MOTION CARRIED UNANIMOUSLY

- 4. Consider authorizing request for reimbursement from Oakland County West Nile Virus Program

Department Head Martin stated he is requesting a resolution which enables the City to receive reimbursement for the West Niles Virus fund. We send our employees to classes and on a weekly basis we put briquettes in the still water in the City to help fight the mosquito virus. This has been a very successful program.

CM 5-8-16 MOTION TO APPROVE RESOLUTION FOR REMIMBURSEMENT FOR WEST NILE VIRUS PROGRAM

Motion by Rzyzi, supported by Kramer  
Motion to approve resolution for reimbursement for West Nile Virus program for \$2,509.51

VOTE: MOTION CARRIED UNANIMOUSLY

- 5. Consider acceptance of \$25.00 food tray to the Cultural Arts Commission for the A&E Art Show

City Manager Ladner stated she is requesting that Council accept the \$25.00 donation from Kroger to the Cultural Arts Commission for the A&E Art show that was held at South Lyon City Hall.

CM 5-9-16 MOTION TO ACCEPT DONATION

Motion by Kivell, supported by Kramer  
Motion to accept donation of \$25.00 food tray for the A&E Art Show and the Cultural Arts Commission

VOTE: MOTION CARRIED UNANIMOUSLY

- 6. Consider acceptance of Grant funds from Michigan Humanities Council in the amount of \$800.00 for a planning grant

City Manager Ladner stated the Cultural Arts Commission received their planning grant for a total of \$800.00 and the City needs to formally accept the grant.

CM 5-10-16 MOTION TO ACCEPT GRANT FOR \$800.00 FROM THE MICHIGAN GRANT HUMANITIES COUNCIL

Motion by Kramer, supported by Kivell  
Motion to accept the grant for \$800.00 for the Cultural Arts Commission from the Michigan Grant Humanities Council

VOTE:

MOTION CARRIED UNANIMOUSLY

7. Consider authorizing City Manager to register for and attend the International City/County Manager's Conference in Kansas City, MO from September 25- 28<sup>th</sup>

City Manager Ladner stated the 102<sup>nd</sup> Annual International City/County Manager's Conference is in Kansas City, MO from September 25-28<sup>th</sup> and she is requesting Council's approval to register and attend. She stated she would like to attend as part of her ongoing professional management plan and she hasn't attended since 2014. She further stated she doesn't attend every year due to the cost and she tries to intermix it with Michigan educational opportunities. She further stated the total cost for registering is \$655.00 for early registration, and approximately \$275.00 for plane tickets and approximately \$150.00 - \$190.00 a night. City Manager Ladner stated in the past she has had a roommate to help cover the cost and will try to do that again. Councilmember Kurtzweil asked what this conference may have that the Michigan conferences do not. City Manager Ladner stated there is a broader range of trainings and it offers different types of development. She further stated she is interested in learning more about technology, community engagement, budgeting and there are several sessions regarding strategic planning. Councilmember Kurtzweil stated she would be in support of her going every year. She stated the Michigan seminars are good for Michigan issues, but moving the City further we will be looking at issues that are a little more regional and the problem solving opportunities are more in depth with more people involved from all over the Country. She further stated she likes the section creating a cultural innovation to improve core services and the section Success and Failure in implementing strategic plans and she thinks the innovative ideas will only come from people that are in the areas where innovation is prevalent. Councilmember Rzyzi stated he doesn't think there is a disadvantage in this, but he would like to encourage her to attend "The doing more with less" seminar, and "The transforming a blighted community." He stated this will be very beneficial to the City. He further stated he would like her to take notes and give Council a summary when she returns. Councilmember Dedakis stated she is interested in seeing the contrast in the difference between the international and the local seminars. She further stated she agrees with ongoing education. Councilmember Kivell stated it is in all of our best interest for the City Manager to stay up to date on the new technologies, tactics and pursuits. He further stated the regional prospective will be a broader insight on how to solve the issues that affect most of our communities. He stated he would have liked to have seen what she believes her agenda will be, along with a cost. Councilmember Rzyzi stated blight is a huge issue in the City of South Lyon and he has spoken with a lot of people who agree. Mayor Galeas stated we all agree there are a few problem landowners that do not like to cooperate, but we are all talking about it and working on getting the problem owners to cooperate. He further stated some people tend to put too much focus on the negative. There are a lot of good things with our downtown and there are some really good businesses downtown. He further stated there are many more communities that have a much worse blight issue than we do.

CM 5-11-16 MOTION TO APPROVE THE CITY MANAGER TO ATTEND INTERNATIONAL MANAGERS CONFERENCE

Motion by Kurtzweil, supported by Dedakis

Motion to approve the City Manager to register and attend the International City/County Manager Conference in Kansas City, MO from September 25-28<sup>th</sup>, 2016

VOTE:

MOTION CARRIED UNANIMOUSLY

Discussion- Downtown

Councilmember Kivell stated there is a new business opening named Coral Sash. It will be opening May 27<sup>th</sup> in the downtown across from the South Lyon Hotel. He further stated it is a women's accessory and clothing store.

Councilmember Kivell stated there is now a for rent sign in the window of the Artcraft building, but he has spoken with the

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ladies from Coral Sash and they contacted Leon Bonner regarding the building for rent, and they were told he would not be doing any of the improvements to the building, so it seems the for rent sign was more of a protective mechanism and he would like the City to investigate how we can assess the interior of the building to assess the liability for rental and any dangerous aspects of the building that may present themselves. Mayor Galeas stated the tarp has fallen from the door and you can see the condition of the building and it is full of storage. Councilmember Rzyzi stated he feels the City needs to be more business friendly. He stated he knew someone that was considering opening a business in the City, but he didn't know where to start, therefore they went with Ann Arbor. He hopes with the hiring of Bob Donahue as the Downtown Development Director will help with this problem. He further stated he wants to be very clear about how dangerous it is for Council to be afraid to recognize the problems of downtown. Mayor Galeas stated Councilmember Rzyzi is right, but the cultural from in the past has been to dwell on so much negative, and there is so much good about our downtown. There are some issues that need to be addressed, and they will be. He further stated the culture that has to change is the negativity regarding downtown. He lives downtown as well as Councilmember Kivell, and he is aware of the issues, but we are dealing with them, and we need to stay focused on staying positive and helping the business owners we have now. Councilmember Kramer asked when Pontiac Trail will be addressed. City Manager Ladner stated she has spoken with Oakland County Road Commission and she is working on it. Councilmember Kurtzweil stated she has spoken with the owner of Coral Sash and she was told City Manager Ladner was instrumental with assisting her with opening her business downtown. She further stated the retail products look classy and the product line is great. She further stated the owner previously worked at the Grande Trunk store downtown. Councilmember Kurtzweil stated there is another boutique going in by Jan's Skin Spa in downtown South Lyon. She stated they sell unique childrens clothing store. She further stated the clothes are darling and you can drive by and see the clothing in the window. She further stated she met with the owner and she would like to welcome Amber to the City of South Lyon. Councilmember Kivell stated the one thing that is always lost in this conversation is there needs to be away to get locals to spend locally. They need to get downtown to research the stores we have and visit them. He further stated it seems some people don't know stores are downtown until they are closing.

#### Manager's report

City Manager Ladner stated the Concerts in the Park begin June 10<sup>th</sup> through the end of August. Department Head Martin stated this has been going on for 15 years and he wishes we had 1,000 people every weekend. We have some incredible music and it covers a little bit of everything. Councilmember Kivell stated it is a great venue to watch music. City Manager Ladner stated on Tuesday May 28<sup>th</sup> we will be bringing in our new Fire truck and there will be a ceremony at the Fire Department. City Manager Ladner stated she has been appointed to the State Pool Committee through the Michigan Municipal Risk Authority. Councilmember Kurtzweil stated she had some residents report that someone had put white powder down to kill vegetation on the rail trail, and no one knows why they would do that. Department Head Martin stated this isn't anything the DPW would do, but he will look into this.

#### Council Comments

Councilmember Kurtzweil stated she wants everyone to know she really enjoyed the city-wide garage sales and she ran into many people she knew, and met some new people along the way. She stated the restaurants were all busy, and the town was lined up with cars, it was a great event. Councilmember Kurtzweil stated June 6<sup>th</sup> will begin the new art show at the South Lyon City Hall called Sisters of the Brush. She further stated it is a sophisticated and a great event. There will be an auction on June 26<sup>th</sup> and the proceeds will benefit Blessings in a Backpack. Councilmember Kurtzweil stated the Chamber of Commerce has stayed within the City for many years; they could have left a long time ago. She wants to thank them for staying in South Lyon as long as they did and this was a decision by their Board of Directors, they were running out of space and they will be moving to a larger space and the rent will be lower. She further stated she wanted to commend the City Manager for hiring Andrea as the head of the Chamber of Commerce; she has brought the Chamber to new levels.

Mayor Galeas stated he attended the National Peace Officers Day annual awards ceremony and there were many volunteers, police officers, dispatchers as well as the forensic inspectors recognized. One of the people who were honored was Major Thomas Shields who is the person that tried saving the family involved in a very bad accident this past January. He further stated it was very inspiring and listening to the stories of people going above and beyond was very humbling.

Councilmember Rzyzi stated he wants to thank all those that have served our Country along with their families and he would like to encourage everyone to attend the Memorial Day Parade on Monday. He stated he wanted to thank Dana Johnson for allowing the Panthers to be a part of the Parade on Monday. Councilmember Rzyzi stated the South Lyon MatCAts will be having a beach wrestling event at McHattie Park in the volleyball area on June 18<sup>th</sup>. He stated everyone is welcome to attend.

Councilmember Dedakis stated the city wide garage sales were a great success. She stated she would like to congratulate the Cultural Arts Commission for going after their own grants.

#### Adjournment

#### CM 5-12-16 MOTION TO ADJOURN

Motion to adjourn by Kivell, supported by Kramer  
Motion to adjourn meeting at 9:40 p.m.

VOTE: MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

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Mayor John Galeas

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Lisa Deaton Clerk/Treasurer