

Regular City Council Meeting

July 10, 2017

Agenda

7:30 p.m. **Call to Order**
Pledge of Allegiance
Roll Call
Approval of Minutes: June 26, 2017
Approval of Bills:
Approval of Agenda

Public Comment

Swearing in of New Firefighters:

- 1. Brittany Tooman**
- 2. Kirsten McGahan**
- 3. Zack Dobrick**
- 4. Austin Vliet**

Presentation of Unit Citation – RE: Lakewood Drive

Engine 1

- 1. Captain Cory Armstrong**
- 2. Lieutenant Tim Wilson**
- 3. Firefighter Cindy Conrad**
- 4. Firefighter Brittany Tooman**
- 5. Firefighter Zack Dobrick**

Engine 2

- 1. Lieutenant Jeff Noechel**
- 2. Firefighter Tim McGillen**
- 3. Firefighter Alex Good**
- 4. Firefighter Kirsten McGahan**
- 5. Firefighter Austin Vliet**

I. Old Business –

- 1. Review vacation accrual policies from other Michigan communities to identify how the council would like to shape the new department head, city manager, and collectively bargained vacation accrual policy.**

II. New Business-

- 1. Consider authorizing the purchase of three sets of structural firefighting turnout gear as requested in the FY18 Budget, to include waiving the formal bidding process of the city.**
- 2. Consider first reading of ordinance amendment rezoning parcel 21-30-126-003, West End Industrial Park, from the I-1 District (LIGHT INDUSTRIAL) to the RM-1 District (MULTIPLE-FAMILY RESIDENTIAL)**
- 3. Consider request by Council Woman Kurtzweil for the Council to suspend Councilman Kivell from his duties as Council member for a period of 30-60 days related to Conflict of Interest**
- 4. Discussion of policy issues for Council adoption being researched by City Attorney**

III. Budget

IV. Discussion- Downtown

V. Manager's Report

VI. Council Comments-

VII. Closed session under section 8(b) of the Open Meetings Act, connected with the negotiation of a collective bargaining agreement

VIII. Adjournment

CITY OF SOUTH LYON
REGULAR CITY COUNCIL MEETING
JUNE 26, 2017

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, Councilmembers: Kivell, Kramer, Kurtzweil, Parisien, Rzyzi and Wedell
ALSO PRESENT: City Manager Ladner, Chief Collins, Fire Chief Orlandi, Attorney Wilhelm,
Department Head Martin, and Clerk/Treasurer Deaton

MINUTES

Councilmember Kurtzweil stated on page 3 the tenth line from the bottom should also include, my second comment deals with the chicken little letter from the City Attorney about the sky is falling if we didn't approve by a certain date. She further stated on page 5 the sentence Kurtzweil stated that would be a lie Mr. Wedell which you have a habit of doing. Councilmember Wedell stated adding the Mr. Wedell would be amending the minutes, that is not verbatim. Councilmember Kurtzweil stated it is, she listened to the tape.

CM 6-1-17 MOTION TO APPROVE MINUTES AS AMENDED

Motion by Rzyzi, approved by Parisien

Motion to approve the minutes as amended

VOTE:

MOTION CARRIED-1 OPPOSED

BILLS- None

Councilmember Rzyzi stated even though Council approved the Attorney's bills last month, we didn't have any invoices until tonight so when approved, we didn't know what was approved. He further stated there was a discussion held regarding not having the City Attorney at every meeting. Councilmember Kramer stated we left it to the City Manager's discretion. City Manager Ladner stated she spoke with the Attorney and thought he should be here because of the vacation policy. Councilmember Rzyzi stated he thinks Council could handle that because we are the policy makers. Councilmember Rzyzi stated he has a few more questions regarding the invoices. Councilmember Rzyzi asked what the telephone discussions held with Glenn Kivell regarding agenda issues were regarding. Attorney Wilhelm stated he does not recall at this time. Councilmember Rzyzi stated there were several entries regarding the façade grants and we scrapped that program so that was a waste of time. Mayor Galeas stated that was from April. Councilmember Rzyzi asked what the code enforcement meeting with the City Manager and was it necessary for the Attorney to attend. Attorney Wilhelm stated it was in regards to our ordinance and a hoarding situation. Councilmember Rzyzi asked if they could email instead of meeting for 1.2 hours. City Manager Ladner stated there were several residents, but we had to meet with the homeowner association and the residents involved because of a shared wall situation. Councilmember Rzyzi stated there is a legal entry for April 21 2017 for .25 hours for legal research regarding the budget process, is that the chicken little letter that was written. Attorney Wilhelm stated there is no charge for that entry. Councilmember Rzyzi stated the no charge would still go towards the retainer. Attorney Wilhelm stated it would not, but he will check with his assistant to make sure that isn't happening. He further stated it was to get him oriented with the budget process. He stated he doesn't know if it was the "chicken little" letter, where he advised Council about the various legal issues with the City violating its Charter. Councilmember Rzyzi stated there was a phone conference regarding agenda items on page 8, what was 6-26-17

that about. Attorney Wilhelm stated he doesn't recall, it may have been related to the budget issue. Councilmember Ryzyi stated on page 10 there are a few entries regarding personnel issues, and he asked Attorney Wilhelm if there were other attorneys in his office that would be more specialized in those matters. Attorney Wilhelm stated there is and he discusses any issues with them. Councilmember Ryzyi stated perhaps we need to get an expert dealing with personnel matters considering the way the conflict of interest was handled and perhaps we need an expert for those matters.

Councilmember Kurtzweil asked about the entries for the liquor control code and ordinance. Attorney Wilhelm stated the City doesn't have an ordinance to address liquor licensing and that is something when working with Bob Donohue we only have one quota license left, and if we had an ordinance in place we would have procedures and standards to evaluate an application. He has been working on a draft. Councilmember Kurtzweil stated that is a specialized field. She further stated this should have been brought to Council, if she wouldn't have asked, we wouldn't have known we are deficient in our code. This is a significant problem, and without an ordinance in place we are setting ourselves up for a liability if we deny anyone without an ordinance in place. Councilmember Kurtzweil stated there is a lot of billing about the liquor license. Councilmember Kurtzweil asked about the billing regarding a local bidder/vendor preference on page 7. Attorney Wilhelm stated he was working with the City Manager and reviewing the purchasing ordinance. Councilmember Kurtzweil asked if he is looking at the City's ordinance regarding bidding. Attorney Wilhelm stated yes. City Manager Ladner stated many communities have a local bidder/vendor preference policy, which states that if a bid comes in and if the local bidder is not the lowest bidder but within a percentage above the low bidder they can allow them to win the bid because we want to do business with local businesses. Councilmember Kurtzweil stated you are looking at amending the bidding process in our code, and that is a problem and should have come before Council. The problem is the ordinance states competitive bid and the local bidder may not be the lowest bidder. City Manager Ladner stated some communities allow local vendors to have a 10% preference. Councilmember Kurtzweil stated this should have been brought to Council to see if we are interested in adopting such a policy, then decide if that needs to be effectuated. She further stated she isn't waiving her right to the current bidding process whether it is a local business or not. Attorney Wilhelm stated there were conversation during council comments about interest in using local businesses and he dealt with the City Manager regarding this. Councilmember Kurtzweil stated what happened is a Councilmember stated they weren't worried about Kivell's conflict of interest because it was with a local bidder and what she is saying is competitive bidding is competitive bidding and she won't protect a local business if they aren't the lowest bidder. Councilmember Ryzyi stated this had to do with conflict of interest and it is part of a political agenda. Attorney Wilhelm stated he has not encouraged or proposed a change and this issue came up because of the conflict issue, and he looked at what other communities have done, there has been no agreement with the City Manager, he was trying to stay up on the issue.

Councilmember Kurtzweil asked what the telephone conference with Councilmember Parisien was regarding with Open Meetings Act. Councilmember Parisien asked if it matters. Councilmember Kurtzweil stated it definitely does. Attorney Wilhelm stated it was regarding a notice requirement. Councilmember Parisien stated it was a no charge item. He further stated it would be helpful if he or the City Manager could have any questions Council has regarding the bills before the Council meeting rather than trying to surprise him with questions from 2 months ago then he could be ready to answer them, but your intent is to surprise him and try to make him look bad. Mayor Galeas stated that statements have been made for months, that Council should ask the City Manager if they have any questions so someone can have the answers ready at the meeting. He stated there is plenty of time to ask the questions ahead of time, but you don't until you are in front of a camera.

AGENDACM 6-2-17 MOTION TO APPROVE AGENDA

Motion by Parisien, supported by Kramer

Motion to approve agenda

VOTE:

MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT

Carl Richards of 390 Lenox stated it was his birthday last week. He further stated the work at the South Lyon Hotel has increased in the past week, there was an absence of work the previous 3 weeks. Mr. Richards stated it seems the Safe Routes to School program has stalled and he doesn't know why. Mr. Richards stated he is proposing the South Lyon Historical Society have their barbeque at the gazebo in McHattie Park because it seems there isn't much activity in the park recently and we only have 5 weddings scheduled. Mr. Richards stated he wanted to mention the Cemetery project is underway, we approved a drain by Sayre School and it is going to be very nice. We have 5 other drains that go into the Yerkes Drain. He stated they cut down some trees and it will look very nice.

OLD BUSINESS- NoneNEW BUSINESS

1. Consider resolution amending the City of South Lyon Personnel Manual regarding vacation accrual and banking

City Manager Ladner stated this is related to discussion we had at the last meeting. Currently the Department Heads and City Manager are allowed unlimited vacation days to bank. She stated we currently have 2 department heads that have many days banked. She further stated she would like to make a change in the date of the resolution on page 2 to December 31st. Councilmember Ryzyi asked who wrote the resolution. City Manager Ladner stated she did, then gave it to our Attorney for review. Councilmember Ryzyi asked why we aren't using use it or lose it. City Manager Ladner stated we don't have any employee groups with use it or lose it and if you told them they all had to take their full maximum allotted time off we would be without many employees for a quarter of the year. Councilmember Ryzyi stated accruing 5 weeks a year is not uncommon. He stated this resolution is insulting to our taxpayers. He stated it says they can accumulate years of vacation time, and this is an unfunded liability and we just went through the largest tax increase in a decade and you can argue that we haven't had a tax increase, but we will have more if we don't do some work. The way this Council is spending we could have another tax increase. This speaks to the culture of the City and this Council, this is embarrassing. City Manager Ladner stated there was not a majority of opinion of council to make a resolution stating use it or lose it. She stated the clause doesn't allow them to continue to accrue and a payout. The clause is for the payout of money we currently owe to them. She further stated this doesn't allow for people to continue to accrue more than a 2-year limit. Councilmember Ryzyi stated it leaves it open ended and it leaves the City Manager the ability to adjust it. He stated this is like the 5 million we owe for MERS which we have no plan for. City Manager Ladner stated this gives her the ability to negotiate with a new experienced employee. Councilmember Ryzyi stated this is pro employee, not pro taxpayer. Mayor Galeas stated again, you already said she wrote it and reviewed it and if you had questions, why grandstand now, why not ask before the meeting so she can clarify it for you. Councilmember Kramer asked what the non-department heads, non-union employees are allowed to carry over. City Manager Ladner stated it is 30 days. Councilmember Kramer stated they can only accrue 30

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days max and if that person leaves the City they can cash that out. City Manager Ladner stated if you retire, you will be paid for it. Councilmember Kramer stated there is currently no limit to what they can accrue. He then asked if a new Department Head comes aboard, will their annual leave be at your discretion. City Manager Ladner stated yes. Councilmember Kramer stated the most anyone could accrue over two years is 50 days. City Manager Ladner stated that is correct. Councilmember Kramer stated he is allowed to carryover 5 days. He asked if that is something the City Manager is looking at doing in the future. He then asked why are we giving them the opportunity to carry over so many days. City Manager Ladner stated she did that based on what the union contracts currently have. Further discussion regarding vacation payout time was held. Councilmember Kramer stated in the future, it may help to include what you're basing the resolution on along with the accrual for each union and department. Councilmember Wedell stated he worked for a government and it is normal as you become a senior employee and sometimes it seems you will end up having to use a vacation day each pay period. He further stated the accrual limits were well known, and we have to make our limits well known and make payouts for when there was no limit of accrual. Councilmember Kivell stated the idea we are offering to buyout less than what their accrued time is and tell them they lose it, is unacceptable. He further stated rather than applying it now, it should be to new employees, someone shouldn't be penalized for working for the City for so many years. Councilmember Kramer stated we will have to look at how this will affect collective bargaining in the future as well. Councilmember Rzyzi stated he agrees this will impact the unions, but if we make it use it or lose it, it will benefit the taxpayers and when we go to the bargaining table they will know we are serious. Councilmember Kramer wants to make sure Council looks at the trickle-down effect when dealing with other employees in the City. Councilmember Kurtzweil stated sometimes what happens is we lose perspective of who is paying the salaries in the City. Anything that affects taxes affects the seniors. She stated she heard from many millennials that their employers have a use it or lose it policy and sometimes as a government we think we can run to the well for contingent liabilities and this is what that is. This resolution waters it down, but does not limit it. She thinks other communities are adopting use it or lose it and the City is using archaic policies and we need to address the problem. She supports the use it or lose it, she could be persuaded to allow employees to carryover 5 days. She further stated if they don't use it, they don't get paid for it. It is an archaic program, we need to get into the modern world and things change every day. She further stated everyone knows that things will always be changing. She stated collective bargaining issues need to be handled as they come up but we owe it to the taxpayers to cap this liability and with finding out tonight what the dollar amounts actually are, it is time to put a stop to it. We need to give Lynne a consensus that Council wants a use it or lose it resolution. Councilmember Kivell stated this is a long-term obligation, but this has nothing to do with the MERS obligation, it is a retirement one time deal. Councilmember Rzyzi stated the problem is not understanding where our liabilities lie and this should have been addressed over a decade ago. The people he speaks with says use it or lose it. He stated most people he talks to don't receive a pension or that much vacation time, it is archaic. The consensus of Council to have a resolution of use it or lose it with a 5-day carryover only, and no payout with an effective date of January 1 2018. Councilmember Parisien stated she would like to see different options. Councilmember Wedell stated when his former employer eliminated a benefit like that for sick time, all employees that had sick days banked before the change was put aside for their retirement. Councilmember Kramer stated his employer did the same. Councilmember Kurtzweil stated they froze them so the County knew what their liability was and they could set that money aside for their retirement. Chief Collins stated the sick days are currently use it or lose it. Attorney Wilhelm stated clearly, we can do a clean break with the non-union employees, but we will have to begin to use this in the negotiations in the future to gain the same result.

CM 6-3-17 MOTION TO POSTPONE UNTIL THE SECOND MEETING IN JULY

Motion by Wedell, supported by Parisien

Motion to postpone the resolution until the second meeting in July for the City Manager to gather more information

VOTE: MOTION CARRIED UNANIMOUSLY

2. Consider approval of vacation time
 - a. Chief Collins
 - b. Superintendent Martin

City Manager Ladner stated this is the additional information Council requested when the payout discussion was held originally. She stated for Chief Collins he is owed 707 hours which equals \$31,808.54 and 524 hours which equals \$22,034.96 for Bob Martin. She stated we have been legally advised to pay this at the current rate of pay by our employment attorney. Councilmember Kivell asked if this covers their banked hours. Councilmember Wedell stated by doing this now, it will avoid any pay increases that may come. City Manager Ladner stated this is half of their banked hours. Councilmember Ryzyi stated he doesn't understand why we cannot pay them out at the rate of pay when they were given. City Manager Ladner stated Lori has a spreadsheet that reflects the hours they earn on their anniversary and at the end of the calendar year, if they still have hours/days it rolls over. She stated when you calculate and payout the hours, you don't know when they were accumulated, do you do first hours in or the first hours out. Councilmember Ryzyi stated how did this go back so many years without keeping track of what was gained each year. Councilmember Ryzyi stated he hopes the City would have a way of knowing what hours were banked per year. City Manager Ladner stated it is a spreadsheet.

Councilmember Kurtzweil asked if the issue is when the City keeps track of the time that the City takes place of the date when the accrual happens, but you can't go back into the data to reflect what was accrued for each year. City Manager Ladner stated we are using a spreadsheet. Councilmember Ryzyi stated this sounds very archaic and we should be able to go back to any year to see how many days were banked each year. Councilmember Ryzyi asked how do we know the numbers are accurate.

Councilmember Kivell read a section of the agenda note, concerning the question related to whether the hours would be paid at the employee's current rate or previous rates of pay, she discussed the issue with the employment attorney and based on the language in the handbook states that the time will be paid out at the current rate of pay. Councilmember Ryzyi asked how we know the hours are accurate. Chief Collins stated the bookkeeper does keep a spreadsheet. He stated he does as well, which includes a time balance for all employees in the police department and Sovik does as well. Every 6 months we compare our spreadsheet and if they agree, we then give them to the bookkeeper and compare our numbers with hers as well. Councilmember Kurtzweil stated her issues with what is being presented is in the explanation of topic is incorrect. City Manager Ladner stated it is coming out of the current budget, and she is going to advocate for the façade program and we didn't have money for the façade grant program, yet we found money in the budget for vacation payouts. She further stated we don't have what is the actual obligation that is owed tonight. Chief Collins stated 1,198 hours, and if you're going to address contingent liabilities and she doesn't know how anyone on Council can vote on what they don't understand. Our actual liability is 1,198 hours, not half of it. She stated some will come out of the current budget, and some will have to come out of the next budget and she is voting no on this.

Councilmember Kivell stated that is why he said the language should be for new hires, because we are still obligated for the payout before the trigger for the 5-day bank. City Manager Ladner stated we can

lock them in until they retire. Councilmember Ryzyi stated he is voting no as well, the money is owed, but we just passed the largest tax increase in a decade onto our residents and we need to change the culture in the City. He further stated we need to have a hiring freeze and we can't add to our retirement liability. This doesn't address our systematic problem. We need to do what is right for the taxpayers. Councilmember Kurtzweil stated there also needs to be language added stating the employee agrees to abide by the accounting of the City. She stated she has no problem cashing them out now, considering they get paid out when they retire, they will always be paid out at the higher rate of pay, cash them out now. Councilmember Kramer stated this will halve our liability for now. Councilmember Kivell asked why don't we look at the entire package instead of half. Councilmember Wedell stated we did budget amendments at the last meeting to pay for this proposal in this year's budget.

CM 6-4-17 MOTION TO APPROVE PAYMENT OF VACATION TIME BUYBACK TO REDUCE LEGACY COSTS AS PRESENTED

Motion by Kramer, supported by Wedell

Motion to approve the payments of vacation time buyback for Chief Collins and Department Head Martin to reduce legacy costs

VOTE:

ROLL CALL VOTE

Kivell- Yes

Parisien- Yes

Ryzyi- No

Galeas- Yes

Wedell- Yes

Kramer- Yes

Kurtzweil- No

MOTION CARRIED-2 OPPOSED

3. Consider approval of Pumpkinfest Parade and necessary road closures

Phil Wiepert stated he is here along with Kathy Swan to ask for Council's approval for the road closures for the 2017 Pumpkinfest.

CM 6-5-17 MOTION TO APPROVE THE PROPOSED ROAD CLOSURES FOR THE 2017 PUMPKINFEST

Motion by Kramer, supported by Ryzyi

Motion to approve the proposed road closures for the 2017 Pumpkinfest

VOTE:

MOTION CARRIED UNANIMOUSLY

4. Consider replacement of Paul Baker Park Fountain

Department Head Martin stated at the end of the budget year, he and Judy went through the budget and in line item 940 for repair and maintenance, and we found some money we can use for the fountain. He stated the fountain is over 20 years old. He stated he spoke with the person we originally purchased this from and it comes with all the equipment and we could have a new fountain in August. We are working hard to watch our money. Councilmember Ryzyi asked where he found the money. Department Head Martin stated it is under land improvements such as the sidewalk program, parking lot striping, tree planting and city signs. There is enough money to address the \$9,000 charge. Councilmember Kramer asked if it is under 974. Department Head Martin stated it is under 974. Councilmember Ryzyi stated he asked because we had to raise the mill rate and this just illustrates we can find money to shuffle when we

look line item by line item. Department Head Martin stated when this was discussed originally it sounded like Council was for this and he signed a purchase order. Councilmember Rzyzi asked if it was budgeted for when the purchase order was signed. Department Head Martin stated it was. Councilmember Wedell asked if we received 3 bids, or if we need to waive the bid process. Councilmember Kurtzweil stated the ordinance requires a purchase over \$3,000 to go out for bid, but it also states it shall be subject to competitive bidding except when it is determined by Council that no advantage to the City would result or when the expenditure or contract is for professional services, waiving a competitive bid process is inappropriate when you have an ordinance in line, so someone needs to put on record that the expenditure is for a professional service. Department Head Martin stated there aren't many fountain companies in Michigan. Councilmember Rzyzi asked if there were any in Indiana or Ohio. Department Head Martin stated they worked hard on this and couldn't find anyone else. Councilmember Parisien asked if this includes a 5-year warranty. Department Head Martin stated it does. Councilmember Parisien asked if we are replacing the drain. Department Head Martin stated there is no drain in this system. Councilmember Parisien asked how much additional would it cost if we added a drain. Department Head Martin stated it would be \$2,500.00 for us to do the work for a drain, currently it doesn't have a drain, we run it out to Reynold Sweet Parkway to the Yerkes Drain. Councilmember Parisien stated her concern is how much additional it would be to do the drain, if we do this we should do this right. Department Head Martin stated he never intended anyone else to do the drain, we can do this ourselves. Councilmember Rzyzi stated since we had this major tax increase, he has been scrutinizing things and thinking about all the cities that have fountains, he is concerned this person is the only person that fixes fountains. Department Head Martin stated this fountain is a big fiberglass fountain that was designed to sit at the exact depth it is currently at. He further stated if we had the money we could get rid of that and get a plastic one, but that was fabricated many years ago, and we have done our due diligence. Councilmember Rzyzi asked how many quotes did we get. Department Head Martin stated we sent out 2 or 3. Councilmember Rzyzi stated his concern is we have gone through the waiving of the competitive bid and he is uneasy about doing that going forward and he doesn't want to get into a habit of doing so. He further stated he doesn't see a practical reason for doing so. Councilmember Kivell asked how long will the construction take. Department Head Martin stated probably just a day. Department Head Martin stated we can come back with another plan if Council doesn't want to do this right now. He further stated the fountain will be down for 2 days. Councilmember Parisien asked if this will affect the wedding season. City Manager Ladner stated she can discuss this with Kelly. Department Head Martin stated we can wait until the end of the wedding season. Mayor Galeas stated it would be nice to have for Pumpkinfest. Councilmember Kurtzweil stated the total cost is \$11,288 and the \$2,500 for the drain, and if the work will be done during the week there isn't many weddings during the week so this shouldn't interfere. Councilmember Rzyzi stated we have to honor the purchase order, but he would have liked to have seen bids.

CM 6-6-17 MOTION TO APPROVE PURCHASE OF MASTER FOUNTAIN FROM TRI COUNTY AQUATICS

Motion by Kurtzweil, supported by Kramer

Motion to approve the purchase of the new aqua master fountain from Tri County Aquatics because the head of the DPW has put on record sufficient facts that leads her to conclude there is no advantage to the City that would result in a competitive bid

VOTE: MOTION CARRIED UNANIMOUSLY

BUDGET

City Manager Ladner stated there was direction from Council to make the budget a standing agenda item, or if we should make this monthly or quarterly when the reports are given out. Councilmember Rzyzi

asked what the shortfall is for the 2018-2019 budget year. Councilmember Wedell stated \$162,169 shortfall and the purpose of a running two-year budget is to have two years of a balanced budget. Councilmember Ryzzi stated the point is this is a struggle and at this current rate of spending we will have to raise taxes or cut services and it should be a standing agenda item.

Councilmember Kurtzweil stated this should be a standing agenda item, we can use the time to discuss budget issues, or for brainstorming of things we want covered in the next 6 months. She stated considering the seriousness of the budget condition it should be on every agenda. She further stated when she looks at the general fund revenues on the first page of the budget, it shows a beginning fund balance of 2.1 million, but when you look at the earlier versions, the beginning fund balance is 1.4 million. She stated she doesn't understand how the fund balance changed. She stated she did not vote for this budget, and the 2018-2019 budget doesn't balance and we need to look at all years that we are being asked to approve. She stated Council passed a budget with a deficit and there are no plans on how to correct this. Councilmember Kurtzweil stated on the millage and assessed comparison sheet, the new sheet for the building authority land acquisition is almost \$11,000 more in the 2018-2019 than the current year budget and she didn't see an adjustment in the mill to take care of that fund and if there is debt service in there, the mill may need to be adjusted. Councilmember Kurtzweil stated on the capital improvement fund for 2017-2018 it shows \$730,000 for expenditures, what does that include. City Manager Ladner states part of that reflects a transfer to local streets. Councilmember Kurtzweil asked where she could have found that information on her own. City Manager Ladner stated she could have added a directive reflecting there was a transfer. She stated working on municipal budgets is hard, and it is an important thing to let people know where the Capital Improvement mill is going, and the regular taxpayer would not know where that money is going. Councilmember Kurtzweil stated the revenues are less than the expenditures on Water and Sewer, but we can get back to that later. She further asked why the mill levy is zeroed out. City Manager Ladner stated that was levied for the water treatment plant and that was paid off in 2016. City Manager Ladner further stated our auditors advised the current DWRF bond is under the direct water distribution revenue sheet. Councilmember Kurtzweil stated it is important for Council to know when a mill drops off and she doesn't recall seeing this. She further stated when a mill drops off it frees up some room for an increase in another area of the budget without effecting the taxes. City Manager Ladner stated that particular mill was voter approved mill levy, therefore we couldn't use that in another area.

Councilmember Kramer stated he doesn't like this format for the budget. City Manager Ladner stated she is contacting the County to set up a meeting to look into a new format.

Councilmember Ryzzi stated we met several times and on the last day we met and voted there was some confusion such as the original budget had 2 police cars, then the last budget presented had 1 police car. He further stated he voted no on the budget, and he thought they were getting 1 police car, and he feels bad they didn't get one. He further stated we have received a revised budget with our packet. City manager Ladner stated the presented budget is based on what Council approved. Councilmember Ryzzi stated we had a few revisions during the last meeting when the budget was passed. He stated the current resolution says 15.4233 mills and he still doesn't know what was voted on. City Manager Ladner stated the higher resolution reflects the library mill levy. Councilmember Ryzzi stated what was just voted on doesn't match the budget resolution we approved and he is not confident that what was voted on is what is in front of him now. Councilmember Kramer stated the higher mill rate includes the library mills. City Manager Ladner stated Council approved 11.050 mills for general fund, 3.3 mills for obligated funds, .5838 for Capital Improvement and .3 for the building authority. Councilmember Kivell stated this document could be much more helpful with a narrative that explains what is being added, and subtracted. He stated you have examples from the past that could have been used. He further stated we need a level

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of detail for everyone to have a grasp of the direction of our funding. Councilmember Kivell stated the activities that are to be conducted from this budget is not clear. He further stated the budget is already a difficult thing to get through, but he hopes the City Manager spends more time with the narrative and ask someone to check your work. Councilmember Parisien stated when you sometimes look at the document too long you may miss something so having someone proof read and they may find it. This resolution has been printed on old letterhead from the previous Council. Mayor Galeas stated you need to have an explanation for the budget and the narrative is very important so we can understand what we are trying to accomplish. Councilmember Rzyzi stated we were told we had to pass a budget or it would be dooms day and the sky is falling, and we passed this budget and he is not confident we know what was passed.

Councilmember Kurtzweil stated what is troubling her is the difference in fund balance from the latest revenue sheet versus the sheets that were out during the workshops. She stated all of a sudden, the fund balance has jumped up. She further asked how much was cut from the budget. City Manager Ladner stated from the original budget total cut was probably over a half million dollars. Councilmember Kurtzweil stated there is a difference in expenditures and the problem is that didn't show up until the newest budget, and she didn't get the impression that much was cut in the past two weeks. Councilmember Kurtzweil stated it is adding and subtracting, a budget isn't that difficult. She stated this isn't the City Manager's issue, this is a budget she inherited and it is not consumer friendly and now is the time to change the format. She stated some of the comments directed at the City Manager is not appropriate and it is someone that wants to switch the narrative and not want to accept responsibility that there has been very little modernization in this town including the budget. Councilmember Kivell stated that is not true, we have never had this communication issue prior to the current City Manager, the previous City Manager's whether it was Rod Cook or Murphy, the information was always concise and accurate. Councilmember Rzyzi stated this isn't Lynne's fault, and he is passionate about this. He stated Council passed a budget and they don't know what they passed, this isn't a criticism against the City Manager, but of Council, and we should have gone back to the drawing board and went line by line through the budget and this budget should have never been passed.

DOWNTOWN

Councilmember Parisien asked how many historic buildings we have in South Lyon. Mr. Bob Donohue stated 34 or 35 and he is beginning an annual list, and this list will be verified by the EMU students. Councilmember Parisien stated having a historic downtown is charming and not everyone has one. Mr. Donohue stated the original Market Manager we hired is seeking full time employment so we have an interim in place, and he has been involved in the past, but he is not a vendor and will not be. The position has been posted. Councilmember Parisien asked for an update on the discussions he has had with restaurants that are interested in coming into town. Mr. Donohue stated there are buildings that will be up for sale, or tenants that will not renew their lease and he understands things are never moving quick enough, but we are moving in the right direction. Councilmember Parisien stated as long as there is progress, she understands that doesn't happen overnight.

Mayor Galeas stated he and Chief Collins met with two reps from the Road Commission and they were given a time frame of the sign placement is in October or November. Mr. Donohue stated when the TIA started this study, they thought they would cover the costs, but the RCOC disagrees with the number of signs the TIA wanted. Chief Collins stated there have been past concerns about sign pollution leading to downtown and in downtown. He suggested we look at overhead signs instead of pounding more signs in the ground, and the possibility of lane markings and no parking signage on Lake Street, east of Wells. Councilmember Kivell asked if the redundancy signs would have gone in the township forewarning of no

6-26-17

turn at the intersection. Chief Collins stated any changes will be noted in the trucker's map that is put out annually and most have them available in gps or digitally in their cab telling them they cannot turn at Lafayette and Pontiac Trail. Councilmember Kivell asked about the RCOC advertisement signs and the commercial for the road commission is printed on back of their seasonal load limit signs and just flip them when they are in effect. Mayor Galeas stated we only have one liquor license left and several DDA licenses and he doesn't know what to tell people when he is asked. Mr. Donohue stated the DDA licenses have changed, they are not as easy to get but they stay with the community, and they are the least expensive. He further stated there is a research component that is involved as well which can be expensive. Mr. Donohue stated the time frame to have some criteria in place is 6-12 months. He further stated the money isn't an issue with the businesses that are looking to come into the City, but it is the space.

Councilmember Kurtzweil stated Tim Hortons is coming into the township and it is next to Aubree's, and that is a huge thing. Councilmember Kurtzweil stated she is going to continue to advocate for the downtown and she finds it interesting that we found money to pay for vacation time, but not for the façade grants. She further stated the City needs to invest in the downtown, and transforming the downtown into an economical viable engine, and we need to solve all pieces of the puzzle, and if the downtown doesn't look good, people will not come. She further stated some members of Council dropped the ball. She stated you don't have an article in the Free Press and think your job is done. She further stated she encourages Council to continue focusing on the downtown. She further stated she had the opportunity to read an article in the Free Press regarding downtown façade grants dated June 14th. She stated there is a new program introduced by Mayor Duggan that Motor City Match will offer half a million dollars in matching grants to business owners and building owners and it is designed to give them a chance to improve the appearance of their buildings. She stated the matching grants will also be available for design and architectural projects. She stated multiple business that apply as a group are eligible for up to 75% matching grants and they are expecting up to 20 matching grants each quarter, and people applying as groups are. She further stated once again, South Lyon comes up short. She congratulated Mayor Duggan for understanding the economic development corporation and you would think South Lyon would look at what other communities are doing, and we could have done at least one grant. Mr. Donohue stated we know where we need to be and we have made progress and we will get there. He further stated the Norms lot will not go away overnight, we are on top of that issue, and we should pursue all issues possible regarding the two Bonner buildings. He further stated we know where we are going and we are making progress. Mayor Galeas stated Norm has done a lot of work for many people in the City and is a good business owner, but he doesn't think we should have cars butted up against another business, it seems wrong and some of the cars seem to sit there for too long. Mr. Donohue stated we don't have as many options as we may think we do. Further discussion was held regarding Norm's lot. Councilmember Kivell stated the dynamics that are going on now gives Norm the leverage he has been looking for, that is enough interest in that corner that he can maximize his return on that building. Councilmember Parisien stated her main concern is Norm is a fantastic business owner, and she wants to ensure the City keeps a delicate approach with all of our business owners. She stated Norm knows what his lot is worth and he does understand the master plan and finding ways for the City to work with him on this.

Mr. Donohue stated there has been a lot of talk about Browns Root Beer and Gary Fagin went to the Planning Commission last week, and the plans were approved. He is hoping to open in the fall. Mr. Donohue stated his last positive comment is that enough positive press is part of the whole process of the

discovery of South Lyon and the more we can showcase in the media is good and we will be back on public tv stations.

Councilmember Kurtzweil stated the businesses that are coming in are taking over spaces that were previously empty which is nice, but the issue is the sustainability of that business and if the business can't make it, that will just continue. She stated you need to understand the basics of economics, making sure the foot traffic is there, and making sure we are bringing in businesses that people want to visit. Mr. Donohue stated for the size of our City the number of vacancies is low. We have 3 spaces by the Salvation Army and they are tough spaces to fill.

Councilmember Rzyzi stated Bob Donohue was a great hire and doing great things for the City, but he thinks there is a danger of over selling the City and we need to stay hungry but stay humbled, it is great we are filling empty spots, but we need to keep improving. He further stated there are some different mindsets on Council but we need to keep the downtown item on the Agenda at each meeting and he is glad we are keeping it going. He further stated he wanted to give credit to Mayor Galeas for keeping his campaign promise to stop the heavy trucks from turning at Pontiac Trail and Lafayette. Mayor Galeas stated it wasn't a campaign promise, but he lives downtown and some people here think downtown is not a safe place to walk, but it really is. Other than the trucks coming through and turning in town it seems scary. It will get busier with Lyon Township is growing so much. He further stated we were told we couldn't do anything because they are County roads, but we have found out we are able to do so. Mr. Donohue stated he is in constant contact with realtors and you want a certain amount of vacancies to react to things in the market, and 5 or 6 vacancies shows itself.

MANAGERS REPORT

City Manager Ladner stated in the next few weeks the Safe Routes to School project is moving forward and the schools are moving forward with the non-infrastructure right now. She stated the final engineering package was received and it was approved and will go to bid on August 1st. She stated she is meeting with the Parks and Recreation Commission to discuss fund raising for Volunteer Park. She stated there will be a jazz concert at the next Friday concert series. She further stated the movies in the park will be starting soon as well, Moana is the first movie.

Councilmember Kurtzweil asked if Lynne contacted GFL regarding the garbage on 9 Mile. City Manager Ladner stated she did and they went back to pick it up and will keep an eye on it. Councilmember Kurtzweil stated she wanted to bring attention to the CVS at 9 Mile and Pontiac Trail. She stated the landscaping is trashed, cigarette butts all over and they have busted sidewalks. She further stated they need to clean up the outside of their building. She stated she contacted corporate but has not had a return call as of yet. She stated the one at Silver Lake and Pontiac Trail is in bad shape as well. That is blight and the City needs to look into it. She further stated the Speedway and Walgreens in Lyon Township on the other side of Pontiac Trail looks very nice. Councilmember Kurtzweil further stated that is an approach into the City and it is disgraceful.

COUNCIL COMMENTS

Councilmember Kramer wished everyone a happy 4th of July.

Councilmember Parisien stated the Fire Department has been busy and we have had 4 major fires in the last year, but she wants to thank all the firefighters, police officers and wishes everyone a happy 4th of July.

Councilmember Rzyzi stated he wants to discuss the attorney's invoices. He stated his theme is he is not here to make friends, and he doesn't care if his questions offend anyone, he is here to look out for the taxpayers. He stated it was his idea to get copies of invoices in the packets which was like pulling teeth. He stated we are now receiving invoices and we are receiving them late and when he has questions, the Attorney doesn't have answers. He further stated with that being said, there isn't an agenda, we spend a lot of money spent with the Johnson Rosati law firm, which we use to pay a retainer fee of \$6,250.00 which was \$75,000 a year and now we are paying upwards of \$140,000 a year. He further stated he has brought this up in the past and been gaveled and if that happens again, he will ask his questions during his Council comments. Councilmember Rzyzi stated that is the negative portion, but on a positive notion, the concerts in the park have begun and last weeks turnout was great. He stated he was in McHattie Park for the meet and greet and every parking spot was filled by the Historic Village, and the same for McHattie Park as well as the new parking lot is being used, and it is a nice thing for our community to have. He stated the park makes him proud to live in the City. He further stated he wanted to give a small compliment to the administration on the use of scheduling McHattie Park, he stated when they were scheduling the pavilion there is a lot of coordination between the bookkeeper's office and the clerk's office and there is a lot of small jobs that sometimes go unnoticed. Councilmember Rzyzi stated he attended the art show and it was really nice and he hopes everyone can stop by City Hall.

Councilmember Wedell stated he also enjoyed the concert in the park and looking forward to the Car show on Wednesday. He stated he took his grandkids to McHattie park and they were very happy and his daughter was very impressed with the facilities. He also wished everyone a happy 4th of July.

Councilmember Kurtzweil stated she doesn't think anyone on Council thought she would let this go. She further stated she disagrees with Mr. Kivell that his understanding that his conflict of interest is closed. She doesn't think he understands that the Oakland County's Prosecutors office does not enforce the City Charter. That is a civil document which is handled in civil court and she disagrees that this is over, it may be over in a month, but it is not over for the public. She stated she listened to the tape from the last meeting and it appears he still will not accept responsibility for his conflict of interest. She spent some time with a family that has a 9th grader from a different community, and the 9th grader understood Mr. Kivell had a conflict of interest. She further stated there still is a lot of anger on Facebook regarding Mr. Kivell's conduct and she has sat back and said nothing, except to the paper at the last meeting, and when Mr. Kivell votes to pass the largest tax increase and asks the seniors to buck up and pay and walk away from any level of accountability for his failure to disclose his conflict of interest, not only in South Lyon but also in the surrounding townships. She further stated when he asks how he gets his reputation back, Kivell, you made your reputation, you are the only person responsible why people dislike or distaste you. She stated she and the public only reacts to what you do. She further stated that no one told you not to disclose your conflict of interest, that was a decision made by you, no one coached you, and no one asked you to remain silent. Somehow as the public is seen is the rules don't apply to you Mr. Kivell, they apply to everyone else. How you get your reputation back is your business. Although the Oakland County Prosecutor didn't see fit to issue a warrant, it does not mean you did not have a conflict of interest that you had a duty to disclose to Council. You voted on contracts that benefited your employer, everyone understands that conflict of interest. She further asked the City Manager to add this issue to the next agenda and we can see how justice plays out in South Lyon. She further stated most of the people and the elected officials she has spoken with feel the City Manager did an excellent job handling this matter. She stated she wanted to thank Mike Kramer for leading the pack to the selection of the law firm that was chosen by Council to investigate this matter. She further stated she suggests everyone read the investigative report because it is that good of a reading in terms of what an elected officials duty are with

respect to conflict of interest. Councilmember Kurtzweil stated the fact he has apologized means he understands that he held a conflict of interest, that should have been disclosed, his only regret is he got caught with keeping his secret. She further stated it is possible his conflict rises to not only a violation of the Charter, but also a breach of his duties as an elected official to disclose any effect that could affect his decision on voting. She stated if she accepts his denial of accountability, she also should be excused from her conflicts of interest, and Joe Rzyzi and John Galeas is probably excused from his conflict of interest including his friends on Council. She further stated no doubt Kivell was and will be versed in conflict of interest. His failure to disclose is evidence to her his repugnant and Cavilear attitude that he will decide what rules he will follow, and he will decide what justice he gets from Council. She then asked City Manager Ladner to add to the next agenda her motion to suspend him for no greater than 60 days, no less than 40 days.

Councilmember Kurtzweil stated she wanted to comment on the opening of the sustainable art show, it was wonderful, we had people from all over the place, including a gentleman from the Chicago Art Institute. She stated as she has said before the Cultural Arts Commission is clearly beginning to develop a good rapport with very sophisticated individuals involved in the art community. She stated she met with the outgoing CEO of the MEDC on Thursday and learned about the efforts of the State of Michigan to promote businesses in Michigan, it was a fascinating talk. Councilmember Kurtzweil stated she wanted to thank Heinanen for lighting up the Flag at night, as we all know the American Flag does not fly at night unless there is a light shining on it. She then wished everyone a safe 4th of July. Councilmember Kivell stated that level of toxicity is crazy. He stated he has talked with dozens and hundreds of people that are so sick of the vitriol that is displayed in everyone of our meetings, and the idea of the conflict issue was taken to the levels it had and the idea we squandered that amount of wealth, when your talking about facade grants and things that could have been constructed with that money, it is glaringly weird you would rail on this.

Councilmember Kivell stated he attended the sustainable art show opening and there is some very interesting stuff, he was hoping it would have been more attended, but people clearly enjoyed it. He further stated there are some monumentally talented people in this area. He stated the concert afterwards was great as well, he stated a friend of his brought his mother in and they enjoyed the concert and they were impressed with what a lovely City we have. He stated he is hoping everyone has a terrific 4th of July.

Mayor Galeas stated the letters that were written to thank the Police and Fire Department regarding their work during the fire at Michigan Seamless Tube shows that they care and we all know you all did a great job. Mayor Galeas stated the dedication and ceremony of the William Pearson school will be on October 8th. Mayor Galeas stated he has some friends on Council but he has respect for people and he doesn't like the nastiness that has been happening for so long. He further stated he is a sounding board and you get a lot of bad that comes with the good. He knows there are many people that are upset. He further stated as a community he hopes everyone pays attention about who is respectful and who is not, and the nastiness has to stop eventually. He stated he could end a meeting almost every night because all we do is argue about nonsense. He stated when the good stuff is happening it is really good, but the bad stuff takes away from it. Mayor Galeas stated there has been a lot of good happening but he wishes people will have to understand we need to make things work. He further stated we need to respect people. He stated he is one of a group, and he can't make people like each other. Mayor Galeas hoped the Police Department and Fire Department have a safe holiday and happy 4th of July to everyone.

ADJOURNMENT

CM 6-7-17 MOTION TO ADJOURN

Motion by Rzyzi, supported by Kurtzweil
Motion to adjourn meeting at 10:56 p.m.

VOTE: MOTION CARRIED UNANIMOUSLY

Respectfully submitted.

Mayor John Galeas

Clerk Lisa Deaton

DRAFT

07/06/2017 10:49 AM
 User: PATRICIA
 DB: South Lyon

CHECK REGISTER FOR CITY OF SOUTH LYON
 CHECK DATE FROM 06/15/2017 - 07/06/2017

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Check Date	Check	Vendor Name	Description	Amount	Status
Bank 01 GEN FUND CHECKING					
06/15/2017	71892	ARBOR SPRINGS WATER CO., INC.	LAB SUPPLIES	52.00	Open
			WATER FOR CITY HALL	19.50	Open
				71.50	
06/15/2017	71893	AT&T	TELEPHONE BILL	63.22	Open
06/15/2017	71894	AVAYA*, INC.	WATER PHONE SYSTEM	226.26	Open
06/15/2017	71895	BLUE CROSS BLUE SHIELD OF MICH	HEALTH INSURANCE PREMIUMS	38,133.23	Open
			HEALTH INSURANCE	671.44	Open
				38,804.67	
06/15/2017	71896	CIB PLANNING	PLANNING CONSULTANT FEES	5,345.00	Open
06/15/2017	71897	CMC TELECOM, INC.	PHONE SERVICE	88.84	Open
06/15/2017	71898	DETROIT NEWSPAPER PARTNERSHIP	LEGAL NOTICES	1,386.70	Open
06/15/2017	71899	DTE ENERGY	SERVICE FROM 05/02/2017 TO 05/31/2017	246.54	Open
06/15/2017	71900	MATTHEW EMERY	VIDEO COUNCIL MEETING	75.00	Open
06/15/2017	71901	EMPLOYEE HEALTH INSURANCE MGMT	CLAIMS FUNDING	10,401.60	Open
			ADMINISTRATIVE FEE - MEDICAL WRAP & RX	777.00	Open
				11,178.60	
06/15/2017	71902	LEXISNEXIS OCCUPATIONAL	MAY 2017 CONTRACT FEE, (1) REAL-TIME PH	30.50	Open
06/15/2017	71903	LOWE'S	MATERIAL FOR AERATION BLOWER SILENCER S	283.57	Open
06/15/2017	71904	OAKLAND COUNTY TREASURER	MAY 2017 SOUTH LYON WOODS	477.50	Open
06/15/2017	71905	OAKLAND COUNTY TREASURERS	ASSESSING CONTRACT	61,019.71	Open
06/15/2017	71906	PARKSIDE CLEANERS	RUG CLEANING	43.00	Open
06/15/2017	71907	PETER'S TRUE VALUE HARDWARE	TIRE CLEANER, SWITCH FUEL, SAW BLADE, H	157.59	Open
			MAY2017 STATEMENT	2,712.07	Open
				2,869.66	
06/15/2017	71908	SALEM-SOUTH LYON DISTRICT	LIBRARY	7,330.78	Open
06/15/2017	71909	STATE OF MICHIGAN	WASTEWATER LICENSE RENEWAL - D. GEHRING	95.00	Open
06/15/2017	71910	STATE OF MICHIGAN**	SEX OFFENDER REGISTRATION FEE	60.00	Open
			LIVE SCAN	42.00	Open
				102.00	
06/15/2017	71911	SUNTEL SERVICES	VOICE SERVICES - POLICE DEPARTMENT	27.50	Open
			ADVANCED VOICE SERVICES - POLICE DEPART	31.25	Open
				58.75	
06/15/2017	71912	THE UPS STORE	PRINTING, LAMINATING AND PRIORITY MAIL	140.98	Open
06/15/2017	71913	VISICOM SERVICES, INC.	REPLACEMENT SERVER FOR P.D. NETWORK	4,626.60	Open
06/15/2017	71914	WOW! BUSINESS	PARK SECURITY	62.00	Open
			INTERNET SERVICE	46.97	Open
				108.97	

CHECK REGISTER FOR CITY OF SOUTH LYON
 CHECK DATE FROM 06/15/2017 - 07/06/2017

Check Date	Check	Vendor Name	Description	Amount	Status
06/15/2017	71915	LEXISNEXIS RISK SOLUTIONS	MAY 2017 CONTRACT FEE, (1) REAL-TIME PH	30.50	Open
06/22/2017	71916	ADVANCE AUTO PARTS	IGNITION COIL PD 222	63.13	Open
06/22/2017	71917	ANN ARBOR WELDING SUPPLY CO	CYLINDER RENTAL	127.72	Open
06/22/2017	71918	ARBOR SPRINGS WATER CO., INC.	PURIFIED WATER	57.50	Open
06/22/2017	71919	BADER & SONS CO.	PAINT FOR LOADER	36.76	Open
06/22/2017	71920	BIOTECH AGRONOMICS INC	SLUDGE REMOVAL (799,000 GALS.)	37,153.50	Open
06/22/2017	71921	BLUETARP FINANCIAL, INC.	HYDRANT PUMP	203.59	Open
06/22/2017	71922	BRIGHTON ANALYTICAL, L.L.C.	MW ANALYSIS	82.50	Open
06/22/2017	71923	TERRY BROWN	CONCERT IN THE PARK 06/16/2017	700.00	Open
06/22/2017	71924	BULLET DISTRIBUTORS	VEHICLE SEALANT	29.95	Open
06/22/2017	71925	BUSCH'S	SUPPLIES	23.27	Open
06/22/2017	71926	CAR INC.	(6) DENT REPAIR & TOUCH-UP - POLICE DEP	775.00	Open
06/22/2017	71927	CONTRACTORS CONNECTION	TRAFFIC CONES & BARRICADES	962.35	Open
06/22/2017	71928	CORRIGAN OIL CO.	GAS & DIESEL MAY 2017	5,801.06	Open
06/22/2017	71929	COUGAR SALES & RENTAL, INC.	CONCRETE SUPPLIES	15.61	Open
06/22/2017	71930	CUMMINS BRIDGEWAY, LLC	REPLACE GENERATOR HEATER BLOCK @ 9 MILE	308.00	Open
06/22/2017	71931	GRAINGER	RELAY & FUSES FOR RAW SEWAGE VACUUM PUM	252.31	Open
06/22/2017	71932	GREEN OAK TIRE, INC.	TIRE FOR LADDER 1	751.50	Open
06/22/2017	71933	HURON VALLEY AMBULANCE, INC	TRANSPORT CALL NUMBER 17057539	50.00	Open
06/22/2017	71934	INTERSTATE BILLING SERVICE INC	SOLENOID & SEAL FOR BACKHOE	421.28	Open
06/22/2017	71935	INTL UNION OF OPERATING ENG	PAYROLL DEDUCTION - DUES	316.86	Open
06/22/2017	71936	JOHN'S SANITATION	PORTA JOHNS @ CEMETERY, PARKS & FARMERS	704.86	Open
06/22/2017	71937	JOHNSON, ROSATI, SCHULTZ &	LEGAL SERVICES	9,000.00	Open
			LEGAL FEES - MICHIGAN TAX TRIBUNAL	286.00	Open
			LEGAL FEES - GENERAL LABOR MATTERS	2,864.00	Open
				12,150.00	
06/22/2017	71938	LB OFFICE PRODUCTS	OFFICE SUPPLIES	169.31	Open
06/22/2017	71939	TOLA LEWIS	FARMERS MARKET ENTERTAINMENT FOR 06/10/	125.00	Open
06/22/2017	71940	LOCKBOX IPT BY BIDNET	AUCTION SERVICE FEES	243.75	Open
06/22/2017	71941	LYON AUTO WASH	(212) POLICE DEPARTMENT VEHICLE WASHES	848.00	Open
06/22/2017	71942	MARTIN'S DO IT BEST	MAINTENANCE SUPPLIES - HISTORICAL	166.40	Open
06/22/2017	71943	MIKE'S GARDEN	FLOWERS FOR SPRING CLEANUP	448.00	Open
			FLOWERS FOR POCKET PARK	39.98	Open
				487.98	
06/22/2017	71944	MILARCH NURSERY, INC.	3 SPRUCE TREES	405.00	Open
06/22/2017	71945	MISDU	PAYROLL DEDUCTION - REMITTANCE ID 91296	322.07	Open
06/22/2017	71946	MUNICODE	ANNUAL ADMIN. SUPPORT FEE	350.00	Open
06/22/2017	71947	O'REILLY AUTO PARTS	OIL FILTER	5.63	Open
06/22/2017	71948	OBSERVER & ECCENTRIC NEWSPAPER	LEGAL NOTICES	283.20	Open
06/22/2017	71949	PEOPLE'S EXPRESS	SENIOR TRANSPORTATION FOR MAY 2017	6,160.00	Open
06/22/2017	71950	PITNEY BOWES INC	POSTAGE MACHINE RENTAL	252.00	Open
06/22/2017	71951	TIMOTHY RAAP	REIMBURSEMENT FOR CHILD SAFETY SEAT TEC	50.00	Open
06/22/2017	71952	SAFEBUILT MICHIGAN, INC.	MAY PERMIT FEES	40,966.56	Open
06/22/2017	71953	SNIDER RECREATION INC.	PLAYGROUND EQUIPMENT REPAIR PARTS	359.00	Open
06/22/2017	71954	STANDARD INSURANCE COMPANY	INSURANCE PREMIUM FOR JULY 2017	2,518.52	Open
06/22/2017	71955	STERICYCLE ENVIRONMENTAL SOLUTIONS	DISPOSAL OF EXPIRED LAB CHEMICALS	3,628.97	Open
06/22/2017	71956	SWEENEY CONSTRUCTION MATERIALS	CONCRETE SUPPLIES	82.00	Open
06/22/2017	71957	THE W.W. WILLIAMS COMPANY, LLC	ENGINE REPAIR - LADDER 1	2,164.35	Open
06/22/2017	71958	UTILITIES INSTRUMENTATION SERVICE	UPGRADE MOSCAD K TO MOTOROLA 3600 - EAG	5,910.00	Open
06/22/2017	71959	VANTAGEPOINT TRANSFERS	PAYROLL DEDUCTION - ICMA-RC 457	3,997.15	Open

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CHECK REGISTER FOR CITY OF SOUTH LYON
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Check Date	Check	Vendor Name	Description	Amount	Status
06/22/2017	71960	VICTORY LANE	OIL CHANGE VEHICLE #221	34.48	Open
06/22/2017	71961	VISICOM SERVICES, INC.	COMPUTER NETWORK SERVER INSTALLATION/CO	840.00	Open
06/22/2017	71962	SUSAN L. WINTERS	PAYROLL DEDUCTION	229.92	Open
06/22/2017	71963	WOW! BUSINESS	UTILITIES - WITCH'S HAT DEPOT MUSEUM	126.30	Open
			CABLE SERVICE FOR DPW	128.79	Open
			FIBER OPTIC NETWORK	710.00	Open
				965.09	
06/22/2017	71964	MATT ZMUDA	PHOTOGRAPHY - VEHICLES	95.00	Open
06/29/2017	71965	Spencer Knish Construction	BD Payment Refund	84.00	Open
06/29/2017	71966	ADVANCE AUTO PARTS	BATTERY T-4	101.83	Open
			SPARK PLUGS FOR PD222	35.04	Open
				136.87	
06/29/2017	71967	ADVANCED MARKETING PARTNERS,	PRINT 2017 SUMMER TAX BILLS	664.40	Open
06/29/2017	71968	ADVANCED REHABILITATION TECHNOLOGY	INSTALLATION OF LINER SYSTEM IN MANHOLE	4,500.00	Open
06/29/2017	71969	ARBOR SPRINGS WATER CO., INC.	WATER	19.50	Open
			WATER FOR CITY HALL	19.50	Open
				39.00	
06/29/2017	71970	AVAYA*, INC.	DPW PHONE SYSTEM	12.58	Open
06/29/2017	71971	BULLET DISTRIBUTORS	WAX SEALANT	14.98	Open
06/29/2017	71972	BUSCH'S	SUPPLIES	51.86	Open
06/29/2017	71973	CONSUMERS ENERGY^	UTILITIES - 214 W. LAKE ST.	28.65	Open
			UTILITIES EXPENSE - 219 WHIPPLE ST.	32.96	Open
			UTILITIES - 335. S. WARREN ST.	27.21	Open
				88.82	
06/29/2017	71974	DEBORD BROS. FENCE CO.	FENCE REPAIRED - STORM DAMAGE FROM CITY	550.00	Open
06/29/2017	71975	BOB DONOHUE	EMPLOYEE REIMBURSEMENT FOR RIBBON CUTTI	124.92	Open
06/29/2017	71976	DTE ENERGY	SERVICE FROM 05/19/2017 TO 06/19/2017	16.64	Open
			UTILITIES	1,604.33	Open
				1,620.97	
06/29/2017	71977	JOHN GALEAS, JR	MONTHLY COUNCIL PAY - JUNE 2017	220.00	Open
06/29/2017	71978	HERITAGE-CRYSTAL CLEAN, LLC	VAC LIQUID PICK-UP, VAC TRUCK STOP FEE,	525.00	Open
06/29/2017	71979	HORNET CONCRETE CO. INC.	CONCRETE FOR SIDEWALK REPAIR	271.00	Open
06/29/2017	71980	JCI JONES CHEMICALS INC.	CHLORINE	641.20	Open
06/29/2017	71981	KENSINGTON VALLEY CHAMBER	2017 MEMBERSHIP RENEWAL	335.00	Open
06/29/2017	71982	GLENN KIVELL	MONTHLY COUNCIL PAY - JUNE 2017	180.00	Open
06/29/2017	71983	MICHAEL KRAMER	MONTHLY COUNCIL PAY - JUNE 2017	180.00	Open
06/29/2017	71984	MARGARET KURTZWEIL	MONTHLY COUNCIL PAY - JUNE 2017	180.00	Open
06/29/2017	71985	LYNNE LADNER	JUNE CAR ALLOWANCE	350.00	Open
06/29/2017	71986	SARAH LAMBI	COUNCIL RECORDING	75.00	Open
06/29/2017	71987	MICHIGAN URBAN SEARCH & RESCUE TRAI	STRUCTURAL COLLAPSE OPERATIONS - MIKE O	650.00	Open
06/29/2017	71988	MUNICIPAL ADVISORY COUNCIL	DEET REPORT FOR AUDIT	100.00	Open
06/29/2017	71989	NEW DIRECTIONS BEHAVIORAL	EAP INSURANCE 3RD QUARTER 2017	320.63	Open
06/29/2017	71990	PARAGON LABORATORIES, INC.	WW ANALYSIS	345.00	Open

Check Date	Check	Vendor Name	Description	Amount	Status
06/29/2017	71991	MARY PARISIEN	MONTHLY COUNCIL PAY - JUNE 2017	180.00	Open
06/29/2017	71992	PARKSIDE CLEANERS	DRYCLEANING - UNIFORMS RUG CLEANING	38.40 43.00	Open Open
				<u>81.40</u>	
06/29/2017	71993	PEERLESS MIDWEST, INC.	HIGH SERVICE PUMP #2 OVERHAUL WELL #1 PUMP OVERHAUL, VIDEO & CLEANING	15,455.00 24,766.75	Open Open
				<u>40,221.75</u>	
06/29/2017	71994	PEOPLE'S EXPRESS	TRANSPORTATION FOR RIBBON CUTTING CEREM	100.00	Open
06/29/2017	71995	PLUMBERS SERVICE	CABLED SANITARY LINE - 124 N. WELLS	153.00	Open
06/29/2017	71996	PROVIDENCE OCCUPATIONAL	NEW HIRE PHYSICAL - MORENO	428.00	Open
06/29/2017	71997	QUICKSILVER MARKETING SOLUTION	BANNER FOR RIBBON CUTTING CEREMONY	96.25	Open
06/29/2017	71998	ROAD COMMISSION FOR OAKLAND	TRAFFIC SIGNAL MAINTENANCE MAY 2017	469.98	Open
06/29/2017	71999	JOSEPH RYZYI	MONTHLY COUNCIL PAY - JUNE 2017	180.00	Open
06/29/2017	72000	SITEONE LANDSCAPE SUPPLY LLC	VOLUNTEER PARK SPRINKLER SYSTEM IRRIGAT	62.75	Open
06/29/2017	72001	SANDOR SLOMOVITIS	CONCERT IN THE PARK 06/23/2017	650.00	Open
06/29/2017	72002	TERMINIX PROCESSING CENTER	PEST CONTROL - 318 W. LAKE STREET	62.00	Open
06/29/2017	72003	TOSHIBA FINANCIAL SERVICES	CONTRACTUAL SERVICES COPIERS	2,272.11	Open
06/29/2017	72004	TRI-COUNTY AQUATICS INC.	AQUAMASTER FOUNTAIN - BAKER PARK	9,788.10	Open
06/29/2017	72005	UNITED STATES POSTAL SERVICE	JULY 2017 BILLING	1,126.76	Open
06/29/2017	72006	VISICOM SERVICES, INC.	POLICE DEPT. COMPUTER NETWORK PROJECT DOMAIN NAME RENEWAL	1,260.00 187.50	Open Open
				<u>1,447.50</u>	
06/29/2017	72007	HARVEY WEDELL	MONTHLY COUNCIL PAY - JUNE 2017	180.00	Open
06/29/2017	72008	WOW! BUSINESS	UTILITIES - CABLE CABLE SERVICE - POLICE DEPARTMENT	10.00 35.97	Open Open
				<u>45.97</u>	
06/29/2017	72009	X-TREME STEAM	CARPET CLEANING, WINDOW CLEANING	518.51	Open
06/29/2017	72010	VISICOM SERVICES, INC.	COMPUTER SUPPORT SERVICES	5,724.07	Open
07/06/2017	72011	JACOB WARREN	CONCERT IN THE PARK - 06/30/2017	580.00	Open
07/06/2017	72012	PATRICIA TIERNAN	PAYROLL CORRECTION	630.74	Open
07/06/2017	72013	A.F.S.C.M.E. COUNCIL 25	PAYROLL DEDUCTION - JULY 2017	635.20	Open
07/06/2017	72014	ARBOR SPRINGS WATER CO., INC.	PURIFIED WATER	26.00	Open
07/06/2017	72015	AT&T	UTILITIES - PHONE SERVICE	335.76	Open
07/06/2017	72016	AT&T MOBILITY	UTILITIES - PHONE SERVICE	470.06	Open
07/06/2017	72017	CITY OF SOUTH LYON	WATER BILLS - CITY HALL 335 S. WARREN & WATER BILL - FIRE DEPARTMENT UTILITIES - WATER BILL	225.12 287.23 287.23	Open Open Open
				<u>799.58</u>	
07/06/2017	72018	CONSUMERS ENERGY	UTILITIES - NATURAL GAS UTILITIES - SERVICE FROM 05/19/2017 TO UTILITIES - SERVICE FROM 05/19/2017 TO	134.83 482.73 88.71	Open Open Open
				<u>706.27</u>	

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CHECK REGISTER FOR CITY OF SOUTH LYON
CHECK DATE FROM 06/15/2017 - 07/06/2017

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Check Date	Check	Vendor Name	Description	Amount	Status
07/06/2017	72019	COSTCO	CLEANING SUPPLIES	40.76	Open
07/06/2017	72020	BOB DONOHUE	EMPLOYEE REIMBURSEMENT - APRIL, MAY AND	195.77	Open
07/06/2017	72021	DTE ENERGY	UTILITIES - ELECTRICAL SERVICES FROM 05	25,131.37	Open
07/06/2017	72022	DTE ENERGY	UTILITIES - ELECTRIC 219 WHIPPLE ST.	494.63	Open
			UTILITIES - 214 W. LAKE ST.	147.37	Open
			UTILITIES - ELECTRIC	359.19	Open
			UTILITIES SERVICE 05/27/2017 TO 06/27/2	736.96	Open
			UTILITIES - ELECTRICAL SERVICE 05/27/20	14.34	Open
			UTILITIES - SERVICE FROM 05/24/2017 TO	155.21	Open
			UTILITIES - SERVICE FROM 05/24/2017 TO	1,205.00	Open
				3,112.70	
07/06/2017	72023	ELECTRICAL CODE SERVICES LLC	ELECTRICAL INSPECTOR'S PAY JUNE 2017	1,029.77	Open
07/06/2017	72024	MARTIN'S DO IT BEST	OPERATING EXPENSE	0.49	Open
07/06/2017	72025	MISDU	PAYROLL DEDUCTION - REMITTANCE ID 91296	322.07	Open
07/06/2017	72026	PNC BANK	BUSINESS CARD	882.43	Open
07/06/2017	72027	POLICE OFFICERS ASSOCIATION OF	PAYROLL DEDUCTION UNION DUES - JULY 201	615.40	Open
07/06/2017	72028	POLICE OFFICERS LABOR COUNCIL	PAYROLL DEDUCTION - JULY 2017	251.25	Open
07/06/2017	72029	PRINCIPAL FINANCIAL GROUP	VISION & DENTAL INSURANCE JULY 2017	5,246.65	Open
07/06/2017	72030	PROVIDENCE OCCUPATIONAL	DRUG AND ALCOHOL SCREENING	93.00	Open
07/06/2017	72031	R.R.A.S.-O.C.	HOUSEHOLD HAZARDOUS WASTE MAY 2017 APPO	23.50	Open
07/06/2017	72032	TIMOTHY DAVIDS	FARMERS MARKET MANAGER FEES 14 HOURS @	222.50	Open
07/06/2017	72033	TOSHIBA FINANCIAL SERVICES	CONTRACTUAL SERVICES	84.00	Open
07/06/2017	72034	WINDSTREAM	TELEPHONE	1,991.56	Open
07/06/2017	72035	SUSAN L. WINTERS	PAYROLL DEDUCTION	201.68	Open
07/06/2017	72036	WOW! BUSINESS	INTERNET SERVICE	32.97	Open
07/06/2017	72037	DONALD GOTHAM	EMPLOYEE REIMBURSEMENT FOR JUNE 2017	70.62	Open
07/06/2017	72038	VANTAGEPOINT TRANSFERS	PAYROLL DEDUCTION - ICMA 457 TRANSFER	3,976.39	Open

01 TOTALS:

Total of 147 Checks:

Less 1 Void Checks:

Total of 146 Disbursements:

391,107.85

30.50

391,077.35

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF SOUTH LYON
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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 200.000 ADMINISTRATION					
101-200.000-802.000	CONTRACTUAL SVCS	FULLER APPRAISAL, L.L.C.	WEST END INDUSTRIAL PARK REVIEW FOR L	2,625.00	
101-200.000-802.000	CONTRACTUAL SVCS	FULLER APPRAISAL, L.L.C.	WEST END INDUSTRIAL APPRAISAL	4,000.00	
101-200.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPESTER & RECYCLING 07/01/2017 TO 07	63.13	
101-200.000-880.000	COMMUNITY PROMOTIONS	TOWNSHIP OF CANTON	REPAIRS ON SHARED MOVIE SCREEN	39.75	
101-200.000-931.000	BUILDING MAINTENANCE	KROFF MECHANICAL SERVICE	A/C REPAIR	161.50	
		Total For Dept 200.000 ADMINISTRATION		6,889.38	
Dept 276.000 CEMETERY					
101-276.000-740.000	OPERATING EXPENSE	BADER & SONS CO.	BELT FOR TRACTOR & GREASE	58.25	
101-276.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPESTER & RECYCLING 07/01/2017 TO 07	76.27	
		Total For Dept 276.000 CEMETERY		134.52	
Dept 300.000 POLICE					
101-300.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPESTER & RECYCLING 07/01/2017 TO 07	38.13	
101-300.000-853.000	TELEPHONE	SUNTEL SERVICES	ONSITE & REMOTE REPAIRS TO PHONE SYST	503.00	
101-300.000-863.000	VEHICLE MAINTENANCE	VICTORY LANE	FLEET OIL SERVICE	34.48	
		Total For Dept 300.000 POLICE		577.61	
Dept 335.000 FIRE					
101-335.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPESTER & RECYCLING 07/01/2017 TO 07	38.14	
101-335.000-863.000	VEHICLE MAINTENANCE	PAYETTE SALES & SERVICE,	SEAL KIT FOR LADDER 1	969.30	
101-335.000-977.000	EQUIPMENT	GRAINGER	PULL TIGHT SEAL 8 INCH GREEN	33.84	
		Total For Dept 335.000 FIRE		1,041.28	
Dept 440.000 DEPT. OF PUBLIC WORKS					
101-440.000-740.000	OPERATING EXPENSE	GRAINGER	TRASH CAN LINERS	97.82	
101-440.000-740.000	OPERATING EXPENSE	QUALITY FIRE SERVICES	FIRST AID, PAPER, SAFETY SUPPLIES & G	305.66	
101-440.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPESTER & RECYCLING 07/01/2017 TO 07	119.86	
101-440.000-930.000	REPAIR MAINTENANCE	COUGAR SALES & RENTAL, I	CONCRETE TOOL RENTAL	45.30	
		Total For Dept 440.000 DEPT. OF PUBLIC WORKS		568.64	
Dept 690.000 PARKS AND RECREATION					
101-690.000-740.000	OPERATING EXPENSE	GRAINGER	TRASH CAN LINERS	97.82	
101-690.000-740.000	OPERATING EXPENSE	QUALITY FIRE SERVICES	FIRST AID, PAPER, SAFETY SUPPLIES & G	64.99	
		Total For Dept 690.000 PARKS AND RECREATION		162.81	
Dept 732.000 HISTORICAL DEPOT					
101-732.000-931.000	BUILDING MAINTENANCE	GRAINGER	TRASH CAN LINERS	97.82	
		Total For Dept 732.000 HISTORICAL DEPOT		97.82	
		Total For Fund 101 GENERAL FUND		9,472.06	
Fund 592 WATER & SEWER					
Dept 550.000 SEWER / REPAIR					
592-550.000-930.000	REPAIR MAINTENANCE	PLUMBERS SERVICE	CABLED SANITARY LINE - 350 N. HAGADOR	189.00	
592-550.000-930.000	REPAIR MAINTENANCE	PLUMBERS SERVICE	CABLED SANITARY LINE - 475 WASHINGTON	162.00	
		Total For Dept 550.000 SEWER / REPAIR		351.00	

INVOICE GL DISTRIBUTION REPORT FOR CITY OF SOUTH LYON
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CHECKS TO BE APPROVED 07/10/2017

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 592 WATER & SEWER					
Dept 556.000 WATER					
592-556.000-740.000	OPERATING EXPENSE	ADVANCE AUTO PARTS	MISC. TOOL	7.35	
592-556.000-740.000	OPERATING EXPENSE	FISHER SCIENTIFIC	LAB SUPPLIES	301.67	
592-556.000-740.000	OPERATING EXPENSE	GRAINGER	WTP OUTSIDE LIGHT BULBS	101.88	
592-556.000-740.000	OPERATING EXPENSE	PARAGON LABORATORIES, IN	WTR. ANALYSIS	645.00	
592-556.000-740.000	OPERATING EXPENSE	QUALITY FIRST AID & SAFE	FIRST AID & PAPER SUPPLIES & GLOVES	141.19	
592-556.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPSTER & RECYCLING 07/01/2017 TO 07	49.05	
592-556.000-863.000	VEHICLE MAINTENANCE	O'REILLY AUTO PARTS	BRAKE FLUID	4.69	
592-556.000-863.000	VEHICLE MAINTENANCE	BADER & SONS CO.	BELT FOR TRACTOR & GREASE	31.20	
		Total For Dept 556.000 WATER		1,282.03	
Dept 557.000 WASTEWATER					
592-557.000-727.000	OFFICE SUPPLIES	LB OFFICE PRODUCTS	OFFICE SUPPLIES	17.19	
592-557.000-802.000	CONTRACTUAL SVCS	GFL ENVIRONMENTAL	DUMPSTER & RECYCLING 07/01/2017 TO 07	49.04	
592-557.000-931.000	BUILDING MAINTENANCE	CHEMTRADE CHEMICALS US L	ALUMINUM SULFATE	5,494.13	
592-557.000-931.000	BUILDING MAINTENANCE	HECO PREDICTIVE SERVICE	RETRO-FIT S.ALUM PUMP WITH KEYPAD & O	3,592.75	
		Total For Dept 557.000 WASTEWATER		9,153.11	
		Total For Fund 592 WATER & SEWER		10,786.14	

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF SOUTH LYON
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CHECKS TO BE APPROVED 07/10/2017

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund Totals:					
			Fund 101 GENERAL FUND	9,472.06	
			Fund 592 WATER & SEWER	10,786.14	
			Total For All Funds:	20,258.20	

The above checks have been approved for payment.

Lisa Deaton, City Clerk/Treasurer

John Galeas, Jr., Mayor

June 2017 Payroll Report								
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Administration								
Blaha, M.	14.5000	82.00		\$ 1,189.00	\$ -		\$ 1,189.00	
Ciarelli, J.	16.3700	78.00		\$ 1,276.86	\$ -		\$ 1,276.86	
Deaton, L.				\$ 4,863.46			\$ 4,863.46	
Donhue, R.				\$ 5,076.92			\$ 5,076.92	
Gotham, D.	16.7500	72.50		\$ 1,214.38	\$ -		\$ 1,214.38	
Ladner, L.				\$ 7,130.78			\$ 6,417.70	
Lanning, W.	10.7300	33.00		\$ 354.09			\$ 354.09	
Mosier, L.				\$ 4,525.30			\$ 4,525.30	
Pleper, Judy	17.2800	180.00	2.00	\$ 2,764.80	\$ 51.84		\$ 2,816.64	
Tierman, P.	18.0000	85.50		\$ 1,539.00			\$ 1,539.00	
TOTAL: Administration		511.00	2.00	\$ 29,934.59	\$ 51.84	\$ -	\$ 29,273.35	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Cemetery								
Bjerke, Michael	11.7200	74.00		\$ 867.28			\$ 867.28	
Brannun, L.	12.4600	75.00		\$ 934.50			\$ 934.50	
Lemke, John N.	11.7200	76.00		\$ 890.72			\$ 890.72	
Nicholls, William	11.7200	72.00		\$ 843.84			\$ 843.84	
Wauford, S.	11.7200	76.00		\$ 890.72			\$ 890.72	
Wedesky, J. W.	11.7200	8.00		\$ 93.76			\$ 93.76	
Williamson, N.	11.7200	36.00		\$ 421.92			\$ 421.92	
TOTAL: Cemetery			0.00	4942.74	0.00	0.00	4942.74	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Police								
Baaki, D.	35.4018	176.00	6.00	\$ 6,230.72	\$ 325.54		\$ 6,556.26	
Baker, A.	32.6213	160.00	9.50	\$ 5,219.41	\$ 473.76		\$ 5,693.17	
Baker, J.	35.4018	160.00	16.00	\$ 5,664.29	\$ 864.64		\$ 6,528.93	
Barbour, R.	32.6213	168.00	8.50	\$ 5,480.38	\$ 423.89	\$ 1,300.00	\$ 7,204.27	Longevity
Brooks, T.	32.6213	168.00	13.00	\$ 5,480.38	\$ 651.12		\$ 6,131.50	
Collins, L.				\$ 7,198.52		\$ 482.49	\$ 7,681.01	Blue Cross Stipend
Faught, C.	35.4018	160.00	19.50	\$ 5,664.29	\$ 1,053.78		\$ 6,718.07	
Garris, G.	17.0300			\$ -			\$ -	
Hoydic, S.	32.6213	168.00	4.00	\$ 5,480.38	\$ 200.34		\$ 5,680.72	
Krettlin, F.	17.0300	17.00		\$ 289.51			\$ 289.51	
LaChance, J.	10.0000	80.50		\$ 805.00			\$ 805.00	
Lambi, A.	11.3000	96.00		\$ 1,084.80			\$ 1,084.80	
Laraway, P.	17.0300	17.00		\$ 289.51			\$ 289.51	
Ley, K.	17.0300	17.00		\$ 289.51			\$ 289.51	
Raap, T.	32.6213	160.00	22.00	\$ 5,219.41	\$ 1,097.13		\$ 6,316.54	
Regentik, C.	18.7700	160.00		\$ 3,003.20	\$ -	\$ 482.49	\$ 3,485.69	Blue Cross Stipend
Sederlund, C.	35.4018	164.00	18.50	\$ 5,805.90	\$ 1,003.75		\$ 6,809.64	
Sovik, C.	37.7088	160.00	19.00	\$ 6,033.38	\$ 1,096.62		\$ 7,130.00	
Sroufe, T.	32.6213	160.00	4.50	\$ 5,219.41	\$ 224.41	\$ 482.49	\$ 5,926.31	Blue Cross Stipend
Stevens, T.	32.6213	160.00	10.00	\$ 5,219.41	\$ 496.53		\$ 5,715.94	
Tomanek, J.	32.6213	160.00		\$ 5,219.41	\$ -		\$ 5,219.41	
Walton, T.	32.6213	168.00	4.50	\$ 5,480.38	\$ 224.41		\$ 5,704.79	
Wilcox, W.	12.1400	22.50		\$ 273.15	\$ -		\$ 273.15	
Wilcox, W.	17.0300	17.00		\$ 289.51	\$ -		\$ 289.51	
Witrock, M.	32.6213	160.00	23.50	\$ 5,219.41	\$ 1,166.85		\$ 6,386.26	
Total: Police		2879.00	178.50	\$ 96,159.24	\$ 9,302.78	\$ 2,747.47	\$ 108,209.49	

Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
Fire								
Armstrong, C.	21.7400	41.50		\$ 902.21			\$ 846.90	
Bach, R.	14.8800	50.75		\$ 755.16			\$ 755.16	
Boisvert, R.	20.6000	20.00		\$ 412.00			\$ 412.00	
Carlington, L.	17.1700			\$ -			\$ -	
Carlington, R.	20.6000	23.50		\$ 484.10			\$ 484.10	
Conrad, C.	17.1700	129.00		\$ 2,214.93			\$ 2,214.93	
Dobrick, Zach	8.9000	23.50		\$ 209.15			\$ 214.68	
Dziurgot, A.	8.9000	57.25		\$ 509.53			\$ 509.53	
Gearns-Hazlett, J.	20.6000			\$ -			\$ -	
Good, Alexander	14.8800	80.75		\$ 1,201.56			\$ 1,201.56	
Kennedy, M.				\$ 2,773.08			\$ 2,773.08	
Kree, Kathryn	8.9000			\$ -			\$ -	
Laitinen, Daniel	9.6900	59.50		\$ 576.56			\$ 576.56	
Madsen, W.	8.9000	24.50		\$ 218.05			\$ 218.05	
McGahan, K.	9.6900	105.25		\$ 1,019.87			\$ 1,019.87	
McGillen, T.	17.1700	15.75		\$ 270.43			\$ 270.43	
McGowan, Cain	8.9000	49.75		\$ 442.78			\$ 442.78	
Moynihan, B.	20.6000	63.50		\$ 1,308.10			\$ 1,308.10	
Noechel, J.	20.6000	116.25		\$ 2,394.75			\$ 2,394.75	
Olando, Michael	17.1700	105.50		\$ 1,811.44			\$ 1,811.44	
Pierson, Lee	14.8800	1.00		\$ 14.88			\$ 14.88	
Shippe, S.	17.1700			\$ -			\$ -	
Tooman, Brittany	9.6900	75.50		\$ 731.60			\$ 943.09	
Vliet, A.	8.9000	25.50		\$ 226.95			\$ 232.48	
Weir, M.	22.8900	52.75		\$ 1,207.45			\$ 1,207.45	
Wilson, T.	20.6000	63.25		\$ 1,302.95			\$ 1,302.95	
Wright, Joseph	8.9000			\$ -			\$ -	
Total: Fire		1184.25		\$ 20,987.50		\$ -	\$ 21,154.74	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
D.P.W.								
Abramowicz, J.	19.4600	160.00		\$ 3,113.60	\$ -		\$ 3,113.60	
Archey, Je.	23.5000	160.00	10.00	\$ 3,760.00	\$ 357.50	\$ 280.00	\$ 4,397.50	On-Call
Brock, R.	25.0300	160.00	0.50	\$ 4,004.80	\$ 19.24	\$ 80.00	\$ 4,104.04	On-Call
Buers, D.	23.2800	160.00		\$ 3,724.80	\$ -		\$ 3,724.80	
Dentai, F.	20.6600	160.00	8.00	\$ 3,305.60	\$ 247.92		\$ 3,553.52	
Jamison, M.	18.7700	160.00	2.00	\$ 3,003.20	\$ 58.20		\$ 3,061.40	
Moritz, M.	21.9000	160.00	18.00	\$ 3,504.00	\$ 604.26	\$ 280.00	\$ 4,388.26	On-Call
Paver, V.	21.5000	160.00	6.00	\$ 3,440.00	\$ 196.50	\$ 280.00	\$ 3,916.50	On-Call
Piasecki, T.	21.5000	160.00	1.50	\$ 3,440.00	\$ 49.13	\$ 200.00	\$ 3,689.13	On-Call
Race, J.	18.6600	160.00	2.00	\$ 2,985.60	\$ 55.98		\$ 3,041.58	
Valencia, A.	18.2600	160.00	1.50	\$ 2,921.60	\$ 41.09		\$ 2,962.69	
Total: D.P.W.		1,760.00	49.50	\$ 37,203.20	\$ 1,629.81	\$ 1,120.00	\$ 39,953.01	
Department	Pay Rate	Reg Hours	O.T. Hours	Reg Pay	O.T. Pay	Misc.	Total Pay	Notes
W. & W.W.								
Archey, Ju.	18.7700	160		\$ 3,003.20	\$ -		\$ 3,003.20	
Armstrong, C.	19.3100	160	16.00	\$ 3,089.60	\$ 472.45	\$ 340.00	\$ 3,946.85	On-Call
Beason, R.	27.1500	160	17.00	\$ 4,344.00	\$ 711.96	\$ 280.00	\$ 5,335.96	On-Call
Blankstrom, D.	17.3900	160	11.00	\$ 2,782.40	\$ 290.54	\$ 300.00	\$ 3,462.54	On-Call
Ciaramitaro, J.	25.5600	160	9.00	\$ 4,089.60	\$ 351.54		\$ 4,441.14	
Erdmann, Kevin	19.3100	160	24.50	\$ 3,089.60	\$ 724.34	\$ 280.00	\$ 4,138.74	On-Call
Gehringer, D.	24.9600	160	9.00	\$ 3,993.60	\$ 341.46		\$ 4,335.06	
Martin, R.				\$ 6,728.24	\$ -		\$ 6,728.24	
Popravsky, P.	20.8200	160		\$ 3,331.20	\$ -		\$ 3,331.20	
Sahl, L.	10.5100			\$ -	\$ -		\$ -	
Total: W. & W.W.		1280.00	86.50	\$ 34,451.44	\$ 2,892.29	\$ 1,200.00	\$ 38,722.93	
Grand Total		7,614.25	316.50	\$ 223,678.70	\$ 13,876.72	\$ 5,067.47	\$ 242,256.25	



SOUTH LYON FIRE DEPARTMENT

217 WHIPPLE STREET, SOUTH LYON, MI 48178-1113

(248) 437-2616 - SOUTHLIONFIRE.COM

SERVING OUR CITIZENS SINCE 1893



MEMORANDUM

TO: City Manager Lynne Ladner

FROM: Fire Chief Mike Kennedy

DATE: July 5, 2017

RE: Firefighter Swearing In

I am requesting time prior to the official agenda of the City Council meeting on Monday, July 10, 2017 to swear in three new firefighters. These employees have completed the Michigan Fire Fighters Training Council Firefighter I & II program along with SLFD's internal on-the-job training program, which includes a final written and practical competency examination.

New firefighters:

- Brittany Tooman
- Kirsten McGahan
- Zach Dobrick
- Austin Vliet

Swearing in of fire fighters:

1. Brief comments by fire chief.
2. Fire firefighters come forward and are sworn in by city clerk.
3. Family member pins badge on fire fighters.



SOUTH LYON FIRE DEPARTMENT

217 WHIPPLE STREET, SOUTH LYON, MI 48178-1113
(248) 437-2616 - SOUTHLIONFIRE.COM
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MEMORANDUM

TO: City Manager Lynne Ladner
FROM: Fire Chief Mike Kennedy
DATE: June 30, 2017
RE: Unit Citation – Lakewood Drive

I am requesting time prior to the official agenda of the City Council meeting on Monday, July 10, 2017 to recognize the actions of SLPD employees on June 16, 2017.

On June 16, 2017 at 12:14 AM, SLFD was alerted to a structure fire at Waters Edge Apartment – 664 Lakewood Drive. Units arrived to find a first floor apartment involved in fire. The rear bedroom window had failed, and fire was also traveling up the vinyl siding into the attic area.

The Engine 1 crew pulled a pre-connect line and attacked the first floor fire. While this was occurring, the Engine 2 crew pulled an additional 550' of hose around the rear of the building to attack the exterior wall and attic fire.

One first floor apartment suffered significant damage, and three apartments on the second floor suffered major damage from crews pulling ceiling to battle the attic fire. SLFD crews performed outstanding work. This fire easily could have resulted in a total building loss.

Engine 1

Captain Cory Armstrong
Lieutenant Tim Wilson
Firefighter Cindy Conrad
Firefighter Brittany Tooman
Firefighter Zack Dobrick

Engine 2

Lieutenant Jeff Noechel
Firefighter Tim McGillen
Firefighter Alex Good
Firefighter Kirsten McGahan
Firefighter Austin Vliet

AGENDA NOTE

New Business: Item #

MEETING DATE: July 10, 2017

PERSON PLACING ITEM ON AGENDA: City Manager

AGENDA TOPIC: 1. Review vacation accrual policies from other Michigan communities to identify how the council would like to shape the new department head, city manager, and collectively bargained vacation accrual policy.

EXPLANATION OF TOPIC: Following the discussion by Council at the June 26th meeting it appeared that there was a desire to either limit by number of hours less than previously proposed or to eliminate the ability of department heads, the City Manager and other admin and collectively bargained employees to accrue banked vacation time as a contingent liability. To facilitate discussion by Council and provide definitive direction as to how the new policy for Non-Union and Administrative employees would be crafted as well as to set guidelines related to goals for negotiating accrued vacation with the collective bargaining units. The City Manager has reached out to other cities across Michigan for their policies and either received a copy of their policy or a copy of their personnel handbook to reference. I am providing information from 8 communities of varying sizes for discussion and assistance with directing a new vacation accrual policy.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS: Vacation time and accrual policies from Corunna, Ypsilanti, Flushing, Menominee, Coopersville, Bronson, Grand Blanc and Novi.

POSSIBLE COURSES OF ACTION: Discussion only `

RECOMMENDATION:

SUGGESTED MOTION:

Lynne Ladner

From: Brad Barrett <bbarrett@flushingcity.com>
Sent: Tuesday, June 13, 2017 10:02 AM
To: Lynne Ladner
Subject: vacation accrual

Here is language adopted under the handbook on this topic:

- . One-half the earned vacation leave may be carried over from one year to the next except that at no time may an employee have more than two (2) times his/her annual accrual standing to his/her credit. Employees hired prior to July 1, 2016, who have accumulated vacation leave in excess of two times his or her annual accrual may still use the excess vacation leave, but may not accrue additional vacation time after December 31, 2016 until the total accumulated vacation leave falls below the two year cap. Vacation time accumulated on or after December 31, 2016 will at no time cause the employee's total vacation time to exceed the two year cap.

Employees who retire, resign or are laid off for an indefinite period, will be paid for any accumulated but unused vacation upon proper notice. Employees who retire, resign or are laid off for an indefinite period who have accrued more than the maximum amount of vacation time permitted under this Code will be paid at a rate of 50% for any time over the maximum. Terminated employees are not entitled to payout of accumulated but unused vacation time.

Brad A. Barrett
City Manager
City of Flushing
810-659-3130 (p)
810-659-0569 (f)

Lynne Ladner

From: managementforum@listserv.mml.org on behalf of Joseph Sawyer
<managementforum@listserv.mml.org>
Sent: Tuesday, June 13, 2017 10:25 AM
To: managementforum@listserv.mml.org
Subject: Re: accrued vacation policy

This message was sent by Joseph Sawyer citymanager@corunna-mi.gov

In Corunna we allow 80 hrs of pay-out, and 40 hrs of carry-over by right. I can authorize additional carry-over on a case-by-case basis with justification and a plan for utilization in the next year.

We have this policy in our personnel manual and union contracts.

Joe Sawyer
Corunna City Manager

On Jun 13, 2017 9:39 AM, "Lynne Ladner" <managementforum@listserv.mml.org> wrote:

This message was sent by Lynne Ladner lladner@southlyonmi.org

The City of South Lyon is working to eliminate the current policies that we have allowing employees (primarily dept. heads) to bank/accrue an unlimited amount of vacation time. As you can imagine we have department heads with large banks of unused/uncompensated vacation time that have been accruing for upwards of two decades. For those cities that have eliminated this accrual benefit and either gone to a use it or lose it policy or a policy that limits the bank to a maximum number of hours can you give me information on how you were able to make this transition without overly penalizing the employees or overburdening the city?

Lynne Ladner
City Manager
City of South Lyon, MI
P: 248-437-1735

<<http://cgi.mail-list.com/u?ln=managementforum&nm=citymanager%40corunna-mi.gov>>

Post your message to the list by sending it to MANAGEMENTFORUM@listserv.mml.org.

To contact the list owner, send your message to
MANAGEMENTFORUM-list-owner@listserv.mml.org.

Michigan Municipal League 1675 Green Road Ann Arbor, MI 48105-2530 USA

To unsubscribe, switch to/from digest, get on/off vacation, or change your email address, click here.
<<http://cgi.mail-list.com/u?ln=managementforum&nm=lladner%40southlyonmi.org>>

Lynne Ladner

From: managementforum@listserv.mml.org on behalf of Darwin McClary
<managementforum@listserv.mml.org>
Sent: Tuesday, June 13, 2017 9:54 AM
To: managementforum@listserv.mml.org
Subject: RE: accrued vacation policy

This message was sent by Darwin McClary dmcclary@cityofypsilanti.com

Lynne:

I am dealing with this with our unions right now as part of collective bargaining. We currently have unlimited accumulation also. My proposal is to freeze existing banks so that the time is available for employees to use, but no additional time can be banked if an employee has reached or exceeded the maximum (additional leave time must be used in the year in which it is earned). The city will only pay out 50% of the cap at retirement or death of an employee. Hope this helps!

Darwin D. P. McClary
City Manager
CITY OF YPSILANTI
One South Huron Street
Ypsilanti, Michigan 48197
(734) 483-1810 – office
(734) 483-7260 – fax
www.cityofypsilanti.com

-----Original Message-----

From: managementforum@listserv.mml.org [mailto:managementforum@listserv.mml.org]
Sent: Tuesday, June 13, 2017 9:40 AM
To: managementforum@listserv.mml.org
Subject: accrued vacation policy

This message was sent by Lynne Ladner lladner@southlyonmi.org

The City of South Lyon is working to eliminate the current policies that we have allowing employees (primarily dept. heads) to bank/accrue an unlimited amount of vacation time. As you can imagine we have department heads with large banks of unused/uncompensated vacation time that have been accruing for upwards of two decades. For those cities that have eliminated this accrual benefit and either gone to a use it or lose it policy or a policy that limits the bank to a maximum number of hours can you give me information on how you were able to make this transition without overly penalizing the employees or overburdening the city?

Lynne Ladner
City Manager
City of South Lyon, MI
P: 248-437-1735

<<https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fcgi.mail-list.com%2Fu%3Fln%3Dmanagementforum%26nm%3Ddmcclary%2540cityofypsilanti.com&data=02%7C01%7Cdmccclary>>

City of Menominee

Section 7.1 Vacation Leave

- a. Employment anniversary dates shall govern the number of vacation days allowed.
- b. Full-time and eligible part-time employees are entitled to the following vacation time. First year employees shall not receive a vacation until the completion of one year of employment, unless otherwise approved by the Mayor and City Council.

 One (1) year and upon completion of three (3) years - (40 hours)
 Four (4) years and upon completion of seven (7) years - (80 hours)
 Eight (8) years and upon completion of fifteen (15) years - (120 hours)
 Sixteen (16) years (160 hours) and after completion of Eighteen (18) years earn (8 hours) each year for five (5) years. (Therefore after twenty-three years of service the employee will have earned (200 hours)
- c. Eight (8) hours of vacation leave may be taken in single days with the approval of the Department Head.
- d. Provided the employee has made a reasonable effort to take vacation time, but such time was denied due to scheduling problems, forty (40) hours of unused vacation time may be carried over into the next year. Vacation shall not accrue again until an employee's vacation bank has dropped below the maximum accrual.
- e. Upon termination of employment, the employee shall receive payment for all unused, accrued vacation.

City of Coopersville

Section 6.3. Vacation Scheduling.

Employees may request time off for vacations after vacation leave has been credited to their use. Vacation requests must be in writing and normally should be submitted by the employee at least fourteen (14) days in advance of the period requested. The City will endeavor to approve all vacation requests, but reserves the right to refuse to allow an employee to take vacation leave at the time requested if such vacation would interfere with the efficient operation of the City. Employees are required to take their vacation leave during the twelve (12) months following its accrual and crediting, and employees who do not submit vacation requests may be assigned a vacation period by the City.

In the event that an employee is unable to utilize accrued vacation through no fault of their own, up to forty (40) hours of vacation time may be carried over to the next year. Employees shall not be

paid for vacation time that is lost pursuant to the carry over restrictions of this Section unless prior arrangements have been made.

Section 6.4. Vacation Pay.

Vacation pay shall be at the employee's regular straight time rate, exclusive of all premiums, in effect at the time the employee takes vacation leave. Employees will receive their vacation pay on the regular City payday that coincides with their vacation.

Section 6.5. Vacation Benefits on Termination.

Employees whose employment relationship with the City ends may receive pay for accrued and credited but unused vacation leave in any of the following circumstances:

1. If an employee retires in accordance with the retirement plan currently in effect.
2. If an employee resigns from employment and a minimum of two (2) weeks' advance notice is given to the City.
3. If an employee is laid off and requests payment of vacation pay; provided, however, that such vacation pay shall be designated to the period of the layoff.
4. In the event of the death of an employee, vacation pay shall be paid to the employee's estate.

City of Bronson

6.2: Vacations

Regular, full-time employees who have been employed (and designated as such) by the City of Bronson for at least one year, shall be entitled to vacation time pursuant to the following schedule:

- ☐ After one (1) year, five (5) days' vacation
- ☐ After two (2) years, ten (10) days' vacation
- ☐ After six (6) years, sixteen (16) days' vacation
- ☐ After ten (10) years, eighteen (18) days' vacation
- ☐ After fifteen (15) years, twenty (20) days' vacation

All vacation benefits are to be completed upon the anniversary date of regular full-time employment. Vacations days not taken by the anniversary date will not be carried over to succeeding years.

Vacation time does not accrue while an employee is on an unpaid leave of absence or suspension but does accrue during all other types of leave. Exempt employees shall receive an additional two days beyond the above schedule. An employee must work each full year to receive vacation. No partial years of employment accrue any vacation benefits.

Vacation time may be used in increments of a ½ day but should be scheduled at least two weeks in advance. Vacation time may only be used with permission of the department

supervisor. Preference for scheduling vacation shall be based on seniority for those employees who submit their requests prior to April 1. Department supervisors shall consider seasonal demands and department staffing needs before granting any vacation leave requests. Vacations shall not be permitted to interrupt service to the community.

Vacation pay is equal to the normal pay for the employee and hours used of vacation in a week shall count toward the threshold for overtime.

Holidays and other scheduled "off-days" shall not count as vacation days when they occur within an employee's vacation period.

6.2.1: Vacation- Department Heads

Department heads are entitled to two (2) vacation days per year in addition to the above schedule. All vacation benefits are to be completed upon the anniversary dates of full employment; however, if for a job related reason the Department Head cannot take all vacation before the anniversary date, the City Manager may approve at their discretion, the carryover of a maximum of 5 days' vacation to be used no later than one year after the anniversary date.

6.2.2: Vacation- City Manager

The City Manager is entitled to five (5) vacation days per year in addition to the above schedule.

City of Grand Blanc

B. Vacation Time

Employees shall be entitled to vacation leave after they have completed the following years of service:

One - Four years of service - 10 days 2 weeks

Five - Nine years of service - 15 days 3 weeks

Ten - Fourteen years of service - 20 days 4 weeks

Fifteen years and up - 25 days 5 weeks

All vacation time shall normally be taken between January 1st and December 31st. Up to one week of unused vacation time can be carried over into the new calendar year with the written approval of the Department Head, but must be used in that year. Vacation time will be given on January 1st of each year based on the years of service completed within that year.

City of Novi

Section 3. Vacations.

Annual vacation credits must be earned before taken. A full-time employee shall earn vacation credits on the following basis:

Years of Service Weeks per Year

1 through 4 2 weeks

5 through 9 3 weeks

10 through 15 4 weeks

16 and beyond 1 additional day per year to a
maximum of 25 days

New employees shall accrue vacation time throughout the calendar year in which they are hired. However, they shall not be eligible to take vacation leave until the subsequent calendar year, with the amount of such leave being prorated from the previous year, based on the above schedule. Thereafter, vacation leave will be earned on a calendar year basis and vacation leave taken in the following calendar year. Employees who do not use all of their vacation time due them in a year may carryover the unused portion to the next year, however they may never have more than the total of their previous year and current year's vacation time. Any vacation time not used that exceeds this two-year limit will be lost. Requests for vacation time for all full-time employees covered by this Plan shall be made in writing to the Department Director for that department. If the Department Director feels that a request will conflict with the Department's work schedule or result in an interruption of service to the public it may be denied. In such cases the Director of Human Resources may authorize a payout of such time, or permit accumulation of vacation beyond the permissible maximum, otherwise no payment for unused vacation days will be allowed.

AGENDA NOTE

New Business: Item #

MEETING DATE: July 10, 2017

PERSON PLACING ITEM ON AGENDA: Fire Chief Mike Kennedy

AGENDA TOPIC: Purchase of three sets of firefighting turnout gear as requested in the FY18 budget.

EXPLANATION OF TOPIC: The fire department is requesting the authorization to purchase three sets of structural firefighting turnout gear. This purchase was requested as part of our FY18 budget.

We experienced significant manufacturing issues and customer services issues with our previous vendor – Lion Apparel. Due to this experience, a three person committee was assembled to contact vendors and make a purchase recommendation. Please see the attached documents.

MATERIALS ATTACHED AS SUPPORTING DOCUMENTS:

1. Memo to Chief Kennedy from Lt Noechel
2. Tabulation sheet
3. Quotes

POSSIBLE COURSES OF ACTION: Approve / do not approve the waiver of the formal bid process and award the purchase of three sets of firefighting turnout gear to First Due Fire Supply for \$6,250.29.

RECOMMENDATION: Approve waiver of the formal bid process and award the purchase of three sets of firefighting turnout gear to First Due Fire Supply for \$6,250.29.

SUGGESTED MOTION:

#1 Motion by _____, supported by _____ to waive Sec. 2-224 of the City of South Lyon Code of Ordinances, “Approval for purchases or contracts over \$2,000.00; competitive bidding for purchases or contracts over \$5,000.00” because “no advantage to the city would result” from competitive bidding.

#2 Motion by _____, supported by _____ to award the purchase of three sets of firefighting turnout gear to First Due Fire Supply for \$6,250.29.



SOUTH LYON FIRE DEPARTMENT

217 WHIPPLE STREET, SOUTH LYON, MI 48178-1113

(248) 437-2616 - SOUTHLYONFIRE.COM

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MEMORANDUM

TO: Fire Chief Mike Kennedy

FROM: Lieutenant Jeff Noechel

DATE: June 30, 2017

RE: 2017 Turnout Gear Committee Report

2017 Turnout Gear Committee Members:

Lt. Jeffrey Noechel, Lt. Ryan Carlington, Firefighter Mike Olando,

Four brands of turnout gear were identified by the committee to review for possible purchase. These brands are Globe, Janesville, FireDex, and Lion. All have Michigan based authorized dealers.

Globe

First Due Fire Supply

207 E Kipp Rd # A, Mason, MI 48854

Sales Rep: Steve Sherman (517) 290-3436

Lion

Apollo Fire Equipment

12584 Lakeshore Drive, Romeo, MI

Sales Rep: David Duddles (810) 877-5501

FireDex

West Shore Fire

6620 Lake Michigan Drive, PO Box 188 Allendale, MI 49401

Sales Rep: Paul Dowell (616) 215-4817

Janesville

Douglass Safety Systems

2655 N Meridian Rd #6, Sanford, MI 48657

Sales Rep: Unknown

West Shore Fire and First Due Fire Supply were the only two dealers to physically send sales representatives out to visit and speak with the committee. Apollo only provided a written quote based on last year's purchase. Douglass Safety Systems failed to return emails or calls.



SOUTH LYON FIRE DEPARTMENT

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First Due Fire Supply was the most knowledgeable about the turnout gear they represent. First Due physically brought out the most sets and styles of turnout gear for the committee to try on and review. West Shore Fire could not speak on a technical level regarding the gear they represent, but they did bring a FireDex factory rep to speak with the committee. All major questions were deferred to the factory rep. FireDex did not have an exact sample of the gear style we are interested in; rather the committee members were asked to “envision” the gear.

First Due physically had the style of turnout gear SLFD is interested in with them; allowing committee members to try on the gear. Committee members were encouraged to also don Nomex hood, SCBA, gloves, gloves and helmet during the live demo. This allowed committee members to actually know what the turnout gear would feel like when fully dressed out on scene.

All vendors can order their turnout gear brand in style and color to closely mimic the current “look” of our turnout gear.

Currently, SLFD staff is trending towards better overall physical fitness and most SLFD staff has an “athletic” build. The Globe brand turnout gear has the most athletic “cut” in terms of fit in both coat and pants. Globe also provides the widest choice in suspender belt sizing. This is critical for the success of recirculating unused turnout gear to outfit new hires in years to come. Globe has a double-Kevlar reinforced stitching on all reflective striping on pants and coats. One of the most common issues for us in turnout gear repair is torn/hanging reflective striping on turnout pants and coats. Currently, we are using Globe brand fire boots, and we are quite happy with the quality of the boots; suggesting confidence in the overall quality of their turnout gear. Purchased through First Due Fire Supply, Globe turnout gear is currently the least expensive.

It is the agreement of all three SLFD turnout gear committee members to recommend GLOBE brand turnout gear for this purchase in this cycle.

2017 Turnout Gear Committee - Tabulation

Dealer	First Due Fire Supply	West Shore Fire	Apollo Fire	Douglass Safety
	Mason, MI	Allendale, MI	Romeo, MI	Sanford, MI
Manufacturer	Globe	FireDex	LION	Janesville
Model	G-Extreme 3.0	FX-R	V-Force	Viper
TPP	41.6	42.1	50-55	unknown
THL	285.2	283.1	265	unknown
Custom Built/Altered Stock	Altered Stock	Custom	Altered Stock	unknown
3rd Party Alteration	No	No	Yes	unknown
Quantity	3	3	3	3
Coat w/Tail Name Plate				
Unit Price	\$1,198.19	\$1,425.00	\$1,332.00	\$0.00
Total Coats (3)	\$3,594.57	\$4,275.00	\$3,996.00	\$0.00
Pants w/Suspender				
Unit Price	\$885.24	\$1,181.00	\$910.00	\$0.00
Total Pants (3)	\$2,655.72	\$3,543.00	\$2,730.00	\$0.00
Total Price	\$6,250.29	\$7,818.00	\$6,726.00	Did Not Respond
Authorized Dealer	Yes	Yes	Yes	Yes
Sales Rep	Steve Sherman	Paul Dowell	David Duddles	Did Not Respond
Contact Number	517-290-3436	616-215-4817	810-877-5501	
Delivery Timeframe	6-8 weeks	6-8 weeks	55 days	
Payment Terms	Net 30	Net 30	Net 30	
Quote Attached	Yes	Yes	Yes	No

207 E KIPP RD, SUITE A
MASON MI 48854

Estimate

Date	Quote #
5/27/2017	6029

BILL TO
SOUTH LYON FIRE DEPT 217 WHIPPLE STREET SOUTH LYON, MI 48178

Ship To
SOUTH LYON FIRE DEPT 217 WHIPPLE STREET SOUTH LYON, MI 48178

Signature

Rep

SS

Item	Description	Qty	Rate	Total
11762-G-SOUTHL YON	GLD 32 M TPR-GX3J/PIONEER /GLIDE ICE 2L/CROSSTECH BLK ***** WITH THE FOLLOWING FEATURES***** L/Y 3" TRIPLE TRIM NYC/29&32 L/Y 3" SCOTCHLITE LETTERS SEWN ROW A ,ARCH-7.5 SOUTHL YON GLD LETTER PATCH SNP/VLC HANG 5X20 *VISLON ZIPPER IN VELCRO OUT GLD *EXPPKT 2X8X8 W/FLC HANDWARMER BLK DRAGONHIDE FRONT EXPANSION POCKET 2X8X8 *KEV BACK 2X8X8 GLD MICROPHONE STRAP 1X3 ABV RAD PKT (ADV LOC) U.S. FLAG EMBROIDERY LEFT SLEEVE L SLV *ADJWL WITHOUT WRISTER GRY NOMEX WRISTER LINER GXT THUMB HOLE LOOP LINER BLK CUFF REINFORCEMENT DRAGONHIDE *CLR LOOP *TH SQUARE POCKET GLD HANGING STRAP W/DRING #RF ABV TRM BHND PKT PJ FILLER COLLAR 1PC STORED ENERGY BAND LOWER NONE/UPR 2x4x8 radio pocket (ADV LOC) S LITE LETTERS 3.47 EACH ADDITIONAL IE: IF NAMES ARE ADDED (Based on 10 letter average)	1	1,173.19	1,173.19
GLOBE LETTERING		1	25.00	25.00
SHIPPING IS EXTRA		Subtotal		
THIS ESTIMATE IS ONLY GOOD FOR 30 DAYS		Sales Tax (0.0%)		
Phone #	Fax #	DO NOT PAY FROM THIS ESTIMATE		
517-969-3065	517-969-3066	Estimated Total		



207 E KIPP RD, SUITE A
MASON MI 48854

Estimate

Date	Quote #
5/27/2017	6029

BILL TO
SOUTH LYON FIRE DEPT 217 WHIPPLE STREET SOUTH LYON, MI 48178

Ship To
SOUTH LYON FIRE DEPT 217 WHIPPLE STREET SOUTH LYON, MI 48178

Signature

Rep
SS

Item	Description	Qty	Rate	Total
21762-G-SOUTHL YON	GLD TBD M RLX-GX3P/PIONEER /GLIDE ICE 2L/CROSSTECH BLK ****WITH THE FOLLOWING FEATURES**** L/Y 3" TRIPLE TRIM AROUND CUFF *VLC CLOSURE *NOMEX BLT/TUNNEL GLD *EXP POCKET 2X10X10 BLK DRAGONHIDE FRONT EXPANSION 2X10X10 *KEV BACK EXPANSION 2X10X10 DIVIDER EXP/SEMI 10" HIGH KEVLAR L PKT CTR BLK CUFF REINFORCEMENT DRAGONHIDE BLK KNEE SHELL DRAGONHIDE KNEE LINER SILZ *REG BLACK PADDED RIPCORDER HBK		885.24	885.24
SHIPPING EXTRA	SHIPPING EXTRA DEPENDING ON QUANTITY ORDERED AND IS NOT INCLUDED IN THE PROVIDED PRICE QUOTE.		0.00	0.00

SHIPPING IS EXTRA			Subtotal	\$2,083.43
THIS ESTIMATE IS ONLY GOOD FOR 30 DAYS			Sales Tax (0.0%)	\$0.00
Phone #	Fax #	DO NOT PAY FROM THIS ESTIMATE	Estimated Total	\$2,083.43
517-969-3065	517-969-3066			

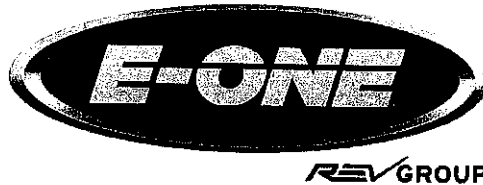
WEST SHORE FIRE



6620 Lake Michigan Drive
P.O. Box 188
Allendale, MI 49401
(616) 895-4347

WHERE SALES SERVICE COME TOGETHER

West Shore Fire Inc.
6620 Lake Michigan Dr.
PO Box 188
Allendale MI 49401
Phone: 616-895-4347
Watts: 800-632-6184
Fax: 616-895-7158



Office of:
Eric Johnson
ejohnson@westshorefire.com

Home Office of:
Paul Dowell
pdowell@westshorefire.com
Cell: 616-215-4817

QUOTATION

Bill to Address SOUTH LYON FIRE DEPARTMENT
217 WHIPPLE STREET
SOUTH LYON, MI 48178
Shipping Address
Phone #
Fax #
E-mail
PO #
Ship Via Best Way
Date: 5/23/2017
County: Washtenaw
QUOTE VALID FOR 45 DAYS

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
3	Fire-Dex Custom FX-R Turnout Coat	1,425.00	\$4,275.00
3	Fire-Dex Custom FX-R Turnout Pant	1,181.00	\$3,543.00
3	H41PSNBHxx: H41 Interceptor Hood xx = MD = Medium xx = LG = Large xx = XL = X-Large	159.00	\$477.00
Subtotal			\$8,295.00
FREIGHT NOT INCLUDED IN QUOTE			
Tax (If Applicable)			
TOTAL QUOTE			\$8,295.00

Apollo Fire Equipment Company
Apollo Fire Apparatus Repair, Inc.
 12584 Lakeshore Drive, Romeo, MI 48065
 Phone: (800) 626-7783 Fax: (586) 752-6907

QUOTATION

QUOTE #:

TO: SOUTH LYON FD

ADDRESS: _____

ATTN:

DATE: 6/28/2017

TERMS: NET 30

F.O.B:

VALID FOR: 30 DAYS

LEAD TIME:

PHONE:

FAX:

E-MAIL:

[illegible]

David Duddles, Sales Representative

Cell: (810) 877-5501

dduddles@apollofire.com

TOTAL	\$6,726.00
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ORDINANCE NO. __-17

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

**AN ORDINANCE TO AMEND THE OFFICIAL ZONING MAP OF
THE CITY OF SOUTH LYON REZONING PARCEL NO. 21-30-
126-003, WEST END INDUSTRIAL PARK, FROM THE I-1
DISTRICT (LIGHT INDUSTRIAL) TO THE RM-1 DISTRICT
(MULTIPLE-FAMILY RESIDENTIAL)**

THE CITY OF SOUTH LYON ORDAINS:

PART I. Amendment of Official Zoning Map. The Official Zoning Map of the City of South Lyon incorporated into the South Lyon Zoning Ordinance by Section 102-182 is hereby amended to rezone the Property generally located on the east side of Dixboro Road between 10 Mile and 9 Mile Road, South Lyon, MI 48178, Tax ID: 21-30-126-003 and more fully described as:

That part of the Southwest $\frac{1}{4}$ of Section 19 lying South of Ten Mile Road and the North 32 acres of the Northwest fractional $\frac{1}{4}$ of Section 30, except: Beginning at a point in the West line of Section 30, distant North 679.5 feet from the Southwest corner of the North 32 acres of the Northwest fractional $\frac{1}{4}$ of said Section 30, also distant South 448.5 feet from the center line of Ten Mile Road; thence North 70 feet; thence South 89 degrees 46 minutes East 223 feet; thence South 70 feet; thence North 89 degrees 46 minutes West 223 feet to the point of beginning. Except: also a part of the Southwest fractional $\frac{1}{4}$, Section 19 and a part of the Northwest fractional $\frac{1}{4}$ of Section 30, beginning at intersection of the center line of said road and the North and South line on curve to right, radius 1535.89 feet distant 418.03 feet; thence South 0 degrees 24 minutes East 532.45 feet; thence North 89 degrees 13 minutes 47 seconds West 198.47 feet; thence North 0 degrees 55 minutes East 70 feet; thence North 89 degrees 13 minutes 47 seconds West 223 feet; thence North 0 degrees 55 minutes East along County line to beginning.

from the I-1 District (Light Industrial) to the RM-1 District (Multiple-Family Residential).

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

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

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

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

PART VI. Effective Date. This ordinance shall take effect upon the later of ten (10) days after adoption or upon publication thereof as provided by the Charter of the City of South Lyon.

Made, passed and adopted by the South Lyon City Council this ____ day of _____, 2017.

John Galeas, Jr., Mayor

Lisa Deaton, City Clerk

Certificate of Adoption

I hereby certify that the foregoing is a true and complete copy of the ordinance adopted at the regular meeting of the South Lyon City Council held on the ____ day of _____, 2017.

Lisa Deaton, City Clerk

Adopted:
Published:
Effective:

FULLER APPRAISAL, L.L.C.
4139 WEST WALTON BOULEVARD
SUITE A
WATERFORD, MICHIGAN 48329
248-674-4509

June 14, 2017

CITY OF SOUTH LYON
c/o **JOHNSON | ROSATI | SCHULTZ | JOPPICH PC**
27555 EXECUTIVE DRIVE
SUITE 250
FARMINGTON HILLS, MICHIGAN 48331-3550

Attention: Mr. Timothy Wilhelm, Esquire and Lynne Ladner, City Manager

Reference: West End Industrial Park, Section 30, City of South Lyon, Oakland County, Michigan

Dear Mr. Wilhelm and Ms. Ladner,

Pursuant to your request I have reviewed the Financial Viability Analysis prepared by Mark Schafer of Thomas Duke Associates submitted to the City of South Lyon for the owners re-zoning request for the West End Industrial Park property. The purpose of this review was to assess the accuracy of the conclusions and scope of the Schafer Viability Analysis.

The starting point of the analysis is an estimate of rent potential for buildings constructed upon the subject property. For this analysis, the property sources a lease that was negotiated in mid-2016 for a property at 12400 Doane Road approximately two miles northwest of the subject. The lease rate for a 30,600 square foot building was \$114,000.00 or (not mentioned in the letter) \$3.73 per square foot of building per year. From this, landlord expenses for taxes and insurance were deducted reducing the rental estimate to just over \$95,000.00, or \$3.11 per square foot per year. The rent potential is then reduced by 10 percent for vacancy and capital expense that may occur under the lease indicating an effective net income of \$85,704.00 or \$2.80 per square foot per year.

The conclusion of the analysis indicates that this level of income is insufficient to support a mortgage payment based upon 80 percent (1.25 debt coverage ratio) of net income and concludes that even in the event the land were free, construction of similar facilities in West End would not be feasible.

In my opinion, the starting point of the analysis, the utilization of the guideline at 12400 Doane Road appears tailored to the position that properties with lengthy road or limited road access to major highways have limited rental potential similar to the Doane Road location. The Doane Road comparison is then used as a guideline for a rental rate projection for a hypothetical newly constructed building in West End Industrial Park. The Doane Road property was built in 1972 and was 44 years old at the time of the lease. Despite the age difference, no adjustment in rental rate is applied for a building constructed new upon the subject. The report essentially projects a rental rate and income on a new building on the subject property to lease at a rate that is the same as the 44 year old building.

In the analysis, land is included at \$380,000.00 and indicates the total cost for a project with a similar sized building including land at the subject location at \$2,189,000.00. The report concludes that even in the event the land was free, this project would not secure financing.

To test the analysis, one can take the land cost out and have the effect of projecting viability assuming "free" land. Running the same analysis absent the \$380,000.00 land cost effectively displays the point at which a return to the land begins to occur or breakeven point on the buildings with regard to financing considerations based upon cost and a debt coverage ratio of 1.25.

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Reference: West End Industrial Park

The analysis absent an allowance for land cost shows a project cost at \$1,809,000.00 and projecting 75 percent financing a loan of \$1,356,750.00 would be considered. The payment for such a loan based upon the same interest rate and twenty year term, would be \$8,543.47 per month. The bank required debt coverage ratio of 1.25 is to insure return to equity amounting to 20 percent of projected cash flow, in effect, assuring the developer has an interest in excess of amortization to pay the mortgage. Applying the 1.25 debt coverage ratio indicates a threshold net rent of \$10,679.34 per month would be required before any returns can be allocated to the land. This would amount to a rental rate of \$4.19 per square foot for the hypothetical 30,600 square foot new structure. This is, of course, well above the net rent (\$2.80/sf/yr) projected for the hypothetical project by Mr. Schafer. The problem with the analysis, in my opinion, is the utilization for a 44 year old building to project net rent for new build to suit facility.

I was able to locate a newer building in the City of South Lyon at 521 Mill Street that was reported to have leased in 2013 at an average rate of \$4.23 per square foot, triple net. The triple net format particularly for a new build to suit facility with a long term lease would not cause the tax and vacancy and other capital expense items to flow back to the landlord thereby eliminating these expenses from the debt coverage analysis. The 521 Mill Street building was built in 2006 and the question at this point is what rental rate would be likely to apply to a new structure on the subject based upon this guideline? The next step will be to apply this rent using the same method of analysis to see if any residual to land results.

The 521 Mill Street lease rate requires some adjustments to reflect what a new structure in the subject location might lease for today. These same comparison adjustment categories should also have been considered for the Doane Street property but were not.

The most significant adjustment is for changing market conditions since the January 2013 lease date. Reference to the CoStar.com 1st Quarter Industrial Report shows 2017 asking rates for industrial in the I-96 corridor at \$7.10 per square foot on average nearly 21 percent above the 1st quarter of 2013 when the Mill Street lease was negotiated. Adjusting the \$4.23 figure upward, suggest a net lease profile of \$5.12 in the current market for the 521 Mill Street property. The reader will note that the Doane Road lease was recent enough (mid 2016) that no adjustment would be required.

The 521 Mill Street property was 7 years old at the time of lease. An additional 10 percent to reflect a "build to suit" situation as would apply in the subject development indicates \$5.62 for similar new structure at current market rates. The age adjustment for the Doane Road property should be significantly larger. By way of example, reference to the Marshall Swift Depreciation Tables suggests a 44 year old Class "C" building, with a 25 year effective age, would most likely experience 43 percent depreciation as opposed to a new building. If rent were correspondingly lower, an upward adjustment of the Doane Road net rent of \$3.11 per square foot would reflect a rental rate of \$5.46 per square foot. This is very near the indication of \$5.62 for a new building at the subject location based upon the 521 Mill Street rent after adjustment for time and building age.

Finally, it is noted that the feasibility analysis is applied to a slightly less expensive building on Doane Road than the 521 Mill Street property. The assessor's records show a total cost for the building at \$60.00 per square foot. The Doane Road projection is \$55.00 approximately 8 percent less. Adjusting the 521 Mill Street guideline rent by this 8.3 percent, therefore, reflects the anticipated rental rate for a lower cost new building similar to 12400 Doane Road. The adjustment amounts to \$0.47 per square foot per year. This results in a projected net rental rate of \$5.15 per square foot for a project similar to the Doane Road building using the 521 Mill Street building as a rental guideline.

Again, build to suit leases are typically absolute net rent so no allowance for tax expenses or vacancy need be applied as a build to suit would only be undertaken for an owner/occupant or, in the case of a tenant willing to commit pre-construction for at least ten years. The \$5.15 net annual rent amounts to \$157,590.00 for a similar 30,600 square foot building, or \$13,132.50 per month which is well above the "breakeven" no land cost rent implicit to the Schafer Viability Analysis of \$10,679.34 (\$4.19/sf/yr) and just above the feasibility threshold

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Reference: West End Industrial Park

of \$12,983.15 when the land is included at \$380,000.00, or \$100,000.00 per acre. The 521 Mill Street guideline applied to the Schafer Viability Analysis thus imputes a land residual as follows:

\$13,132.50 ÷ DSC of 1.25 Equals Payment on Loan	\$ 10,506.00
Principal Balance Amortized in 20 Years @ 4.5% by \$10,506 Payment	\$1,660,635.48
Loan 75% \$1,660,635.48 + Equity 25% \$553,545.16	\$2,214,180.64
Less Cost of Project	<u>\$1,809,000.00</u>
Residual to land	\$ 405,180.64

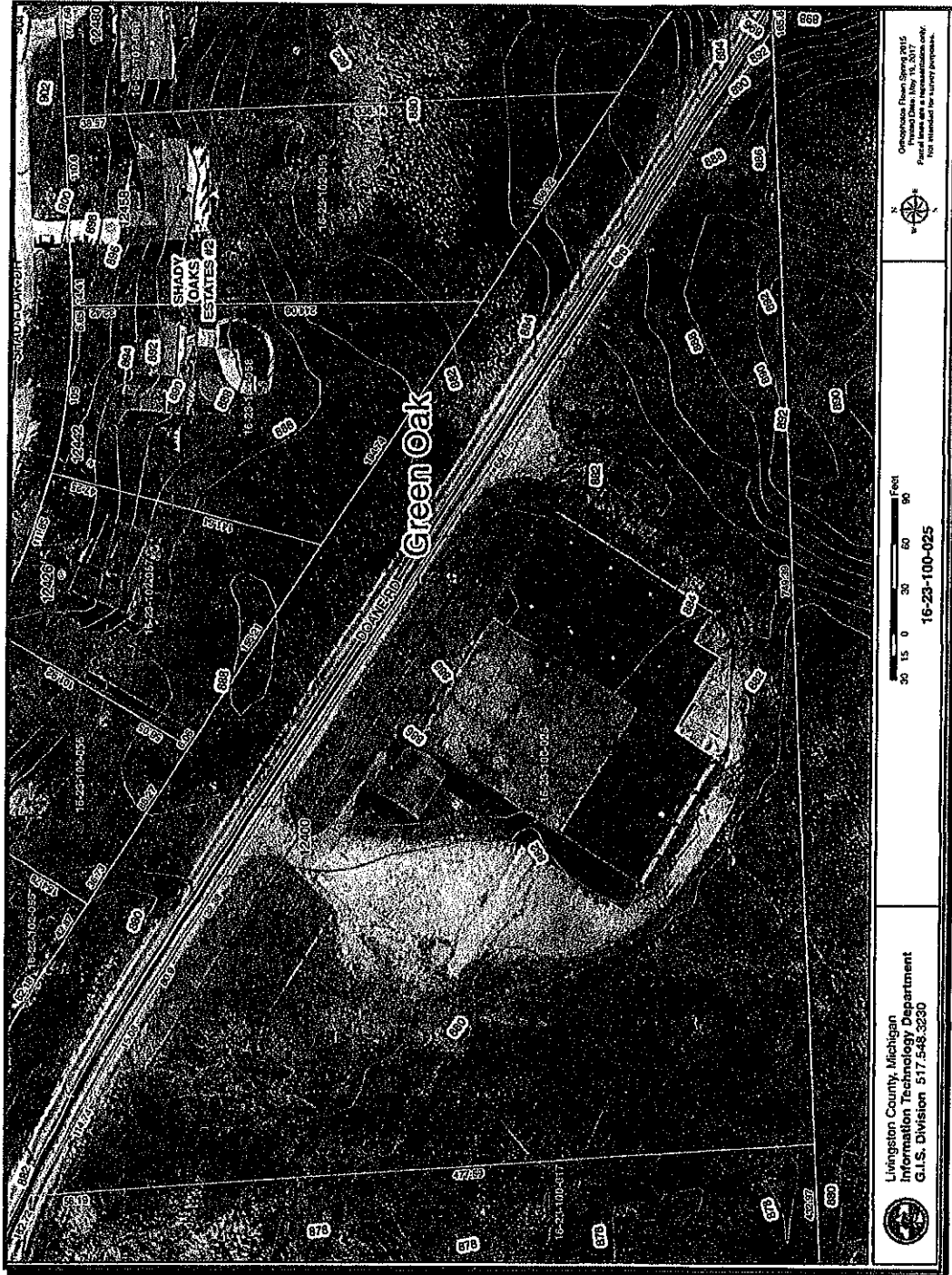
The lack of adjustment for building age in the Doane Road case leads to a conclusion of no land residual, while comparison with a building that is newer, similarly located clearly shows a property such as this can be developed at current market rents and allow a return to the land. In the case of the 3.80 acre example, up to \$2.44 per square foot could be paid for the land.

The reader should note that the above rent is not likely to be realized without the paving Dixboro Road at a cost estimated at \$475,000.00. A project, such as this, would therefore appear to go a long way toward satisfying the road paving investment.

The 3.80± acre Doane Road example does not maximize the building size that could be obtained upon a parcel of this size. In the example proffered by Mr. Shafer, a land building ratio of 5.41:1 is shown by dividing the 3.80± acre net land area shown on the Assessor's record and the building size of 30,600± square feet. Most industrial parcels are built to a much lower land building ratio and it would appear that a larger building size could be obtained on a similar 3.80± acre parcel within the subject property. In fact, a review of the assessor's record shows the 3.80± net land assessor estimate only reduces the 4.51± acre gross acre by areas within the road right-of-way. In fact, there are significant wetland areas on the west and south end of the parcel and a significant amount of unused sloping upland at the triangular shaped east end of the property. By my estimate, the level area in use at the Doane Road property is, therefore, much less than 3.80± acres. My own estimate is that 100,000± square feet to 105,000± square feet of land area are being utilized and this amounts to an effective land/building ratio of 3.43:1. The aerial photo of the property is displayed below to demonstrate:

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Reference: West End Industrial Park



One can conclude from this that any development of hypothetical 3.80± upland portion of the subject, therefore, has the potential to yield much more than 30,600± square feet of building projected in the Shafer Analysis using the above property as an example. If, in fact, a relatively conservative estimate of 4.00:1 land building ratio were projected for 3.80± upland acres within the subject would show that a parcel of 3.80± could support a building size at least as large as is calculated below:

$$3.80\pm \text{ ACRES} \times 43,560 \text{ SQUARE FEET} \div 4 = 41,382 \text{ SQUARE FEET}$$

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Reference: West End Industrial Park

This larger potential building size on 3.80+ acres at the \$5.15 per square feet of building absolute net rate indicated by the 521 Mill Street guideline would thus yield \$17,759.78 per month (again no reduction in vacancy assuming single tenant) and consistent with the methodology of the Shafer Analysis support a monthly payment of 80 percent of this, or \$14,207.82. This would support a 20 year loan amortization at 4.5 percent of \$2,245,765.27 and with equity at 25 percent of the total or one third of the total maximum loan would amount to \$748,588.42. The total project equity and loan positions combined amount of \$2,994,353.63. Increasing the cost of the project in proportion to the 35+ percent larger building size indicates a cost of project without land at \$2,442,150.00 and yields a residual to land and profit based upon the Shafer feasibility model of \$552,203.69. Demonstrated as follows:

\$17,759.78 ÷ DSC of 1.25 Equals Payment on Loan	\$ 14,207.82
Principal Balance Amortized in 20 Years @4.5% by \$14,207.82 payment	\$2,245,765.91
Loan 75% \$2,245,765.27 + Equity 25% \$748,588.42	\$2,994,353.69
Less Cost of Project \$1,809,000 X 1.35	<u>\$2,442,150.00</u>
Residual to Land and Profit	\$ 552,203.69

This would demonstrate that a project on a 3.80+ acre portion of the subject 20+ useable acres could cover the initial cost of paving Dixboro Road and leave the developer with a positive yield or profit. This amount could be even greater if a similar project with higher land building ratio were put together. The 4:1 ratio utilized is a conservative estimate of the potential building size that could be supported, many industrial properties exhibit land building ratios below this including the Doane Road property if only useable land is considered. Importantly, an additional 14 to 17 acres remain to accommodate other projects depending upon the necessity of loop road and the land it occupies. In many cases, a development such as this might start with multiple projects, 2 to 5 buildings for example. There are an innumerable amount of possibilities.

A similar project that is larger in scope, say for example 100,000+ square foot building would result in even higher return on investment and still leave one-half or more of the useable area available to the subject for future or additional projects. It is relevant to note that larger buildings, in general, are reported to be most scarce at this time, so the potential of project larger than the Doane Road example should not be discounted.

The Schafer Viability Analysis indicates that the developer will NOT receive a reasonable return on the investment of well over \$1,000,000.00. Given the interim period of recession since the road costs were incurred, this places the owner in roughly the same position as other industrial developers who also sold little or no projects in the 2009-2014 period. Pre-sales or pre-leasing commitments should have been and would typically be obtained prior to road construction. The owner, reportedly, purchased the property with the intent of profiting from the construction of and leasing of buildings and made an investment in land development reported to be near \$900,000.00 on speculative basis as to the needs of eventual buyers. For example, were a large enough scale user or group of users pre-sold or leased at the current rental rate projected above for new building the Dixboro Road cost could be absorbed. In addition to this, it may be that less roadway would be required to develop the site than the 2,100 lineal foot loop road that appears to have been constructed on a speculative basis. The road is lengthy and consumes a fair amount of land area itself and could certainly be feasible, however, a fairly large cluster of new users would need to be aligned to justify the expense.

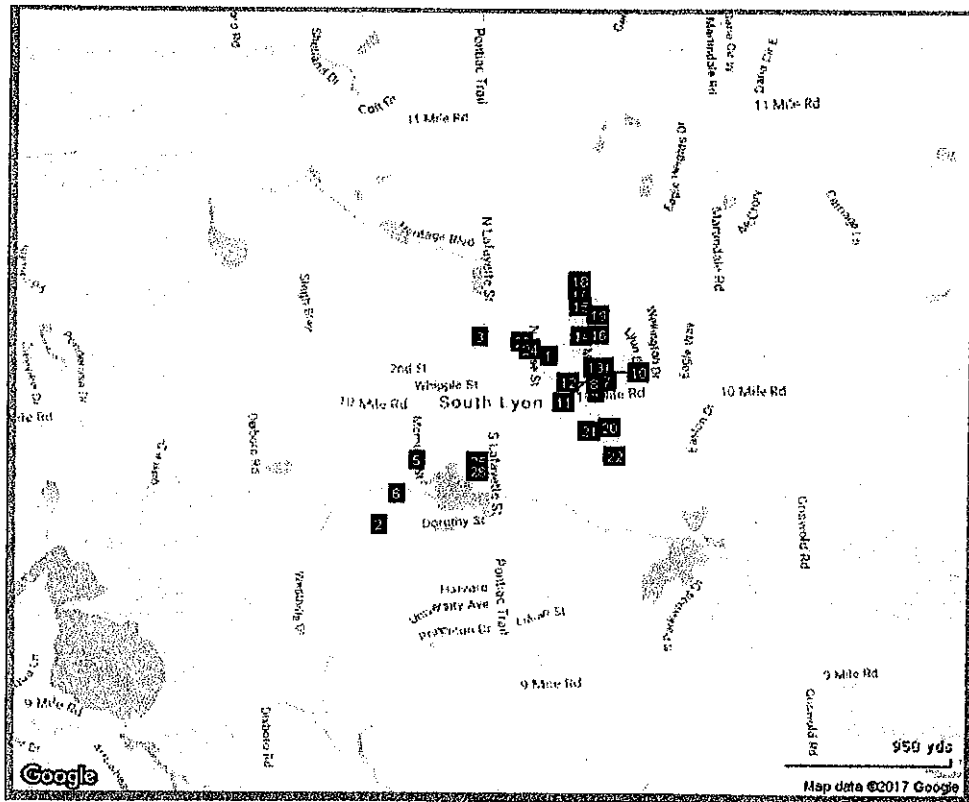
It is further noted that the property in the raw state, zoned industrial has value. This is outlined in an appraisal report limited in scope to industrial land uses that I have prepared on the property. In that report, one will find a recent sale of an industrial property in Lyon Township with similar road paving development hurdles and greater hurdles with respect to utility access.

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Reference: West End Industrial Park

The appraisal referenced in the preceding paragraph, concludes a value well below the known asking prices by any of the brokers indicated to date in the owners rezoning request, which are in the broad range of \$100,000.00 to \$175,000.00 per acre. This level of pricing in addition to the recession, are in my opinion, large contributors to the lack of success of past marketing efforts. While it is true the location is not ideal from the standpoint of truck transport, South Lyon evidences high occupancy rates and has several industrial improved properties that have similar distance travel.

Review of the CoStar database shows twenty-six improved industrials in the City and none of these were found to have or lease or for sale advertising and the vast majority evidence significant onsite activity. The database shows the following:



	Address	City	Property Type	Property Size	Space Avail	Rent/SF/Yr
1	361 Donovan St	South Lyon	Class C Industrial/Warehouse	6,350 SF	0 SF	-
2	510 Dorothy St	South Lyon	Class C Industrial/Warehouse	2,749 SF	0 SF	-
3	415 N Lafayette St	South Lyon	Class C Industrial/Warehouse	18,000 SF	0 SF	-
4	505 E Lake St	South Lyon	Class C Industrial/Warehouse	4,000 SF	0 SF	-
5	400 McMunn St	South Lyon	Class C Industrial/Manufacturing	253,621 SF	0 SF	-
6	546 McMunn St	South Lyon	Class C Industrial/Warehouse	6,000 SF	0 SF	-
7	220 N Mill St	South Lyon	Class C Industrial/Warehouse	4,554 SF	0 SF	-
8	220 N Mill St	South Lyon	Class C Industrial/Warehouse	2,562 SF	0 SF	-
9	220 N Mill St	South Lyon	Class C Industrial/Warehouse	1,804 SF	0 SF	-
10	220 N Mill St	South Lyon	Class C Industrial/Warehouse	1,773 SF	0 SF	-

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Reference: West End Industrial Park

11	220 N Mill St	South Lyon	Class C Industrial/Warehouse	4,572 SF	0 SF	-
12	220 N Mill St	South Lyon	Class C Industrial/Warehouse	2,159 SF	0 SF	-
13	299-300 N Mill St	South Lyon	Class C Industrial/Warehouse	1,965 SF	0 SF	-
14	385 N Mill St	South Lyon	Class C Industrial/Warehouse	18,000 SF	0 SF	-
15	465 N Mill St	South Lyon	Class C Industrial/Manufacturing	13,743 SF	0 SF	-
16	500 N Mill St	South Lyon	Class C Industrial/Manufacturing	9,389 SF	0 SF	-
17	515 N Mill St	South Lyon	Class C Industrial/Warehouse	8,177 SF	0 SF	-
18	521 N Mill St	South Lyon	Class B Industrial/Warehouse	14,920 SF	0 SF	-
19	550 N Mill St	South Lyon	Class C Industrial/Manufacturing	63,021 SF	0 SF	-
20	201 S Mill St	South Lyon	Class C Industrial/Manufacturing	18,000 SF	0 SF	-
21	228 S Mill St	South Lyon	Class C Industrial/Warehouse	6,600 SF	0 SF	-
22	245 S Mill St	South Lyon	Class C Industrial/Manufacturing	63,221 SF	0 SF	-
23	410 Pettibone St	South Lyon	Class C Industrial/Warehouse	2,277 SF	0 SF	-
24	381 N Reese St	South Lyon	Class C Industrial/Manufacturing	4,566 SF	0 SF	-
25	401 Washington St	South Lyon	Class C Industrial/Warehouse	3,213 SF	0 SF	-
26	475 S Washington St	South Lyon	Class C Industrial/Warehouse	2,600 SF	0 SF	-

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Only properties with valid lat/lon display on map

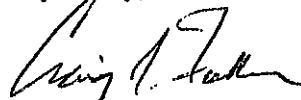
5/17/2017

Several recent building expansions are noted on existing sites in South Lyon including Sun Steel, Superb Fabrication, Pullum Windows, and Lucas Properties. Three of the four are manufacturers the fourth is storage. In such cases, the owner/occupants judged new construction as feasible within the context of their needs. The possibility of a potential future owner/occupant willing to construct improvements on the subject should not be discounted in light of these observations. The scope of the Schafer Viability Analysis is limited to tenant occupied properties.

Of these twenty-six uses three, Sun Steel, Michigan Seamless Tube and Service Iron Works appear large enough in scope that a similar project at West End Industrial Park would be feasible at current rents or potentially for an owner/occupant. Of these three, Sun Steel and Service Iron Works were constructed subsequent to freeway construction and, as such, one can conclude that distance to freeways does not automatically disqualify a site from consideration. All are believed to be owner/occupied.

I hope that this answers your questions regarding the Schafer Viability Analysis. If I can be of further assistance, please do not hesitate to contact me at your convenience.

Respectfully,



Craig J. Fuller, Certified General Appraiser

Attachment: Thomas Duke Viability Analysis dated November 22, 2016

THOMAS A. DUKE COMPANY
COMMERICAL & INVESTMENT REALTORS

November 22, 2016

City of South Lyon
335 S. Warren Street
South Lyon, Michigan 48178

Attention: Ms. Lynne Ladner,
City Manager

Regarding: West End Industrial Park, Proposed change of Land Use
32 acres with approximately 18.25 acres of land available for Industrial
Use

Dear Ms. Ladner,

The purpose of this letter is to follow up on the question of financial viability for new industrial construction at West End Industrial Park. The question was raised by Planning Commission members at the meeting held on November 10, 2016. The CIB Planning response letter dated November 3, 2016 (Findings, Section c) requested additional information to support the assertion that based on the permitted uses under the current zoning, the Applicant cannot expect a reasonable return on his investment. This letter details an example for discussion at the meeting on December 8, 2016.

Thomas Duke Company successfully marketed an industrial property located at 12400 Doane Road in Green Oak Township. The Property is:

Acreage:	4.51 gross acres 3.80 net acres
Building:	30,600 SF
Age:	1972 construction
Lease Term:	5 years
Rent:	\$9,500.00 per month, modified gross rent (Landlord pays property taxes and property insurance)
Taxes:	2016 Summer \$2,321.92 2016 Winter \$11,951.44 Taxable Value \$282,545.00
Marketing Time:	3 years

The adjusted Net Operating Income ("NOI") and Debt Service Coverage ratio (DSC") are the primary financial tools used by Appraisers to evaluate value. Lenders rely on these valuations as one of the two primary components when they are determining the feasibility of project. The other component is the financial liquidity of the developer.

37000 GRAND RIVER SUITE 360 FARMINGTON HILLS, MI 48335
PHONE 248/476-3700 FAX 248/476-3560
www.thomasduke.com

This property is accessed from US-23 at Silver Lake Road (about 3.3 miles). The property is about 2.1 miles west of West End Industrial Park. The lot coverage ratio of 8,000 SF per acre and has a fenced storage yard. This is typical of what would be the highest and best expected use of the property at West End.

By determining the Net Operation Income ("NOI") of the property we can get to valuation for bank financing for this project. The gross annual rent \$114,000. The expenses paid by the Landlord, property taxes and property insurance, reduce the rent \$14,273.86 and about \$4,500.00 respectively, or \$18,773.26.

After the expenses are subtracted, lenders typically further reduce the NOI for vacancy (marketing time in case of default) or capital expenses for which the Landlord is responsible under the lease. This reduction is typically 7-10% of the NOI.

DSC requirements in this area for this type of property are 1.25. That is, adjusted NOI must be 125% of the principal and interest payments.

Annual Gross Rent:	\$114,000.00
Taxes and Insurance:	<u>(\$18,773.26)</u>
NOI	\$95,226.74
Vacancy and Cap Ex	<u>(\$9,522.67)</u>
Rent to support DSC	\$85,704.06 annually or \$7,142.00 per month

The next step is estimate the cost associate with the developing or recreating this property at West End Industrial Park. These costs include land, site development, construction costs and soft costs.

Land:	3.80 acres @ \$100,000 per acre is \$380,000.00
Site Development:	3.80 acres @ \$20,000 per acre is \$76,000.00
Construction:	30,600 SF @ \$55/SF is \$1,683,000
Soft Costs:	Permits, fees construction interest and commission is <u>\$50,000.00.</u>
Total Project Cost:	<u>\$2,189,000.00</u>

The Developer will be required to have 25% equity in the deal and the lender will finance 75% of the project cost supported by the DSC. In this case, the loan amount is \$1,641,750.00. Currently an interest rate of 4.5% with a 15 or 20 year amortization is practical. This creates a monthly interest and principal payment of \$12,559.28 and \$10,386.52.

Based on the 20 year amortization, adjusted NOI of \$12,983.15 (\$10,386.52 X 125%) would be required to finance the project. The adjusted NOI monthly market rent is \$7,142.00. There is a rent shortfall of \$5,841.15 each month. This project will not receive financing approval.

37000 GRAND RIVER SUITE 360 FARMINGTON HILLS, MI 48335

 PHONE 248/476-3700 FAX 248/476-3560
www.thomasduke.com

Based on the rent of \$7,142 per month, approximately \$900,000.00 of the project cost could be financed. Even if the land were "free" this project would not be able to secure financing.

Given the permitted uses permitted under the current zoning, the applicant will NOT receive a reasonable return on the investment of well over \$1,000,000.00 he made in developing this land over a decade ago.

I look forward to reviewing this information with the Planning Commission at the meeting on December 8, 2016.

Sincerely,

THOMAS DUKE COMPANY

Mark T. Schafer,
Associate

Cc: Joe Tuomikoski, TAD (via email)
Mark Szerlag, TAD (via email)
Marc O'Rourke, Landmarc Building (via email)
Carmine Avantini, CIB Planning (via email)

37000 GRAND RIVER SUITE 360 FARMINGTON HILLS, MI 48335
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