

**CITY OF SOUTH LYON  
REGULAR CITY COUNCIL MEETING  
September 28, 2009**

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

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

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

**APPROVAL OF MINUTES:**

CM 9-1-09 – APPROVAL OF MINUTES- SEPTEMBER 14, 2009

Motion by Kivell, supported by Morelli

To approve the minutes of the September 14, 2009 Regular Council meeting as written

VOTE: MOTION CARRIED UNANIMOUSLY

**APPROVAL OF AGENDA:**

CM 9-2-09 APPROVAL OF AGENDA

Motion by Wedell, supported by Maida

To approve the agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

**PUBLIC COMMENT:**

Mr. T.J. Connelly of 22286 Brookfield Drive quoted Anthony J. DeAngelo “without a sense of caring there can be no sense of community.” We do have a sense of caring here but that does not make this a great community. On behalf of his family and neighbors he would like to thank Scott Black and Gary Fagin as well as VFW Post 2502 for the beautification efforts at the Veteran’s Memorial Parking lot. Their hard work and dedication paid off and it looks great.

**OLD BUSINESS:**

1. Beer Tent

Mr. Cory Bala of the South Lyon Hotel stated that they are applying for a beer tent in connection with the Pumpkinfest. It will be the Chamber of Commerce beer tent and he has offered his assistance with the event and will be selling the beer to the Chamber through one of his vendors. He presented a diagram of the beer tent area. The Chamber has applied for the license from the Liquor Control Commission and have gotten the liability insurance as well. He has also taken the liberty to take out an additional \$500,000 insurance policy.

Councilman Morelli asked how they plan to stop people from carrying out the beer from the bar area. Mr. Bala stated that there will be only one opening at the southern end and there will be 4 foot snow fencing around the entire area. There will be several people from his establishment as well as several volunteers on that entrance. There will be food served outside the beer tent. There will be 6 feet between the two snow

fences that would prevent anyone from passing drinks out. There will be people checking IDs and they will have wristbands to allow people to purchase tickets that will be then turned in for the beverages. In addition, he as well as other Chamber volunteers will be walking around to make sure everything is okay. They would like to keep this as a family event. They have a lot of people very well versed.

Councilman Morelli asked when the tent will be closed. Mr. Bala stated that they will stop serving as soon as the band stops playing. Their goal is to start at 2:00 p.m with the band starting at 4:00 p.m. so that they are not dealing with last minute issues.

Discussion was held on power. Mr. Bala stated that they plan on using the power from the street lights. They will not to feed off of any generators.

Mayor Doyle asked if the license has been issued. Mr. Gary Childs from the Chamber stated that he has received the license. Mayor Doyle asked Chief Collins if the Lake Street Tavern sells liquor outside. Chief Collins stated that they do have outside service, however to his knowledge it has not been very busy. Mayor Doyle stated that it appears that the event is very well planned.

Councilman Selden voiced his concern that the original application to the Liquor Control indicated that this was part of the Pumpkinfest event and he was pleased when they changed it to reflect that it is a Chamber event. He further stated that in the past the Pumpkinfest group has had battle about serving alcohol and having a beer tent. The Pumpkinfest Committee has always been against it, so he had asked that the application be changed. He does not have a problem with the beer tent, just a problem with associating it with Pumpkinfest. Mr. Bala stated that it was a simple misunderstanding.

Council Member Kopkowski asked if the tent will be open to underage. Mr. Bala stated that it was everyone's intent to keep it a family event. Therefore, it will be open to underaged, but will limit it to parents with kids. Council Member Kopkowski if at any time it will turn to just 21 years old. Mr. Bala stated that it would not.

Council Member Kopkowski stated that in the past some of the youth communities, churches and neighboring organizations have not been in favor of such an event and asked if contact had been made with any of these. Mr. Gary Childs stated that he spoke with the President of Active Faith and he is 100% behind them, but they are the only organization he has talked with. However, he has not received any negative feedback.

Councilman Kivell asked if there would be any alcohol awareness training for servers. Mr. Childs stated that he and his wife are both trained by the State. Mr. Bala stated that his staff has also taken the same course and are fully trained.

Councilman Kivell stated that he had heard that we are only one of two communities in the State of Michigan that do not have a beer tent in one of their festivals. It would seem that these other communities must see something of value. Mr. Bala stated that it is their hope that it will be a good thing for everyone. It is their main goal to make it a good event and not have problems and there is always room for growth and improvement and he would hope that they could lay the ground work for future events.

#### CM 9-3-09 – APPROVAL OF BEER TENT

Motion by Morelli, supported by Maida

To approve the temporary LCC License for a beer tent to be located on Pontiac Trail between Lake Street and Whipple Street on October 3, 2009 from 2:00 p.m. until 11:00 p.m.

The question was asked if they hope to open at 2:00 p.m. or start setting up at 2:00 p.m. Mr. Bala stated that he had hoped to have the doors open at 2:00 p.m. so that people can get a good spot before the first

band starts. He further stated that the food will be separate next to the beer tent so that families can come in and get food and sodas.

VOTE:

MOTION CARRIED UNANIMOUSLY

2. Temporary suspension of enforcement of noise ordinance

City Manager Murphy stated that the request is to suspend enforcement of the noise ordinance until 11:00 p.m. for the band to play until that time.

Attorney Lee stated that the request is to extend, for this limited engagement, the ability to allow the band to play until 11:00 p.m. where our current ordinance would require them to stop at 10:00 p.m. The resolution simply suggests that it would be for the one-hour period only.

Councilman Wedell asked if the resolution has the area well enough defined. Attorney Lee stated that it is referring to the festival, which is limited to the DDA. Therefore, it could not be interpreted to go outside the DDA area.

CM 9-4-09 – SUSPENSION OF ENFORCEMENT OF NOISE ORDINANCE

Motion by Kivell, supported by Wedell

WHEREAS, the South Lyon Downtown Development Authority has applied for a special permit from the City of South Lyon to allow a band to play at the Pumpkin festival; and

WHEREAS, South Lyon City Code 42-62(9) specifically addresses the playing of musical instruments and states as follows:

Each of the following acts is declared unlawful and prohibited, but this enumeration shall not be deemed to be exclusive, namely:

- (9) *Radio, television and musical instruments.* The playing of any radio, television set, phonograph, or any musical instrument in such a manner or with such volume, particularly during the hours between 10:00 p.m. and 7:00 a.m. or at any time or place so as to annoy or disturb the quiet, comfort, or repose of persons in any office or in any dwelling, hotel, or other type of residence, or of any persons in the vicinity; and

WHEREAS, South Lyon Downtown Development Authority has requested that the band be permitted to play until 11:00 pm; and

WHEREAS, the Pumpkin festival is a Celebration of the City of South Lyon for its citizens, and the event attracts other visitors to the area, enhances its public image, promotes economic development and fosters a sense of civic pride among its citizens; and

WHEREAS, the City Council of the City of South Lyon considers this request to be in the best interests of the City of South Lyon and in the interests of the citizens' safety, health and welfare for the above-stated reasons;

NOW THEREFORE, the City Council for the City of South Lyon does hereby grant permission to Downtown Development Authority to allow the band Global Village to play until 11:00 pm on Saturday, October 3, 2009 in the areas specifically requested by the Downtown Development Authority.

VOTE:

MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. 2008/2009 Audit

Mr. Brian Camiller, Audit Manager and Alicia Davis who over saw the daily audit operations were present represent from Plante Moran. Mr. Camiller stated that Les Pulver, Audit Partner sends his regards, but he was unable to attend the meeting. Mr. Mike Swartz also Audit Partner is present if there are any questions. He further stated that there are three documents, the Financial Report with Supplemental Information which is the financial statement, they have a graph package covering the highlights of the audit and the Opinion Letter, which is the only part of the financial statement that is Plante Moran's. The rest of it is the City of South Lyon's Financial Statement. The Opinion Letter is the "report card". They believe that the financial statement is complete and accurate and follow generally accepted accounting principals. They have again given an Unqualified Opinion or an "A" on the report card. This is not an automatic; not everyone gets an Unqualified Opinion. The City has to work very hard to prepare an accurate Financial Statement and follow the rules. They also provide a document referred to as The Report to the Council.

Ms. Alicia Davis of Plante Moran provided and discussed a set of graphs showing Governmental Activities Revenue Trend from 2006 through 2009, Governmental Activities Expense Trend from 2006 through 2009 as well as General Fund Revenue and Expenditure Trend from 2005 through 2009. She discussed the Comparison of General Fund – Fund Balance including designated and undesignated funds. She discussed the Water and Sewer Fund Activity including Working Capital, Operating Income before depreciation and Restricted Assets. She further discussed the Property Tax Composition showing the breakdown for the various jurisdictions that the City collects for including both homestead and non-homestead millage rates. Finally, she covered the Statistical Information including revenue and other receipts for all funds.

Mr. Camiller stated that regarding the Water and Sewer Fund Activity, the balance sheet versus the liabilities shows that the balance that the City has is still very strong and has been. The reason they suggested an increase in rates based on the study that they did was because it was starting to slide. We want to maintain that balance sheet.

Councilman Kivell discussed the Major and Local Street funds and asked if that is why we projected a \$300,000 use of Fund Balance and only ended up using \$30,000. Mr. Camiller stated that is part of it.

Mr. Camiller discussed the Report to City Council. He stated that what this is a collection of several documents. The first part is letters required as part of their audit standards. It has specific language that they are required to use. The first letter is a report on internal controls. Although they have issued an opinion on the internal controls, they are required to point out when they see a problem. The comments that they made are very mild though some of the terminology seems harsh either "significant deficiency" or "material weakness". The significant deficiency pointed out on page 2 referring to Auditors assistance was required in order for the financial statements to be in conformity with generally accepted accounting principals in no way is a judgment of the quality of your bookkeeping. The City does an excellent job in keeping complete and accurate records. The adjustments they suggested during the audit are simply year-end adjustments. This is not day to day accounting, but a paper matter to make sure that the financial statements are complete. The other item pointed out here is the GASB 45, which is a new accounting standard relating to other postemployment benefits liability. They assisted with that calculation rather than the City hiring an actuarial.

Mr. Camiller discussed the final results of the audit. He stated that at the beginning of the audit they had a conversation with the Mayor and explained their process. It is also an opportunity for the Mayor to express any concerns or anything they should look into initially. They sent a letter out to the entire Council explaining that conversation and now we are closing the circle. The question is were they able to do the audit that they originally planned and the answer is yes. Had they had disagreement with management, or problems conducting the audit or if the city workers were not forthcoming with information, this is the letter they would explain that. As you can see from reading this letter, there are none of those issues. The audit is very clean and they appreciate the efforts that the City goes through in order to make it that way. The next document is called "Other Comments and Recommendations". These are City specific. These comments are not a requirement, but things they think are important and the City should know. He discussed the \$30,000 decrease in fund balance as opposed to the planned decrease of approximately \$291,000. As far as segregation of duties and management oversight, the City does not have a ten person finance department.

If you did, you would divide up the duties. They are simply pointing out that controls over bank reconciliation is very important. They are recommending that you look into your departmental expense allocation. With tight budget constraints, if your general fund is somehow subsidizing other funds through administrative fees, it would make sense to charge those funds an appropriate amount so that the general fund does not have the full burden. They also noted some additional information controls based on a review that they did. If the City was larger and had more complex IT, they would be required to do a more indepth review. Due to the size of the City, they do an overview, however much of your IT is contracted out. Finally, they have the informational section, which are not specific South Lyon issues, but more broad finance issues with the two major issues being revenue sharing and property taxes. Council is aware of the issues facing both of those revenue sources. The economy is affecting the taxable value for the upcoming year. The taxable value is down 9.3% or a \$450,000 affect on general fund. He stated that as it relates to Shared Revenue, he did check several websites today and he does not see any updates as to what is going on with the State budget. It is quite possible that State Shared Revenue will be eliminated in its entirety, which is another \$130,000 hit to general fund. The constitutional portion of the revenue share is completely dependent on sales tax collected at the state level. When people are not buying consumer goods, not as much is collected resulting in not as much State Shared Revenue. They have already cut that back to 4.9% and it is possible if their current projection of sales tax collection does not come in where they think, there could be further cuts as well. As soon as they hear anything, they will make sure the City is informed. He stated that some other issues have also pointed out such as changes in the Investment Act, recent revisions to the State Transportation Funding Program, etc.

Councilman Kivell stated that one of the recommendations was to invest in Capital Assets software and asked Mr. Camiller if he knew how much that would cost. Mr. Camiller stated that there is a module for the City's General Ledger package and the cost would not be prohibitive.

Councilman Morelli stated that he would like to make it clear that the "A" grade that the City is given is based on the way we keep our books, not necessarily the financial situation we may be in. He asked Mr. Camiller what grade he would give about the financial shape. Mr. Camiller stated that they are often asked what amount the fund balance should be, and the answer is that you cannot ever have enough given with what is going to happen with property taxes and State Shared Revenues, etc. But, to have 60% of a year's expenditure in fund balance is well above average. Most neighboring communities are very jealous of the amount of fund balance the City has. That has been accumulated over the last 30 years and is a result of good decision making by both management and legislative levels of the City. However, it can be gone if you are not on top of it.

Mayor Doyle thanked Mr. Camiller and his staff. He stated that his interaction with them have been very professional. He thanked Lori Mosier, Bookkeeper who does a lot of work preparing for and through the audit process. He stated that we are very fortunate, but that does not mean that we can simply sit back. We still need to be very vigilant moving forward. He further thanked Councilman Wedell for his expertise as well.

#### CM 9-5-09 – ACCEPTANCE OF AUDIT

Motion by Selden, supported by Maida

To accept the audit for fiscal year 2008-2009 from Plante Moran as presented

VOTE:

MOTION CARRIED UNANIMOUSLY

#### 2. Street closure for Pumpkinfest Parade

Chief Collins stated that the route and plan is the same as previous years. The DPW will be placing detour signs and barricades. He is confident that we will have a successful parade and would recommend approval.

CM 9-6-09 - APPROVAL OF ROAD CLOSURES – PUMPKINFEST PARADE

Motion by Kivell, supported by Kopkowski

Resolved That Julie Zemke, City Clerk/Treasurer is hereby authorized to make application to the Road Commission for Oakland County on behalf of the City of South Lyon in the County of Oakland, Michigan for the necessary permit to conduct the Pumpkinfest Parade on October 3, 2009 at 10:00 a.m. and the related street closures:

Warren from Bartlett Elementary School to Whipple  
Whipple from Warren to Lafayette  
Lafayette from Whipple to Russel Lane  
Nine Mile from Dean Drive and Birchway Ct.

And that the City of South Lyon in the County of Oakland, Michigan will faithfully fulfill all permit requirements, and shall save harmless, indemnify, defend, and represent the Board against any and all claims for bodily injury or property damage, or any other claim arising out of or related to operations authorized by such permits as issued.

VOTE:

MOTION CARRIED UNANIMOUSLY

3. Street closure Downtown Saturday Night

Mayor Doyle stated that this is similar to last year and asked Chief Collins if he had any concerns. Chief Collins stated that it is similar with the biggest difference being the addition of the beer tent which has already been discussed. The Police Department has budgeted for two officers for the music portion of Downtown Saturday Night in addition to the three officers who will be on duty. They do not anticipate any problems.

CM 9-7-09 - APPROVAL OF ROAD CLOSURES – DOWNTOWN SATURDAY NIGHT

Motion by Kivell, supported by Wedell

Resolved That Julie Zemke, City Clerk/Treasurer is hereby authorized make application to the Road Commission for Oakland County on behalf of the City of South Lyon in the County of Oakland, Michigan for the necessary permits to conduct the 2008 Downtown Saturday Night on October 3, 2009 from 11:00 a.m. to 12:00 a.m. October 4, 2009 and the related road closures:

Lafayette St. from Whipple St. to Liberty St.  
Lake St. between Wells Street and Washington

and that the City of South Lyon in the County of Oakland, Michigan will faithfully fulfill all permit requirements, and shall save harmless, indemnify, defend and represent the Board against any and all claims for bodily injury or property damage, or any other claim arising out of or related to operations authorized by such permits as issued.

VOTE:

MOTION CARRIED UNANIMOUSLY

4. Street closure for Homecoming

Chief Collins stated that this is the request for the South Lyon High School Homecoming parade. It is the same as prior years. They try to keep the closure of Pontiac Trail to a minimum. It will close from the middle school just to where it turns back into the University subdivision. He is requesting that Council approve the road closure.

Councilman Morelli stated that he would like to voice his disapproval that this parade cannot pass through the four corners in town. Councilman Kivell stated that going through downtown would only cause additional chaos for traffic.

9-8-09 - APPROVAL OF ROAD CLOSURES – S.L HIGH HOMECOMING PARADE

Motion by Kivell, supported by Selden

Resolved That Julie Zemke, City Clerk/Treasurer is hereby authorized make application to the Road Commission for Oakland County on behalf of the City of South Lyon in the County of Oakland, Michigan for the necessary permits to conduct the South Lyon Homecoming Parade on October 23, 2009 from 4:00 p.m. to 5:00 p.m. and the related road closures:

Pontiac Trail from Millennium Middle School Driveway to University Street  
University Street from Pontiac Trail to Oxford Street  
Oxford Street from University to Cambridge Street  
Cambridge Street from Oxford Street to McMunn  
McMunn from Cambridge Street to W. Liberty  
W. Liberty from McMunn to Warren  
Warren from W. Liberty to Bartlett Elementary School

and that the City of South Lyon in the County of Oakland, Michigan will faithfully fulfill all permit requirements, and shall save harmless, indemnify, defend and represent the Board against any and all claims for bodily injury or property damage, or any other claim arising out of or related to operations authorized by such permits as issued.

VOTE:

MOTION CARRIED UNANIMOUSLY

5. Traffic Control Order No. 09-01

Chief Collins stated that the City looked at a couple of ways to allow directional and advisory signs to be placed in the right-of-way for Pumpkinfest. The City Attorney determined the best way to accomplish this is to issue a Temporary Traffic Control Order for those signs for the specified days only and only for the Pumpkinfest. He is requesting that Council authorize the Traffic Control Order.

CM 9-9-09 – TRAFFIC CONTROL ORDER NO. 09-01

Motion by Kivell, supported by Kopkowski

To approve Traffic Control Order No. 09-01 as presented

VOTE:

MOTION CARRIED UNANIMOUSLY

6. Acceptance of Resignation

Mayor Doyle stated that Scott Black has submitted his resignation as he is pursuing election to the City Council. We need to accept that resignation.

CM 9-10-09 – ACCEPTANCE OF RESIGNATION

Motion by Selden, supported by Maida

To accept the resignation of Scott Black from the Parks and Recreation Commission

VOTE:

MOTION CARRIED UNANIMOUSLY

7. Purchase of Tailgate mounted Pre-wet system

Superintendent Renwick stated that he is requesting permission to purchase a tailgate mounted pre-wetting system for our salt truck. This is a budgeted item. The best price we received was \$3,871 from Truck & Trailer Specialties. The highest bid we received was \$5,132. He is requesting Council approve the purchase from Truck & Trailer Specialties at the installed price of \$3,871.

It was stated that this was discussed during the budget process.

Councilman Selden asked if this is under State contract. Superintendent Renwick stated that it is not.

#### CM 9-11-09 – APPROVAL OF PURCHASE OF TAILGATE MOUNTED PRE-WET SYSTEM

Motion by Wedell, supported by Maida

To approve the purchase of the LDS-455 Hydraulic Liquid Dispensing System from Truck & Trailer Specialties at the installed cost of \$3,871

VOTE:

MOTION CARRIED UNANIMOUSLY

Mayor Doyle asked how soon we would be receiving the equipment. Superintendent Renwick stated that he would expect it within 45 days.

#### MANAGER'S REPORT:

City Manager Murphy stated that he understands that Crossroads Grille will be opening this coming Thursday.

#### COUNCIL COMMENTS:

Councilman Morelli stated that he attended the MML Convention last week, and it was generally depressing. They talked about how much less money communities are going to have to work with and how Cities are going to have to work with less personnel, etc.

Council Member Maida stated that Pumpkinfest is this weekend starting with the parade at 10:00 a.m. It will end at Millennium Middle School where there will be the craft show and outside events. Saturday night will be the bands and beer tent downtown, and Sunday they will again be at the middle school with the crafters and other events.

Councilman Wedell stated that he also attended the MML meeting and shared Councilman Morelli's experience, but that is the times that we live in. We are in a position to be proactive and our budgeting system is intact. It will be tough, but we will get through it.

Councilman Selden he also would like to remind everyone to come out and have a good time at Pumpkinfest.

Councilman Selden stated that he finds the actions of whomever sent the letter out reprehensible. He would hope that South Lyon politics have not gone into the gutter.

Council Member Kopkowski read the following statement:

I would like to take this time to comment on the events of the last couple of weeks...

John – I am sorry to hear of your family's misfortune regarding the pending foreclosure of your home. The way in which the information was released to the public as an anonymous letter in my opinion was both dirty and distasteful.

That said – I am equally disappointed to hear from many Citizens that you are going around telling people you think it was me that sent the letter. This act is no better than the aforementioned.

I thought about ignoring the rumor and just chalking it up to political gossip – however – the amount of people coming forward to tell me the same story is staggering.

If you have any proof – I ask to you to publicly bring it forward as I had no involvement and I have nothing to hide. If not - I ask that you immediately cease slandering my reputation – retract your accusations and an apology would be nice.

Councilman Kivell stated that he also attended the MML meeting and there was a lot of negativity. We are in tough times. It is difficult to run this type of business in this cycle of bad economy. However, there was a lot of seminars offered to help with tools to make our community better in planning, recruitment of people to have a successful mix of population to put us in a position to end up with success. There are creative people to try to help you make the best of a difficult situation.

Councilman Kivell discussed the road maintenance programs. He stated that he is hoping that it is concluded by Pumpkinfest. City Manager Murphy stated that the best guess is Friday, but it is weather dependent.

Mayor Doyle stated that it has been an interesting couple of weeks. It has been an overwhelming experience. He has received a tremendous amount of phone calls, emails and letters, which he truly appreciates. His families' situation although serious is not unique. We have all been impacted at some level by the economy. He is certain that they will get through this. He is still going to be here and will walk around town with his head held high. He thanked his family, wife and kids for their support. He stated that whoever sent the letter, he does not know what makes them tick and he is not going to waste his time thinking about it. He is here today and will be here tomorrow.

**ADJOURNMENT:**

**CM 9-12-09 ADJOURNMENT**

Motion by Selden, supported by Morelli

To adjourn meeting at 8:27 p.m.

VOTE:

**MOTION CARRIED UNANIMOUSLY**

Respectfully submitted,

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John Doyle, Jr.  
Mayor

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Julie C. Zemke  
City Clerk/Treasurer