

The City of South Lyon
Regular City Council Meeting
September 28, 2015

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

PRESENT: Mayor Tedd Wallace
Council Members: Dixson, Kivell, Kopkowski, Kramer, Rzyzi, and Wedell
Also Present: City Manager Ladner, Department Head Martin, Chief Collins, Chief Kennedy, Attorney Wilhelm and Clerk/Treasurer Deaton

MINUTES

CM 9-1-15 MOTION TO APPROVE MINUTES

Motion by Kivell, supported by Kramer
Motion to approve minutes from street workshop September 9, 2015 minutes as presented

VOTE: MOTION CARRIED UNANIMOUSLY

CM 9-2-15 MOTION TO APPROVE MINUTES

Motion by Wedell, supported by Kopkowski
Motion to approve minutes of September 14, 2015 minutes as presented

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

CM 9-3-15 MOTION TO APPROVE AGENDA

Motion by Wedell, supported by Kivell
Motion to approve agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT

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Carl Richards of 390 Lenox stated he would like to update Council and let them know the Knolls are coming along and Mr. Elkow is doing a great job. He further stated Mr. Elkow definitely needs a bridge, but he hopes the temporary one that is there now will be replaced. Mr. Richards stated they did a good job on the grade by the railroad tracks and they have used a lot of rocks to make it look good.

Chad Lindsey, the owner of Lindseys Pizza at 22910 Pontiac Trail stated he wanted to set up his smoker at Pumpkinfest, and for 8 years he has tried to join Pumpkinfest, but has always been denied. He was invited to set up at the Corner Café by Derek. As he was trying to set up, he was told by the Police he could not. He was informed Friday night they could not setup because he doesn't have a transient vendor license. Mr. Lindsey stated he thought he fell under the exception in the ordinance because he is a local business owner and he pays City taxes for his business. He further stated he would like to know if there is a group that governs the Pumpkinfest because he is a local business and he has been denied access to Pumpkinfest. Councilman Kivell stated there is a committee that runs Pumpkinfest and he suggests Mr. Lindsey speak with the City Manager regarding the Transient License Permit. Mayor Wallace stated he wishes there were Pumpkinfest officials here, but they put on quite a show and are probably wore out.

Ryan Cottingim of the Witches Hat Brewery stated he would like to speak on Mr. Lindsey's behalf. As a business owner he relies on Chad doing his mobile vending at his business location, they work hand in hand and it gives both of them business. He stated when he established his business he was told there were no rules saying they couldn't have food trucks, it is private property and there were no regulations saying food trucks were not allowed. If Chad was setting up on private property, it is unfortunate a local business wasn't allowed to set up during Pumpkinfest while there were many other non-local businesses there. He hopes in the future this won't happen again, and maybe we could clear this up for the future.

Tamara Clark of Mickey's Dairy Twist and she is hoping we can get some kind of resolution and answers so we can all be clear on what needs to be done to ensure we can all run our businesses and prosper.

Ryan Lare of 716 Grand Court stated he would like to thank everyone involved with Pumpkinfest; everyone involved did a great job.

OLD BUSINESS- None

NEW BUSINESS

1. Presentation of the Fiscal Year 2014-2015 Audit by Plante Moran

Doug Bohrer of Plante Moran stated he would like to thank Lori Mosier the City's Bookkeeper, City Manager Ladner and the Treasurer's Office for all their help. Mr. Bohrer gave a brief presentation of the City's audit. He stated a few things he would like to highlight is the City has received an unmodified opinion on the financial statements which is the highest form of assurance you can receive from a third party independent CPA firm. He further stated there were no significant deficiencies, this year there

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were a few so this year he is happy to report there were none this year. The City invested over a million dollars in Capital assets this year, and that which reflects the City is reinvesting in the infrastructure while still paying down debt, which is really important. He further stated the City paid down \$700,000 debt between general obligation debt and the water and sewer debt. This year was the first year for a new accounting standard which requires you to record any unfunded pension liability on your government wide fund statements. Keith Szymanski of Plante Moran gave a presentation for explanation of graphs regarding the City's funds. The fund based system of accounting focuses on General Fund. The largest revenue source is property tax revenue of over 3 million dollars of the 4.7 million dollars total which compared to the previous 3 years was about the same. There was a decrease in 2015 of approximately of \$300,000. Most of that change was due to the re-allocation of some of the operating mill being redirected to the Capital Improvement Fund. The taxable value for the City increased by approximately 2%. The revenues were consistent with previous years. There was a slight increase in revenue sharing from the previous year. He further stated the City collected the most in revenue sharing in 2001 of over one million dollars. He stated after 2001 the State lowered the amount of revenue sharing to balance its own budget. Mr. Szymanski stated 2010 the City only received \$710,000 dollars for revenue sharing, but after that it began increasing. The City received \$919,000 in 2015. Taking into accumulative levels, the difference since 2001 is a difference of 2.9 million dollars. He further stated it is the second largest revenue for General Fund money. He further stated the expenditures are similar to previous years; there was a slight decrease in 2015. Despite increase in the costs the City faces, such as health care, and inflationary increases from vendors, the fact the City has been able to maintain a steady amount of expenditures and decreasing them is a credit to City Council and Management for keeping a close eye on the books. He further stated the fund balance only decreased slightly.

Spencer Tawa of Plante Moran summarized graphs regarding the City's non-governmental funds. He stated all the non-governmental funds have a positive fund balance. The Cemetery Fund currently has a positive balance, but he knows the City Manager is looking into the rate structure to ensure the Cemetery Funds continue in a healthy direction. Mr. Tawa stated investing in Capital Assets has decreased a small amount due to the depreciation expense has been greater than additions to Capital Assets. The restricted money has stayed constant. He stated the unrestricted is money the City is free to spend. The net pension liability is approximately 2.9 million which ate up some of the un-restricted funds for governmental activities. The water and sewer fund operating expenses have been consistent throughout the last 5 years. The expenditures have been higher than the revenue in 2014 and 2015, which is due to the water and sewer and he suggests the City keep an eye on the water and sewer fund to ensure it is healthy long-term.

Doug Bohrer stated the true cash activity of the water and sewer fund has had more expenditures and less revenue. Even with the tax revenue, we are not collecting enough cash for the water and sewer. We are currently dropping approximately half a million dollars in revenue a year. The City has enough cash at the moment, but that will change in the next couple of years if it is not addressed. Mr. Bohrer stated there were no uncorrected misstatements, and we only had 2 journal entries that had to be addressed, but they were for small amounts. Some suggestions for the City are to keep the server room locked, as well as more secure passwords. He further stated the State will be implementing performance audits which will verify the compliance of Act 51 monies to make sure the money is being

used properly, and to make sure all transfers were done properly. Councilman Kivell stated the unrestricted fund balance with the application of the new rules, it is relatively mis-leading picture from a historic picture because, MERS is such a long term expenditure. There is a long time to adjust to accommodate that fund. Mr. Bohrer stated every community has that as well. Councilman Kivell stated we have a bond that will be paid off shortly which will help with the water and sewer funds. He further stated there are things that mitigate some of the concerns. Councilman Kramer asked when the City will bottom out with the property tax fund. Mr. Bohrer stated the taxable value is on the uptake, but it will be many years to be back to where the City was before the bottom dropped out. Discussion was held regarding the water and sewer rates and the need to raise the revenue for the Water and Sewer fund.

2. Recovery and Recycling Authority of Southwest Oakland County

City Manager Ladner stated the City is part of RRRASOC and they have had a community withdraw and two communities ask to join. Mike Csapo stated the resolution will adopt the articles of incorporation. He stated Milford Township and Village of Milford have asked to join and they have passed similar resolutions. He further stated RRRASOC is required by the government to have a new resolution passed anytime there are changes in membership. He further stated by those two communities joining it will increase purchasing power, it will spread out the costs as well as offer more locations for the recycling events for the residents. Councilman Kramer asked why Lyon Township wanted to withdraw. Mr. Csapo stated Lyon Township has not participated in many years. They do not target any funds for trash collection, household waste collection, or recycling and they are just not engaged in services like that, therefore they didn't have any use for our services. He stated they are one of the few communities in Oakland County that do not participate with recycling. Mr. Csapo stated the City of South Lyon is very good in recycling, the recycling rate is nearly 44%, and the regional average is 34%. The City's expenditures are 40% below the median in Michigan.

CM 9-4-15 MOTION TO APPROVE RESOLUTION

Motion by Kramer, supported by Dixon

Motion to adopt the resolution amending the Articles of Incorporation for the Resource Recovery and Recycling Authority of Southwest Oakland County

VOTE:

MOTION CARRIED UNANIMOUSLY

3. Discussion with Sam Iaquinto regarding temporary storage of boats on property owned by Michigan Seamless Tube

Sam Iaquinto of Mac's Marina stated he is asking permission to store boats on the property owned by Michigan Seamless Tube. He stated he wanted to apologize for not reaching out to Council last year,

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they didn't realize they needed the City's permission. He further stated he has the permission of Michigan Seamless Tube for the use of their property. Mr. Iaquinto stated they are asking for temporary staging from October 15 to December 2015. The boats are licensed and registered; there is no noise or nuisance from the staging of the boats. Councilman Kivell stated his only concern last year was he received phone calls after the boats were stored, and we have a temporary use ordinance, and he isn't sure if this falls under the time frame? City Manager Ladner stated she believes the temporary use ordinance is 60 days, but she will find out. Mr. Iaquinto stated his business is inundated with boats for service in the time frame they are asking about. Mayor Wallace stated he doesn't have an issue with this, that area is zoned heavy industrial. Councilman Wedell stated this will depend on the language of our Ordinance. Councilman Kramer stated he is worried about setting a precedent for others in the future. City Attorney Wilhelm stated this type of request appears to trigger a land use/rezoning issue which should be addressed through the Planning Commission. Councilmember Kopkowski stated we need to know what we can do for him right now, not what we would like to see in the future. Carmine Avantini of CIB Planning stated the current ordinance does allow for temporary storage under a special land use, but it must be related to the business doing the storage. Mr. Avantini stated he has mixed feelings regarding the special land use, sometimes it works out and sometimes it does not. Mr. Aventini stated if Council is interested in allowing special land use, he and the City Attorney are currently reviewing the Zoning Ordinance, and they could look into it. Councilman Kramer stated currently we cannot go against ordinance. Councilman Kivell stated there isn't a legal vehicle to allow that activity.

4. Consider purchase of three sets of Firefighting turnout gear

Chief Kennedy stated he is asking for approval to purchase three sets of turnout gear. This is a budgeted item, but it is over the \$5,000 limit therefore he is asking for Council's approval. He further stated we have purchased gear from this vendor for the past 3 years. They are the Michigan distributor for this brand.

CM 9-5-15 MOTION TO APPROVAL TO WAIVE FORMAL BID PROCESS

Motion by Kivell, supported by Wedell

Motion to waive the formal bid process for the purchase of three sets of firefighting turnout gear

VOTE: MOTION CARRIED UNANIMOUSLY

CM 9-6-15 MOTION TO APPROVE PURCHASE OF 3 SETS OF TURNOUT GEAR

Motion by Rzyzi, supported by Kopkowski

Motion to approve the purchase of 3 sets of firefighting turnout gear from Apollo Fire Department Company for \$5,978.64

VOTE: MOTION CARRIED UNANIMOUSLY

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5. Consider acceptance of 2014 FEMA Grant for the Fire Department in the amount of \$23,430

Chief Kennedy stated this is the third year the City has applied and this grant is getting harder and harder to get. He further stated we will be using this to replace hoses and some of the hoses are over 30 years old, which is well beyond normal service life. Chief Kennedy stated this is a matching grant, and our share is \$1,115.00. He further stated the nozzles and hoses come from two separate vendors and we have done a lot of research and they feel these brands will be the best. Councilmember Kopkowski asked what happens with the old hoses. Chief Kennedy stated they donate some to the Department of Public Works, or put them out for bid online. He further stated there are always other departments that may need them.

CM 9-7-15 MOTION TO ACCEPT THE 2014 FEMA GRANT

Motion by Kramer, supported by Rzyzi

Motion to accept the 2014 FEMA grant of \$22,315 and approve matching money of \$1,115.00

VOTE: MOTION CARRIED UNANIMOUSLY

CM 9-8-15 MOTION TO WAIVE FORMAL BID PROCESS

Motion by Wedell, supported by Kivell

Motion to waive the formal bid process to purchase fire hose

VOTE: MOTION CARRIED UNANIMOUSLY

CM 9-9-15 MOTION TO APPROVE THE PURCHASE OF FIRE HOSE

Motion by Kopkowski, supported by Kramer

Motion to approve the purchase of a fire hose from Mercedes Textiles Limited for \$21,755.32

6. Consider accepting donation from the Briggs family to the Cemetery Fund

City Manager Ladner stated this is a cash donation for the Briggs family donated after the passing and burial of Jack Briggs

CM 9-10-15 MOTION TO ACCEPT DONATION TO CEMETERY FUND

Motion by Kopkowski, supported by Kramer

Motion to approve the acceptance of a \$20.00 donation to the Cemetery Fund

VOTE: MOTION CARRIED UNANIMOUSLY

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MANAGERS REPORT

City Manager Ladner stated she met with the demolition contractor and they have asked that we hold off on the notice to proceed until the utilities are removed by DTE and Consumers that may take a few weeks. City Manager Ladner stated Pumpkinfest had some great music and the parade was very nice. She further stated the Pumpkinfest Committee and the volunteers did a great job. City Manager Ladner stated HRC will be at the 2nd meeting in October with the Roadway Asset Management Plan for Council to adopt.

COUNCIL COMMENTS

Councilman Rzyzi stated he would like to thank the Pumpkinfest Committee for the great job they did. This is the 31st year. He stated there is always room for improvement. He would like more local vendors to participate. He further stated he asked for that last year, and it is a shame Mr. Lindsey wasn't able to participate once again.

Councilmember Kopkowsi stated she had asked for information regarding food trucks at the beginning of the summer. We are getting more and more food trucks coming into the City, she wants to make sure we are being fair to everyone including our brick and mortar businesses. Councilmember Kopkowski stated she would like a discussion at a future meeting regarding this issue. She stated Erica from Parks and Recreation contacted her regarding an issue they are trying to get passed and are having trouble with. City Manager Ladner stated the Committee currently has a red line version and it is currently being looked at. She stated she is meeting with Amy Allen on Tuesday and the Parks and Recreation will be meeting again on the 14th of October. Councilmember Kopkowski stated she also enjoyed Pumpkinfest. The music and the parade were great. She further stated she wanted to thank the gentleman who offered to drive her in the parade again, as he did last year.

Councilman Kivell stated the volunteers are spectacular and he wants to thank everyone involved. The weather was great and the parade was very good, and there were very few gaps. He stated the pipe that was mentioned by Carl Richards, will be replaced it is temporary; it will be replaced to spec. They had to do something to validate for the DEQ that water would still flow there.

Councilman Wedell stated he was at Pumpkinfest each day, and it was outstanding. He also wants to thank all of the volunteers that assisted with this. It is a great event for our town and the local non-profits.

Councilman Kramer stated he had a great time at Pumpkinfest and he wants to thank everyone involved as well. He further stated the Pumpkinfest Committee actually started working on this event last year; they put in a lot of work. Councilman Kramer asked Attorney Wilhelm if he could give Council a list of all projects he is currently working on. Attorney Wilhelm stated he would get that information for them.

Mayor Wallace stated he is proud to say he is one of the original 12 people that began Pumpkinfest 31 years ago. It grows every year. He further stated it actually died 6 or 7 years ago, and a new group has taken over. You cannot explain the time that is put into Pumpkinfest. Scott Black and Holly Gerdom have done a great job; they work very hard to make everyone happy. They even helped behind the counter at the beer tent. It is great they put out such an effort. He further stated Phil Weipert does a lot of paperwork for the parade. He would like to thank him as well. Mayor Wallace suggested to Mr. Lindsey that he speak with the City Manager regarding the Merchant license. He asked if Mr. Lindsey applied to be a vendor at Pumpkinfest. Mr. Lindsey stated he has tried for 7 years and is always told no. Mayor Wallace stated he hopes something can be worked out because he is all for local business and everyone loves Lindsey's ribs. Mayor Wallace stated Pumpkinfest is separate entity; they also pay for the police coverage as well. He further stated it is a great event for the kids.

Councilman Wedell stated he recently learned Vibe Credit Union was the financial sponsor for the Pumpkinfest for the 8th year.

Councilman Kivell asked if a discussion item can be added to the next meeting regarding food trucks.

ADJOURNMENT

CM 9-11-15 MOTION TO ADJOURN

Motion by Kivell, supported Kopkowski
Motion to adjourn meeting at 9:00 p.m.

Respectfully submitted,

Tedd Wallace, Mayor

Lisa Deaton Clerk/Treasurer