

City of South Lyon Budget Workshop  
April 4, 2019

Mayor Pelchat opened the meeting at 6:00 p.m.

City Manager Zelenak gave a brief overview of the agenda for the meeting and the time schedule for each subject.

City Manager Zelenak stated this budget is based on the taxable value he was given from assessing for 2019. He stated he plans on reviewing the entire budget, but without going line item by line item. He stated he displayed pie charts and graphs he made reflecting where our residents tax dollars go, such as schools, library and general fund operating. He added that the graphs and pie charts will be on our website as well. We are working with our IT company to get a plan on what computers need to be replaced as well as possibly a new server.

#### ADMINISTRATION

City Manager Zelenak stated the administration budget includes wages and salaries of the administration. There is a change that will be made to the Planner line item which will increase it because they will be assisting us with in-house planning and zoning issues throughout the year. Someone will be in the office once a week. This will save money in the long run. City Manager stated under professional services we have Safebuilt which is based on projections for expenditures and revenue for the current year. Under contractual services we have services such as the copier lease, BS&A software and the assessing agreement with Oakland County assessing. He stated there will be a correction on 817, itemized currently says 22,000 but will be changed to 32,000. City Manager Zelenak stated there are funds for membership dues, legal costs and community promotions such as the Center for Active Adults, Oakland County Youth Assistance and the South Lyon Recreation Authority. Councilmember Kivell stated he thought we stopped supporting the swim program. City Manager Zelenak stated he will check on that.

Councilmember Kennedy stated he is happy with the way the budget is laid out and everyone involved did a good job. Councilmember Kurtzweil stated she understands Carol recently attended a grant writing class, and she was surprised to find out that she is part time. She then asked why she is not a full-time employee. She stated looking and applying for grants takes a lot of time. She asked if we can make her position full time. If her day is currently full, when will she have time to look for grants. City Manager Zelenak stated he has spoken to her regarding more hours. We can look at making her full time if that is what Council wishes and if she is interested. Discussion was held about sending a part time person to a grant writing class if she won't have time to find the grants. City Manager Zelenak explained she is a resource and the training was free. Councilmember Kurtzweil stated she would fall under the new retirement program if she came on full time. City Manager Zelenak stated he will bring information on the numbers for bringing her on full time, or just raising her hours. She is a great employee. Further discussion was held regarding the hours for Carol Brandon and the need for someone to apply for grants.

#### CEMETERY

City Manager Zelenak stated we will be looking at the sectional and directional signage at the Cemetery. He further stated we will also be working with HRC for the layout of the new section. He further stated he is hoping part of the signage we are looking at could be an Eagle Scout project. There will also be a purchase of a new mower which will be paid for through the equipment fund. The survey will be paid from the perpetual care fund.

## TRANSPORTATION FUND

Bookkeeper Mosier stated the transportation fund is based on their contract, which is 81,544.00

## POLICE DEPARTMENT

City Manager Zelenak stated the PD is allocating money for the purchase of 6 in-car cameras and the equipment that goes along with that, replacing current equipment that is 10 years old. He further stated they are allocating funds for the replacement of office equipment that is 20 years old. Chief Sovik stated some of the furniture has been there since the building was built in 1991. Councilmember Kivell asked why our mechanic wasn't doing most of the work on the vehicles. Chief Sovik stated the only things our mechanic doesn't do, are things he doesn't have the equipment to do, or if it is under warranty. Councilmember Kurtzweil asked if the legal fees in the PD budget is additional to what is in the administrative side. City Manager stated it is. Chief Sovik explained the current camera system is 10 years old. He stated in the past we were waiting until the last minute for purchases and repairs, and he is trying to change that. Discussion was held regarding body cameras and issues that some departments are dealing with. Chief Sovik said in some communities that use body cams, they have to have a full-time person just for FOIA requests and the redacting of information from the video once you are inside someone's home, there are things that need to be redacted. City Manager Zelenak stated there are other issues regarding when you turn it on and off, there are a lot of issues to look at before deciding to get body cams.

## FIRE DEPARTMENT

City Manager Zelenak stated the Fire Department is planning on making some improvements to their building which will include having a female and male bathroom. They are also looking to replace some turnout gear. The increases in compensation adjustment is to continue to be competitive with surrounding communities. We currently ensure that the Fire Chief or Deputy Chief are on almost every call made by the Fire Department because 75% of their fire fighters have less than 4 years of experience, so it is very important to have that leadership at all calls for experience reasons. He stated we are looking raising the wage for the Fire Chief and the Deputy Fire Chief. The Fire Chief is salary. The Deputy Chief is paid hourly at a rate of \$24.05 yet he is basically on call at all times. The Chief is \$37,000 for part time for 20 hours a week, but we know he works many more hours than that. The Deputy Chief works between 900 and 1,000 hours per year. He stated we are basically using the Deputy Chief for the time he is spending time in town on call without being compensated. We are looking at changing him to a salary or a higher wage. Councilmember Kennedy stated he agrees; it is important to have that expertise on all calls. Deputy Weir stated he and Chief Vogel try to have a 24-hour coverage. He informally had asked for a salary from the previous Fire Chief, but he is now formally asking. He stated when he is not at his full-time employer, he and Chief Vogel are working together to ensure one of them is always available, and it does have an affect on the family. Councilmember Kivell stated that is a normal ask, and possibly bring the 3<sup>rd</sup> person Corey in so everyone can have a real life. Deputy Weir stated they work well together. City Manager Zelenak stated we are thinking the better way to deal with this would be to offer him a salary or a higher rate of pay. Councilmember Kurtzweil stated the City has always taken advantage of their employees. She is in favor of moving this into a salary position, she is disappointed he wasn't paid a salary and it is embarrassing for the City. Further discussion was held regarding the on call pay and salary of the Fire Department Chief and Deputy Chief.

## DEPARTMENT OF PUBLIC WORKS

City Manager Zelenak stated the DPW funding involves new grading storm sewer, paving and we are waiting for estimates from HRC. This might be completed within 2 budget years for the DPW yard. Additional funds are available for training, outfall inspections, which are required by the DEQ, and additional funding for vehicle maintenance and replacing some other equipment. He further stated there are funds available as with the Water and Wastewater for the Superintendent position. They have contractual services for such things as a new computer, maintenance of equipment and building maintenance. Additional amount of funding for land and equipment improvements. Discussion was held regarding the canopy and cement pads for the vehicles to protect them from the elements. The estimated cost for a building for the vehicles would be \$60,000 - \$70,000. The estimated cost of \$4,000 - \$5,000 per pad. City Manager Zelenak stated the yard paving was based on the HRC estimate and it is covered in the capital improvement account. Further discussion was held regarding the damage to vehicles from being exposed to the elements and the dirt driveway. City Manager Zelenak will itemize the items discussed. We are also looking at the storm water detention pond that will hold water, but it will dissipate. Discussion was held regarding HRC evaluating the use of the space at the DPW yard. City Manager Zelenak stated the improvements will have to be done in 2 phases to be able to allow vehicles in and out while the work is being done. There is also money in the budget for the 50/50 sidewalk program.

## PARKS AND RECREATION

City Manager Zelenak explained they are requesting funding for future planning of Volunteer Park as well as McHattie Park. He stated we recently purchased the property on McMunn near McHattie Park and we need to look at what its future use will be. SLARA has been turning baseball teams away because we don't have enough ball fields. The Junior League is also interested in assisting with getting more ball fields installed and improved. There is funding for improvement in the trails as well. There is also \$15,000 for parking lot improvements. We also allocated money for the installation of a wheel chair swing, and the demolition of the old house on the property. Discussion was held regarding the original plan to add more soccer fields, and adding we are considering moving some of the fields at Volunteer Park and adding a gravel driveway. We are also working with SLARA and the Junior League to come up with funds and grants for additional fields and improvements, such as sand and gravel. SLARA, the City and the Junior League are all interested in working together on a phasing plan. We have people committed to putting in money for a wheel chair accessible swing, but we need to look for the location. We will need to look at the what we want to do with the property on McMunn that we just purchased. Do we want to make it additional parking or more park land. Discussion was held regarding lights on the ball fields which could cost up to \$50,000. It was mentioned there could be some pushback from the neighbors that could distract from the value of their property, but we can look at doing so and have discussions with the residents from the surrounding neighborhoods. City Manager Zelenak stated we will have to put in the fields first, then look at the lighting.

## HISTORICAL

City Manager Zelenak stated we have funding in the budgets to improve the experience for visitors to the Depot, such as improvements to the parking lot, new flooring in the Depot, floor in the gazebo and brick and sidewalk repairs. They have contractual services for lawn maintenance as well as critter control. They will be adding hot water to all the bathrooms. The question was asked who maintains the

equipment at the Depot. They hire a furnace repair person, contractor and they do a lot of work with volunteers. Councilmember Kennedy stated the trees by the gazebo need to be trimmed up because kids are climbing them. Ron Brock from the DPW stated they could take care of that.

### CABLE COMMISSION

The Cable Commission records and documents events for the public. They are hoping to add more events for broadcast this year so there is a raise in wages and salaries. They have outlined additional equipment they would like to purchase such as a video monitor to be used in City Hall. It is a great item to have for residents that come into City Hall, it gives them more information of things that are happening in the City. The question was asked if they are working on the underwriting to cover some of the costs. Mayor Pelchat stated he believes they are working on approaching local businesses to help cover costs. Discussion was held regarding the equipment in the audio room. If the school is willing to cover half the cost, it would be nice if it could be added to the budget, the equipment is very outdated and needs to be upgraded.

### CULTURAL ARTS COMMISSION

The Cultural Arts Commission is hoping to receive grants and donations to help pay for the sculpture for downtown. They have \$4,000 allocated to go toward the sculpture. They also have funds for contract services for writers and poets and other things they do. They recently received a grant. It was mentioned they are supposed to help offset the costs by soliciting donations, same as the Cable Commission. The site for the sculpture will need a base, so there could be additional cost.

### MAJOR STREETS

There isn't any major funding to pay for street repairs in the City. The City needs to have a new PASER study to make a plan for future road improvements. There will be funding for maintenance work, between local and major streets, including crack sealing, and funding for the PASER study which will determine the condition of our roads. We have received a \$20,000 grant which will help offset the costs. There were funds allocated for Hagadorn, but we have found there are some sewer repairs under the pavement before we tear up that road and replace it. City will need to develop a funding method through the general fund, act 51 funding or SAD's. It is a long-term plan. Before we identify any street that needs to be done, we need to ensure the infrastructure under the pavement is in good condition. This year the Hagadorn paving project is held up until the sanitary sewer repairs are completed. The inspections will begin soon for the sanitary sewer repairs. Council will have to develop a long-term plan. If we are going to develop a long-term plan, we have to itemize how to do the improvements, whether it be a mill, or a SAD, or some other funding. We need to work on the worst streets first. His opinion is Hagadorn could be the worst in the City, but the sanitary sewer must be done first. It was stated the City hasn't made any real improvements in 4 years and now we are looking at a long time before we can really get things going. A year should be a good time frame to have the long-term plan in place, it will take time and a lot of effort. There are options, a mill, 50% by the City and 50% by a SAD. We have to look through the numbers because in the past there has not been enough money allocated for crack sealing or for routine maintenance of roads which is why they continue to deteriorate. The same for the infrastructure. We have to start doing inspections, then look at all the figures. Discussion was held about doing chip and seal work that could be done now. It is in the millions of dollars to fix the roads. We continue to be promised more money from the State, but that isn't happening enough to make a huge

difference. Discussion was held regarding trying to work with the County for 10 Mile toward Novi. There is always concern about the sanitary sewer system that runs under the railroad tracks, so that needs to be looked at. We need to get some things inspected right away. City Manager Zelenak found a study of the storm sewer from a few years ago, and that runs under Pontiac Trail that needs to be taken care of. The main focus is creating the plan and what needs to be done first. Traffic signal maintenance, stock piling salt for snow plowing, are all included in the Major Street budget.

### LOCAL STREETS

There is money in this fund for traffic services, operating services, money for crack sealing as well as the PASER study, operating expenses, salt and repairs and maintenance will be done from this fund. At one time, HRC had said it would cost \$850,000 to keep the roads at the minimum level. To increase the condition of the roads, it would cost millions of dollars, and that is based on the PASER study from 5 years ago.

### WATER & SEWER

The current budget year has money for major equipment purchases due to critical needs. There are several items that haven't been addressed in previous years, which need to be addressed now. We are also replacing the old water meters with new remote water meters which will reduce the need to go to each home to get a meter read, and homeowners will be able to look at their meter reads online. There are funds for a potential above ground storage tank, although we aren't sure what size it will be. There is also funds for replacing the sludge pump, UV lights, a backflow preventer and money for quotes on a security system for both the water and wastewater plants, which will include gates and security cameras. There is also funding for a water and sewer rate study, which give us the funding levels for operations and maintenance for the water and sewer system. There is also funding for sanitary pipe inspections before we begin any road improvements. Under expenditures there is a one million dollar estimate for the new water storage tank. The current tank is a million-gallon tank. It needs to be inspected, to see what repairs need to be done, but before that can be done, we have to have to rebuild or add another tank. We are working with HRC for the cost of a potential new tank as well as the size of tank that we need to build. Ron Beason explained during high use time in the summer we see an increase in usage and usually from 4:00 a.m. to 10:00 a.m. we have to keep up with the usage. With the million-gallon tank, we keep up pretty well. We know the tank is leaking, and we had a company come out and fix some hairline cracks with special caulk, but we know we are still losing water. We cannot take it out of service without having a new tank in place. There will be a high use study to decide what size we need. We are going to have HRC do a survey to see what we need based on the high use flow information he has as well as what the future use may be. Discussion was held regarding the location of the new water tank and the size. HRC will help with that. If the inspection is done in the fall/winter months we can get by with a smaller tank while the inspection is being done, then we can decide if it can be fixed or if it needs to be replaced. We have identified the water meters, accessories, improvements to the SCADA system, horizontal pressure rehab are included in the budget under Capital Outlay. Ron Beason stated there are 6 horizontal pressure filters and they were replaced in 2000. They need to be inspected, but at that age, they should be looked at. The cost is an estimated cost for the inspection, and there is money in the budget for replacement if needed. Other items under the Capital Outlay is analyzing the needs for opening and closing the gates and we need to make sure it is secure. Dixboro water line replacement is \$88,000 and will need to be replaced based on the new culvert that will be replaced before the paving of Dixboro. There are a lot of improvements for the wastewater as well. Under the Capital Outlay there is additional SCADA work as

well as part of the cost for the replacement meters. There are 13 blowers in the plant that were installed in 2003. We have money in the budget for the repair or the replacement of the blowers or the motors, if necessary. The blowers keep the sludge mixed in the holding tanks, and they keep everything mixed in the plant. We replaced one bank of the UV lights, and we want to replace another bank this year. There was an issue with one of the raw sewage pumps and we had to purchase one in the past so we have money in the budget to purchase another one if necessary. There are 4 raw sewage pumps and we will be looking at each one to see if they need any parts, seals or anything else replaced. Discussion was held keeping one in stock in case something happens to one of them. We are requesting 2 backflow preventers to be replaced, they have been in service since 2003, but we can do those ourselves. We have 9 sludge pumps in the plant and they move the sludge around for storage. They are run by pistons; they are constantly moving. We have been repairing and replacing them through the years, and they are very costly.

Further discussion was held regarding the budget for Water & Sewer.

### DDA

The DDA has several projects they are working on. The bond for the Wells Street parking lot is now paid in full, so that funding will be available for other projects. They are looking at adding lights over downtown main street. They are working on additional lights for the trees downtown and change the white cords to dark cords. Adding a little money into events, and getting more involved with CoolYule. The capture for last year was \$35,000. It should be \$42,000 this year. Discussion was held regarding adding electrical outlets downtown for the lights in the trees. Discussion was held regarding replacing the trees downtown and having a streetscape plan.

### 2003 WASTEWATER TREATMENT BONDS

This reflects the payment for the upcoming year, and the fund balance is increasing. Based upon what we have, we may be able to drop off or lower it for the final year.

### CEMETERY PERPETUAL CARE

This fund holds the revenue from the sale of lots and the transfer to the general fund for the operation as well as capital improvements of signage.

### DRUG FORFEITURE

The PD would like to purchase 5 new shotguns. The ones they have currently are 25 years old. Possibility one of the suppliers will give them money for their old guns. They are currently getting quotes.

### CDBG

This money is allocated for Haven and the Center for Active Adults.

### CAPITAL IMPROVEMENT

The proposal is to bump up the mill from .5 to 1 mill. That will position the City for necessary improvements. This year \$8,000 for engineering of the Dixboro paving project, \$390,00 for the actual paving and also some funds for the DPW paving project.

#### EQUIPMENT REPLACEMENT

This reflects the payment for the street sweeper and the payment for the F350 pick-up truck.

#### COMMENTS

City Manager Zelenak stated he will make the changes that were discussed. He stated he will also get some numbers together for any suggestions Council had