

CITY OF SOUTH LYON
REGULAR COUNCIL MEETING
MAY 22 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 Parisien, Kivell, Kramer, Kurtzweil, Rzyzi and Wedell
ALSO PRESENT: City Manager Ladner, Chief Collins, Chief Kennedy, Department Head Martin,
Attorney Wilhelm and Deputy Clerk Pieper

ABSENT: Clerk Deaton

MINUTES - 5-10-17

Councilmember Kivell stated on the first page, he said CCS students and the next sentence should be reviewed. He further stated on page 4 under the naming policy it should say Councilmember Kivell stated this accomplishes exactly what we had been hoping to accomplish.

CM 5-1-17 MOTION TO APPROVE MINUTES AS AMENDED

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

VOTE: MOTION CARRIED UNANIMOUSLY

MINUTES - 5-8-17

Councilmember Parisien stated motion number 9 doesn't have the name of the person that seconded the motion. Councilmember Kramer stated it was probably him.
Councilmember Kivell stated on page 8 it says councilmember Kivell stated we have been spoiled, but it should state because of the growth we were able to maintain the mills.

CM 5-2-17 MOTION TO APPROVE MINUTES AS AMENDED

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

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

City Manager Ladner stated we need to make two corrections. We need to add consider approving the mill levy for 2017-2018 which is a separate resolution. She further stated the Peoples Express contract needs to be added to the agenda, and postponed until the next meeting in June pending the approval of language in the contract.

CM 5-3-17 MOTION TO APPROVE THE AGENDA AS AMENDED

Motion to approve Kivell, supported by Parisien
Motion to approve the agenda as amended

VOTE: MOTION CARRIED UNANIMOUSLY

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PUBLIC COMMENT

Larry Ledbetter of 1113 Clovis Point stated he is here on behalf of the Historical Commission and he wanted to thank the First United Methodist Church for all the hard work they did at the Depot, probably about 6 man hours of work was done including painting and raking. He further stated Steven Burness of troop 228 is working on his Eagle Scout Project which is repaving the bricks at the memorial gardens. He further stated we have had many school tours this week and having a great time. He further stated the kids were in school clothes from the 1940's. He further stated he wants to thank Council for all of their support.

Kathy Swann of 44 Woodland Place stated she is here to speak about Relay for Life. It is June 3rd from 12:00 p.m. to 12:00 a.m. at Family Life Community Church, and there are many activities. She wants the community to come out and support them, cancer touches everyone in one way or another. Cancer knows no boundaries.

Carl Richards of 390 Lenox thanked Larry Ledbetter for the update. He stated he has been in touch with the Oakland County Historical Commission, and South Lyon is one of the oldest cities in the County. He stated there are 61 municipalities in Oakland County. He further stated we have 14 with historical districts, but South Lyon is not one of them. Mr. Richards stated last Tuesday we had the Operation Injured Soldiers at the Freight House, and the group was founded in 2005 and got their 501(c)(3) status in 2007. They stated it involves thousands of veterans. He stated there are 5 chapters that have grown from the chapter in Michigan. He stated we have a 200 acre ranch up north that offers many activities for the injured veterans. Mr. Richards stated in the north end of town there are barriers at N Lafayette because DTE is replacing heavy underground cable as maintenance. Mr. Richards stated he spends time at Wells and Lake Street and he counted roughly 450 cars in a period of an hour last Thursday, it was non-stop and that is where the street splits into two lanes. He further stated he was dumbfounded, and that is an increase in traffic, possibly because of the detour at 9 Mile.

Josie Kearns of the Cultural Arts Commission stated she wants to remind everyone of the Sustainable Art Show and the great work Ken Mihalic did on the flyers and poster. She stated they want the community to come out and be involved and we have booths where people can tell short stories if they would like. She further stated this will be archived with Salem South Lyon Library, and it runs June 12th – June 30th and the opening is the 23rd of June. She further stated we will have Dr. Larry Goldstein talk about his own poetry.

PUBLIC HEARING- Budget 2017-2018

Kim Robins of 1124 Surrey Lane stated she wants to know why a tax increase is not a public vote, why was this not more publicized, why is anyone getting raises, and what processes are in place to keep this from happening again. She further stated the City of Novi, Brighton and Northville all have lower tax rates than we do. She further stated raising taxes will cause home sales to slow, which may lower home values, she is urging Council to vote no until the residents are more informed and we can look at line item budgets.

Councilmember Rzyzi stated in the past the public hearing has gone on deaf ears. The budget has been rubber stamped for decades. He stated it is all the residents in the City, not just Trotters Point, everyone will be hurting by this and this is embarrassing and he thinks the residents are getting screwed.

Councilmember Kramer stated we have spent a minimum of 7 hours going through this budget and unfortunately with the Herald moving out of town, we aren't getting the same attention we did at one time. We have had public sessions as well as council meetings, this wasn't just brought up today. He stated it is difficult to get the message out and this is a difficult thing, and he is against raising taxes as well, as he is a taxpayer as well. He stated there are things we have cut such as the SRO officer and the reason for that is the budget.

Councilmember Kurtzweil stated it is important for the public to understand how we got in this position. She stated you have to look at how the City has budgeted in the past. Historically there have been 8 years when the budget expenditures exceeded the budget. This is a systemic problem and it is a lack of financial discipline. As she stated before we cannot keep spending more money than we have revenues for. She stated to compound this problem, the City's revenue is leveling off, revenue is not pouring in as it is in Lyon Township, the City of South Lyon is about built out. She further stated South Lyon has matured we are an older city and we don't have big developments moving into the city we can look at as tax revenue. She stated to compound this problem, clearly has been the failure of the State to stipend back to the City of what is called Shared State Revenue and that is in jeopardy in the next few years, because it is a possibility the State will tap into that source to prevent the unfunded portions of unfunded liabilities. She stated in 2016 it is roughly \$900,000. She stated she doesn't know if that revenue will be available in years to come. To compound the budgeting issue is we now have a very large component that is going to wages and benefits. We have incredibly dedicated employees but for example, in 2018 the benefit cost of the Police Department will be approximately \$900,000. She stated the benefits are a large portion of the expenditures. She further stated we have 5.9 million in expenditures and 3.8 million in wages and benefits. She stated that leaves little in the budget except to pay bills. She stated the constraints on the budget is also a bit self-imposed because Council did not adjust spending due to the leveling off of revenue. She stated it was clear what was happening in revenues. She further stated we have an issue with the fund balance, it has been a depleting fund, that we should be saving for periods of economic downturn. She further stated it has gone from 3.5 million in 2013 to 1.6 million today. She stated one of the issues is we paid half a million dollars in cash for a fire truck, and she would have financed that instead of paying in cash. She stated the fund balance as it is today would not pay one year of the Police Departments budget. She stated she doesn't feel 1.6 million is sufficient. She further stated the City granted the largest taxpayer a 12-year tax abatement, so this Council approved a tax abatement at the time the revenues were going down. We are only 4 years into this abatement. Councilmember Kurtzweil further stated Lyon Township gives tax abatements to bring a business into the community, and Novi does as well. What happened in this case, that stream of income is now coming out of the revenue stream and there was no adjustment for what they were losing in revenue for the abatements. She stated the City was sent a corrective action request which they received because expenses are over revenues. She stated the letter stated our expenditures were over revenues for over 3 years. She further stated we need to get benefit and wage cost under control. Everyone needs to understand the revenue just isn't there anymore. She further stated she told Council because of her past experience she had a hesitancy in moving forward with the budget because possibly someone with expertise in budgeting.

Councilmember Kramer stated it is easy to criticize, the hard part is to do something about it. In 2009, we had a hiring freeze for years, when people retired we didn't replace people, we were at a skeleton crew and there was a wage freeze for 4-5 years. Councilmember Kivell stated our objective was to protect our employees because we didn't want people to lose their jobs. Councilmember Kramer stated instead of replacing a building inspector we hired an outside contractor so we didn't have to pay more legacy costs. He further stated we had discussions with Lyon Township to see if we could share services for Fire, but it

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is very complicated. He stated we have looked at combining services. He further stated at the height of the recession we had a fund balance over 3 million dollars, and we kept it because we were worried about the recession. He further stated we had departments that were understaffed, today we are fully staffed. Last year we hired Bob Donohue to focus on downtown, and we adhered that cost because we wanted to see the benefit which we are. It is not doom or gloom, we are still providing services and this is not taken lightly. No one on Council wants to raise taxes. He further stated we put things in the budget to improve downtown, granted we have a lot to do, but it is not doom and gloom.

Judy Keeling of 62180 Arlington Circle stated when things were going well, what did the City do. We are making progress now, but it doesn't seem like a lot was accomplished. She asked about how the City is going to pay the unfunded liability. Councilmember Kramer stated during the good times, the City purchased Volunteer Park. We are still paying on the bond for Volunteer Park which is up in two years. Councilmember Kivell stated a million-dollar firetruck was purchased. Ms. Keeling stated she is curious how this evolved. Ms. Keeling asked why the roads aren't developed. Mayor Galeas stated our roads are paved, Dixboro is partially in the City as well as the township. City Manager Ladner stated that road may be paved if Livingston County, Lyon Township, Green Oak Township all agree to pitch in, along with the County and State. Councilmember Kramer 2 miles to pave a road is 3.1 million dollars. Councilmember Kivell responded to Councilmember Kurtzweil's comments about the abatement given to Michigan Seamless Tube by explaining the tube mill continued to pay their taxes on all property that existed before the abated expansion and that Councilmember Kurtzweil's comments were misleading. The new improvement gave them the ability to do work that was originally outsourced which lowers the number of trucks that we have on our roads. Councilmember Kivell stated there has been a lot of Facebook traffic and some of the comments of taxes escalating, and what are we getting for that. He stated the only time taxes have gone up has been because of the rise in values. Our taxes haven't been raised since 1999. He further stated when 2008 came up and we had 3 and a half million dollars in fund balance shows that we were being careful with money because we didn't know how long that would last. He stated the problem came when property taxes went down quickly and it takes a very long time to get back to where we were before the 2008 recession. If you look at that, the rest of the costs, labor, materials, gas are still escalating which makes it difficult to keep the house running as it normally does. Councilmember Rzyzi stated a few meetings ago, he predicted this would happen, and there would be people that say we looked at this and we still need to raise taxes. He stated we are looking at a 1.4 mill and we will have to increase again next year. He stated at the end of the day we will be at 43 mills, and he understand that part of this is the schools and the library, but we are higher than other communities. City Manager Ladner stated you can't compare cities versus townships; they don't have the legacy costs for public safety. Councilmember Rzyzi stated we are in a crisis. We are not saving money in fund balance, we are already 250,000 in the hole and it is getting out of hand. He stated he has voted against the budget the last few years, and he will again this year. He stated the budget has an extra \$36,000 for attorney fees, and if we hold our attorney to the retainer, that would save that much money. He further stated the Police Department has \$212,000 in overtime, and he understand that has a lot to do with contract negotiations, but there is still no discussion to lower it. He further stated we have over 5 million dollars in unfunded liability and we have no plan to fix it. He stated he suggested a hiring freeze, we need to send a message, and we need to get serious. he further stated in the corporate world, some businesses will cap you out and if you make over \$100,000 with benefits and wages, the employee is being selfish to ask for a raise. He further stated we have no accounting for our department heads when they retire. He stated we need to change the policy on banking vacation days. He further stated we know when you make a budget it will be padded, and it is there. A few things he found was police budgeted for \$25,000 for a roof replacement, we had a quote for \$19,000. Why was it budgeted for \$25,000? Why \$6,000 extra? He stated we have a sewer line replacement

budgeted for \$140,000, but the quote came in at \$126,000. He stated parks and recreation upgrade, there is \$25,000 budgeted, but what does it pay for. Cemetery fund was adjusted \$4,000 why was it padded. He cannot morally pass this budget.

Steve Horaney 1133 Gentry stated our taxable values continue to go up, and the amount we will have to pay is going to increase whether there is a tax increase or not. He thanked Councilmember Kurtzweil for explaining that the city is built out. He stated he is afraid the taxes will go up, he further stated he would like Council to use the money we have and make it work and make the hard decisions and do what we have to. Mayor Galeas stated we are all in the same position, we have looked this over and over again, and obviously, Maggie did a lot of research to pass on to everyone. We have an issue with growth and there is a misconception because people think the growth in Lyon Township is the City of South Lyon. He stated the reason they haven't had to raise taxes is because of their growth. They have an industrial corridor that we don't have. We have a Police Department, the township contracts with the Sheriff and everyone understands they do a great job. He further stated our Fire Department are basically all volunteer that put their lives on the line for us. He stated it isn't that simple. He further stated studying the budget has become a good lesson for us, and the pension fund is confusing, there were things allocated a certain way, and the rules were changed by the State and there are communities that owe much more than we do. He stated he doesn't want to raise taxes either, he bought his home 25 years ago, and the City has not raised taxes much in that time so he has been lucky. He stated we didn't agree with a lot of things, but there isn't much to nip and tuck at, we are basically paying our bills. Mayor Galeas stated somewhere down the line there will have to be an increase, this is one of the hardest things we have had to do. This is a learning experience trying to explain why the taxes need to be raised. He further stated we are still recovering from 2008, and maybe things could have been done, but it wasn't. The accountability is all the way down the board, not just with this Council. We have really tried and only cut where we can afford to cut, and increase where we had to.

Rich Perry of 875 Westbrooke Drive stated he appreciates everything Council does and he doesn't doubt you have worked on this for hours. He stated he has two questions. In the business he works in, we are asked to think outside of the box and reinvent ourselves, he is interested in what were the bold ideas that were discussed and more realistically let's look at 4,5 and 10 years, let's look at what we can do now, to help us in the future to stabilize our community. Councilmember Kramer stated shared services would help. We maintain our own Police and Fire Department, and their response time is quick. We have looked at sharing services, and we are exploring that, but if you look at our budget, the majority of our budget is wages, legacy costs. In the future, the residents will have to look at if we want to continue to have our own Police and Fire Department. Councilmember Kivell stated there are long term things that need to be looked at. There are plenty of things in the future such as bonds being fulfilled which will help in the future. He further stated we are seeing all kinds of redevelopment in the downtown which we don't normally get the tax revenue on. He further stated it does take time. The difference is there is a surrounding market for people to invest in, not like 25 years ago when it was a hit or miss.

Councilmember Parisien stated her bold idea is combining services. She spoke with the township, the County and our Chief of Police. She stated we could save 1.2 million if we combined our Police Department with Lyon Township and Oakland County and this should have been explored during the budget sessions. This was just brought to her attention yesterday. She further stated we have an incredible Police Department, and she was reassured all of our Police Officers would be absolved into their departments. She stated our response times would suffer a minute or two. Chief Collins stated the response time would suffer greatly. Logistically response times would go up by many minutes. She stated she is opposed to raising taxes, and maybe we can temporarily pass the budget and change it later. City Manager Ladner stated you cannot change it after it has been adopted. She is not in favor of raising taxes, and we should have looked at this during the budget sessions. She stated she understands there are

other issues to be worked out, this is an idea she is proposing. City Manager Ladner stated you cannot merge with them. She further stated Lyon Township doesn't have a Police Department, and we cannot merge a police department with union contracts with a department that doesn't have contracts. Councilmember Parisien stated she understands that but our attorneys could work that out. She further stated she spoke with Oakland County and she was told we could merge with Lyon Township or the Oakland County Sheriff. She further stated if we save 1.2 million, it is worth looking at and she doesn't understand why that hasn't been looked at before now. Further discussion was held regarding the feasibility of combining services. Councilmember Rzyzi asked what the residents are getting out of this tax increase...nothing but a higher tax bill. He stated one of the best things we have going for us is we have one of the safest cities. He doesn't want to change the response time. He further stated we need to be a little more diligent and he already said where the budget is padded. Councilmember Kramer stated Council decided last year to hire Bob Donohue to focus on our downtown. He further stated we are trying to attract businesses to our downtown, and that is one of the reasons we are looking at giving business owners a break to help them fix the facades of their buildings. Lyon Township would love to have a downtown like we have. There are many residential homes going in surrounding our city, and we are hoping to bring their business to our City. Councilmember Kramer stated shared services are important, and at some point, our residents will have to decide if they want to pay for our own Fire Department and Police Department. He stated most of our taxes come from residential properties, we need to attract more business and that is what we are trying to attract. Rich Perry stated we are thinking about doing a short program of why the City did what they did. He stated we could have that online as well as on the cable channel. Councilmember Parisien stated she thinks being available to our residents is important. She further stated our Police Department does a wonderful job, and she would be amiss if she didn't bring up the option of saving 1.2 million dollars. Mayor Galeas stated there are a lot of good businesses downtown and we had a big problem when the Hotel burned down, but the one thing that has happened is tomorrow we will have having a ribbon cutting ceremony for the 17 businesses that have opened within the last year. He further stated this wasn't going on before and it will escalate and eventually shared services will have to be discussed, but it isn't that easy to just say we are going to do it. We have to make sure we protect everyone. Councilmember Kivell stated we have looked at that for over 20 years, but they weren't very receptive. Councilmember Kurtzweil stated she disagrees with the Councilmember that say you can't look back. If you don't look at the mistakes you made in the past, you will continue to make them in the future, you have to understand where you went wrong. She stated she hasn't seen a lot of cultural change, for example last year she couldn't understand why the fund balance was going down. She further researched and found the city wasn't charging the corrected mill for the sewer bond, the insufficiency was coming from somewhere in the budget. The mills are assigned and they need to be adjusted on a yearly basis, which wasn't being done. Additionally, in 2013 the City water and sewer fund reflected the expenditures exceeded the revenue. The problem was the water and sewer rates weren't enough to cover the cost of running the water and sewer department as our Charter states. She further stated you need to look back at how and why it happened then look forward to ensure that doesn't happen again. She further stated she will not vote for this budget tonight because there is no plan to take care of the unfunded liability and Council had options to take care of that as well. She further stated she recently found out that some city employees have built up numerous vacation days and ask for a check for that time when they retire. She stated we might need to stop that practice and constitute a use or lose it plan. She further stated she thought we were going to get some rates tonight regarding whether they are receiving untreated water at the rate of 1.23. Additionally, she has not received a revised revenue page, she did not get a revised operation summary, or a revised police general fund where we dropped \$25,000 and this includes a 3% raise for employees. She further stated the current inflation rate is 2.2% and that needs to be considered before any raises are given out. She will not vote for this budget under any

circumstances. Councilmember Rzyzi stated we only have a summary sheet, and the note says pull out the pages that were changed and change it out yourselves. City Manager Ladner stated he never dropped his budget book off. Ms. Keeling stated she wants to know what we are doing to increase our revenue; did we take the leaf pick up out of the budget. City Manager Ladner stated that is removed already. Ms. Keeling asked why we don't let DTE rent the land for the solar energy next to the water department. Councilmember Kramer stated our Council spent hours of time together trying to get something put together to get something together that works, and you get to a point where you can't get to an agreement on anything. We make progress, then we take 5 steps backwards when the cameras are on. This is the most frustrating thing about this Council. He stated we work for the residents, we put a lot of time into working for the residents and the only thing he can suggest is there is more community involvement in the future, and it would be nice if there was a proposed budget people could look at and understand. City Manager Ladner stated per City Charter the budget must be passed by the last meeting in May. He further stated this is unfair. Councilmember Parisien stated she would have brought this to Council earlier, but someone just brought this to her attention yesterday. Councilmember Kramer stated in order to pass this budget, we already have 2 councilmembers that will vote no, and the others will be vilified for passing it, knowing we have to pass it or we will be against City Charter. Councilmember Kivell stated the only reason they can vote no, is because the rest of us know we have to pass it. Councilmember Rzyzi stated he has been on Council for 6 years, and this year we spent 9 hours on this, but the only reason was because of the tax increase, and he thinks if it wasn't for him and Maggie, it would have been rubber stamped. He stated he voted no in 2015 and 2016 and he will again this year. Councilmember Kramer stated let's not go through that again, because he doesn't want to be in this position again. Councilmember Parisien stated if something is budgeted for one amount, and if it comes in lower, the money isn't spent, it goes back into the fund. Mayor Galeas stated he wishes people wouldn't make this personal, but they are. Department Head Martin stated he has written budgets for a long time, and he starts putting it together in December. He stated he spoke with 5 or 6 developers and he takes 2 or 3 quotes and puts it together, and if he puts a number in, he is doing so hoping to make that number. He stated this sewer line could have been replaced if the SAW grant was approved which you voted against. Councilmember Rzyzi stated that is only one example. Department Head Martin stated he takes offense to having someone say he pads his budget. He stated it is tough work, and we are doing this the same time we are running our departments. Kim Adams asked if we bring in all these businesses and our taxes go up, will they go down. She further stated to move forward we need to bring all ideas forward and we don't need to be disrespectful and the tone is heard by all residents, she is ashamed to let her daughter watch this video because she behaves better than you. She further asked if we did a bidding for insurance with high deductibles and that has helped at her work and saved a lot of money. Have you done an analysis for the wages of other cities. She further stated Lyon Township is apples to apples, because when someone is looking at her house in Carriage Trace, and looking at Saddle Creek, their houses are being sold quicker because their taxes are lower. City Manager Ladner stated she understands that, but they offer different services than the City does. Ms. Adams stated the buyers only look at the bottom line. Councilmember Kurtzweil stated nothing she has said tonight isn't anything she hasn't been saying for the last year. She is outvoted a lot. She stated the issue with the business income isn't really the issue. The issue is hiring an economic director to work in the downtown area. The money we have invested to date is the bond payments for the parking lot, façade grants and hiring Bob Donohue. She further stated by investing that, we will have a viable downtown. She stated the real issue is the legacy costs, which was presented to Council years ago, and it wasn't dealt with. You can deal with the pension issue, by buying out of it, or go to a contract with Oakland County Sheriff because the Police is the highest legacy cost. She stated contracting with Oakland County isn't a new idea, it was discussed years ago, but it had a lot of resistance. She further stated maybe now the realities are changing and council is willing to look

at those options. She stated we can also hire our grass mowing out as the school did. She stated she is going to stay tough, and she will not vote to approve the budget. She has brought up problems of the budget and has had many good ideas, and she has been working on this for over a year. Councilmember Kurtzweil stated the City needs to reinvest in itself and have fiscal strength. If we get one more downturn in this economy, people will be laid off.

Councilmember Rzyzi stated the first budget reflected a raise in 2 mills. He stated it isn't uncommon to put the wish list out there, then trim it back. He further stated there is padding in the budget and he isn't going to back down.

Councilmember Kramer stated it is our job to pass a budget. He further stated in 2011 we brought in someone from the pension board that we would have to super fund the pension, we would have had to bond 3.5 million dollars to pay off the pension which would have been on the backs of the voters. He further stated we would have had to ask the voters to get out of the pension. He further stated the City Manager that was working on this was fired. He further stated we have been working on this and it is insulting when people insinuate we haven't. Councilmember Kramer stated we are putting \$180,00 into the downtown. The bottom line is there is an explanation for all of these numbers you just have to listen. To accuse department heads of padding the budget is an insult. Councilmember Rzyzi stated Murphy didn't have a plan for the pension issues. He stated now we owe 5 million dollars, and we have no plan in place to fix it. Councilmember Kramer told Joe he was also on Council when the options were given by Manager Murphy. Councilmember Rzyzi stated he still did not have a plan. Attorney Wilhelm stated he would cautiously say the City is required to pass a resolution to pass the budget as well as the mill rates. Councilmember Kivell stated we need to do what we are obligated to do. Attorney Wilhelm asked if any councilmembers are willing to make a motion based on what is proposed tonight.

Public hearing closed at 9:35 p.m.

OLD BUSINESS-

1. Consider tabling Peoples Express contract until next meeting

City Manager Ladner stated the contract was postponed until tonight's meeting, but the language still needs to be reviewed so we need to postpone the contract until the next meeting.

CM 5-4-17 MOTION TO POSTPONE PEOPLE'S EXPRESS CONTRACT UNTIL NEXT MEETING

Motion by Kivell, supported by Wedell

Motion to postpone People's Express contract until next meeting

VOTE: MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Consider approval of the resolution for the proposed 2017-2018 City of South Lyon Budget

CM 5-5-17 MOTION TO APPROVE THE PROPOSED RESOLUTION OF THE 2017-2018 CITY OF SOUTH LYON BUDGET

Motion by Kivell, supported by Wedell

Motion to approve the proposed for the 2017-2018 budget as reflected in this document

VOTE: ROLL CALL:
Kivell- Yes
Parisien- Yes
Rzyzi- No
Galeas- Yes
Wedell- Yes

Kramer- No
 Kurtzweil- No
MOTION CARRIED

2. Consider approval of mill levy for 2017-2018

CM 5-6-17 MOTION TO APPROVE THE RESOLUTION OUTLINING THE BREAKDOWN OF MILLAGE RATES AS PROPOSED

Motion by Kivell, supported by Wedell

Motion to approve the resolution with the breakdown of mill rates as follows:

11.770 mills for general operation
 3.300 mills for wastewater bonds
 .5838 mills for capital improvement fund
 .3000 mills for land acquisition

VOTE: ROLL CALL
 Kivell- Yes
 Parisien- No
 Rzyzi- No
 Galeas- Yes
 Wedell- Yes
 Kramer- No
 Kurtzweil- No
MOTION FAILED

Councilmember Rzyzi asked what happens now. Councilmember Wedell stated you voted it down, move on. City Manager Ladner stated the budget passed, but the mill rates weren't passed. Councilmember Kurtzweil stated we have a problem.

3. Consider resolution authorizing the request for reimbursement from Oakland County West Nile Virus Fund

CM 5-7-17 MOTION TO APPROVE THE RESOLUTION FOR REIMBURSEMENT FROM THE OAKLAND COUNTY WEST NILE FUND

Motion by Kramer, supported by Kurtzweil

Motion to approve resolution for reimbursement from the Oakland County West Nile Fund for \$1546.18

VOTE: MOTION CARRIED UNANIMOUSLY

4. Consider approval for Pumpkinfest 2017- downtown road closures

Chief Collins stated there were committee members here, but it seems they have left. He stated Chief Kennedy has reviewed and approved the beer tent plans. He stated the road closures are the same as last year, and the Police Department recommends approval.

CM 5-8-17 MOTION TO APPROVE ROAD CLOSURES FOR PUMPKINFEST

Motion by Rzyzi, supported by Parisien

Motion to approve road closures for Pumpkinfest

VOTE: MOTION CARRIED UNANIMOUSLY

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5. Consider approval of computer network server replacement for Police Department

Chief Collins stated their IT provider stated their server is out of warranty and no longer serviceable. If anything went wrong with it right now, we would be in trouble. He further stated he received a bid from VisiCom and the money that is being requested is in the current computer budget.

CM 5-9-17 MOTION TO APPROVE THE PURCHASE OF REPLACEMENT SERVER, AS SPECIFIED IN THE QUOTE FROM VISICOM SERVICES FOR A COST OF \$4626.60

Motion by Kivell, supported by Kramer

Motion to approve the purchase of replacement server as specified in the quote from VisiCom for \$4,626.60

VOTE:

MOTION CARRIED UNANIMOUSLY

6. Consider membership in Oakland County Cooperative Invasive Species Management Area

City Manager Ladner stated she has been meeting with the trail way asset committee on a monthly basis, and one of the things that has come up is the invasive species that are coming into the trails. She stated the county has put together a group of communities that can apply for larger federal grants. There are pros and negatives. One of the negatives is when we apply for a grant, we can't back out of it. Even if we decided not to participate we would have to still pay our part. She stated we can still try for the grants on our own. She further stated we can also get lower prices if we work with other communities. She further stated she thinks it will be a benefit to the City, there is no cost. Councilmember Kivell asked if this is preemptive, or if we are already having issues. City Manager Ladner stated we have some frailties along the trail. Department Head Martin stated the Village of Eagle Heights is having issues in their wetlands. Councilmember Parisien asked if the City Manager attended the last meeting and what other communities are a part of this. City Manager Ladner stated she was not able to attend that meeting. She further stated Lyon Township and Milford are both members.

CM 5-10-17 MOTION TO APPROVE SIGNING OF MOU AND DESIGNATION OF CITY REPRESENTATIVE TO OC CISMA

Motion by Kramer, supported by Kurtzweil

Motion to approve signing of MOU and designation of City representative to OC CISMA

VOTE:

MOTION CARRIED UNANIMOUSLY

DISCUSSION- Downtown

Bob Donohue stated when investing in downtown there are studies available that represent a strong downtown will help with property values. He stated the veterans memorial project will be on the June 8th meeting and will bring it to Council on June 12th and hopefully the new memorial will be in place for November 11th. He stated the ribbon cutting is 10:00 tomorrow morning with a lot of media exposure. Councilmember Kivell stated the ribbon cutting will be a cool event. Mr. Donohue stated the Detroit Free Press will be there as well. Councilmember Kivell stated to say that the \$180,000 for investing in downtown with Mr. Donohue's pay and the façade grants to have a return of 5 million dollars is a great investment to the City. Mr. Donohue stated he is a team player. Councilmember Rzyzi asked how much of the 5 million dollars represent the businesses that have left. Mr. Donohue stated he isn't aware of businesses that have left, this represents new investments since last June. Councilmember Kurtzweil stated the job Mr. Donohue is doing is not a job anyone can do. She stated for decades the City Manager attempted to do this, but she has always said someone to do this job needs an existent skill set. She stated

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bringing Mr. Donohue validates why she ran for Council and clearly the results we are receiving now clearly indicates in the future, this is a job that should remain separate from the City Manager. She stated right now we are reaching good results that should have been done years ago. Mr. Donohue stated doing economic development is a never-ending job. Mr. Donohue thanked everyone for their support. Mr. Donohue stated the video that was made about downtown Made in the D is still being played on YouTube.

MANAGERS REPORT

City Manager Ladner apologized to Council for her temper and using the lord's name in vain and I didn't mean to do so. She stated last week she went to the MMRMA meeting and she was nominated as the Chair. She wanted to thank everyone for helping with the City Wide Clean up and thanks to Shaun Parisien for donating the buns and meat for the lunch. She further thanked the members of Oak Point Church that helped as well. She stated some Councilmembers attended, and our City Attorney donated his time as well. Councilmember Kivell stated Crossroad Church members helped as well. She stated the Farmers Market has been open for 2 weeks now and is a blooming success. She stated this Wednesday is the first car show in town. City Manager Ladner stated we have the Memorial Day Parade on the 29th, followed by a ceremony in the city cemetery honoring our Veterans. Ladner adds that she would like to toot her own horn, this Thursday at the gazebo in McHattie Park the South Lyon High School, South Lyon East High School Jazz Bands and the acapella choirs will be performing a Jazz in the Park Concert at 7:00 p.m.

Councilmember Rzyzi questions the mailbox placement for the Knolls subdivision. He advises that he did not read the contract 100%, are they where they are supposed to be? Ladner advises that this is just temporary until Phase 1 is built out. Rzyzi also states that the Council Meeting is not uploaded to the City website. Ladner advised that this was mentioned to her today and she will get the videos from City Clerk Deaton to get it loaded. Rzyzi also states to Ladner, that he does appreciate the apology and didn't feel an apology was necessary. This is a very heated time, especially when it comes to the budget. Quite frankly, I think you were kind of left a big mess for over a decade and now we are finally starting to clean it up. It's tough; this legacy cost that I alluded to earlier has been around for years and now it's starting to catch up. I appreciate you apologizing. Thank you for that. Rzyzi goes on to clarify, we passed the budget, but we did not go on to pass the millage rate to basically fund what we passed. I think there is some gainsmanship in there, but that's another story. With that being said, we don't have enough money to fund basically what's in the budget. What are you going to cut? What is your plan? Obviously, we are not going to be able to pay for what is budgeted. So I'm kind of curious as to what.....Ladner states that her plan right now is to look in to the legalities of whether or not we have to come back and provide a new budget that either meets the mill levy that is in place currently or provide you with a budget for a reduced mill levy lower than what just didn't pass. Rzyzi states that we are either going to have to dip in to the Fund Balance or there is going to have to be cuts. Ladner states, there would have to be both, as she would not cut in to the Fund Balance that much and if the Council will remember, when we went in to the first Budget Work Session, her comment was, this is where we are at, the next step is to cut people or services and the council said they did not want to do either. That's where we are at now. Rzyzi states that he has some ideas that he is willing to bring to the table. He continues with the following ideas where he thinks we can cut further, I am willing to bring these to the table, which include the attorney (about \$35,000 there) the 3% raises, we can get a little closer. Ladner advises that as far as the attorney, the line item has been significantly reduced, down to \$129,000, between the administration and the police and the retainer itself is \$108,000. Councilmember Kivell adds his retainer isn't the offset. Councilmember

Kramer adds the offset is the tax tribunal and the collective bargaining. Ladner adds the things that are not included in the retainer are the issue, that's what the other \$21,000 is.

Councilmember Kurtzweil states that she has made a couple of phone calls regarding attorney fees. She goes on to say that she had a conversation with Gary Whittaker, the Salem Township Supervisor, this afternoon. He's a great guy and she has known him for a while. He does a great job over there in Salem Township, and he explained to me the way that they work it out with their attorney, is if the attorney wants to come to the meeting, it's okay, but as a general practice the attorney is not paid to come to any of the meetings. Unless there is a very very specific reason like you said, the attorney was at their last meeting because they were going through an ordinance or something like that. Kurtzweil also stated she would like to bring to people's attention that the school district has a budget, \$70,000,000/\$80,000,000, they don't have an attorney at any of their meetings. Kurtzweil states that she took a look at their agenda and they are dealing with far more complicated stuff than we are. This false sense of security that we have to have a city attorney at every meeting, she is just not buying in to it, because other organizations are able to think outside the box and innovate how they are controlling costs. I think Gary Whittaker just had really good advice this afternoon, he said, you know what is going to be on your agenda, if it's a legally intense agenda, than there. Tim didn't really need to be here tonight, this was not a meeting for Tim. Not that it is not nice to have him here, but Salem says, if you want to come to the meetings come, we're just not going to pay you. So there are other models out there when dealing with this. Ladner states, she is more than happy to explore those. Councilmember Rzyzi adds, there is always the option to renegotiate a contract as well, which he has suggested before but that was kind of balked at. Ladner states that she thought the council decided that with only one year left on the contract by the time we renegotiated the contract, the contract would be up for renegotiation. Councilmember Kramer states point of order, he thought the question was what happens if the budget is passed and the millage isn't. Now we are getting in to budget discussion so, I thought the question was just limited to what happens. Councilmember Parisien states she has two questions. Since we technically have an invalid budget, it was her understanding that you could pass the budget that we proposed, and logistically speaking, that's passed because we are meeting our deadline, but we can amend it later on. Ladner states, you can, but we have to set the tax rate, which is what that mill levy is. Without setting that mill levy, we cannot levy taxes for it. So we have a budget but no money to fund it. Mayor Galeas adds, that is why I asked which one should go first, because I felt as though this would probably happen. Parisien goes on to state that she was under the impression that logistically speaking, we needed to pass the budget, but we could amend it once we figured out the logistical issues of what she proposed, what other people on council proposed, and we can work on the budget a little bit more until we can amend it to where we need it and then fix the mill if need be. Councilmember Kivell states that reconsideration would be in order if somebody on the majority would like to make the motion that we reconsider the budget. Parisien states that her vote would have been no, no on the budget and no on the mill. She was assuming that we needed to pass the budget tonight and we could amend it later. For the record, her mill vote stays the same, no; but her budget vote is no as well. This does not change anything, but logistically speaking and on the record Parisien's vote is no. Parisien goes on to ask Attorney Wilhelm if he was able to ask Planning Commission if they need you at every meeting. Wilhelm states that he has been dealing in advance with both the Planning and ZBA, talking with Megan Blaha, the Planning Director, and the Planning Consultant. It is going to be an agenda by agenda decision.

COUNCIL COMMENTS

Councilmember Kivell suggests that we resolve this pattern of Council Comments.

Councilmember Rzyzi begins council comments, stating based off the budget and he feels that we have let the residents down. It's not just today, it's been a decade or more of rubber stamping budgets as he mentioned. He goes on to say, when he was new and first started, I approved the budgets, but since then, I wised up and I am reviewing these carefully and the more I dig in to it, the more upsetting it gets. Not just for me, but for the residents. He hears it; he hears all the feedback about what kind of.... He states, he doesn't think people are opposed to, well, I think a lot of people are either way going to be opposed to a tax increase. But some people, if they can see some sort what they are getting out of it, then they're okay with it, but really, yeah we have some businesses coming but, you know, what are you getting. At the end of the day, you are still paying higher; you are still going to be paying that extra check for \$100-\$200 a year whatever it is for each person, on top of what we are already paying. He looks at this big picture, he looks at this not just the city, but we know the schools are probably going to be asking for something. If the state doesn't fix the roads, we are probably going to have to do something and we've already discussed this. For the seniors out there that live in Colonial Acres and these other areas, they may not even be covered if we pass the road millage, because they live in private residence. So they're not getting any more services by all these tax increases, so what are we doing. So that's why if I'm a little harsh, a little testy, or maybe even rude, I'll say to people, that is because I take this stuff personally, and I take it personally for the people watching and that put their trust in me. So if he rubbed off the wrong way, Mary, that's not personal, I can leave it at the table. Rzyzi goes on to say; I think as a Council, we are really doing a disservice by raising these taxes, if we gotta go back to the well and look at these items, where I do think they're padded, and I'm not going to apologize for making that statement, we need to look at it again and do our due diligence. So with that, he goes on to wish everyone a good night. Thank you.

Councilmember Wedell states that he is not going to comment on the budget. He goes on to share that he had the opportunity to sell poppies out on our streets for the American Legion. It's a pleasure to do that and see the smiles of the people that are happy to support our Veterans. Thank you, and thank you for not hitting me. Also, in a conversation on Monday with Chief Collins regarding the homeless people collecting at the same time, Collins was able to split the weekend between the two organizations without conflict. Thank you. Good Night.

Councilmember Parisien states the Farmer's Market is a success, it looked fantastic. Lake Street Crusin' is every 4th Wednesday. It is a hop skip and a jump from where she lives and she can hear the music from her house. One of her favorites this Summer. Don't forget about the Memorial Day Parade. Thanks, have a good night.

Councilmember Kramer starts out by thanking the 8th Grade Boys South Lyon Travel Basketball team, on Sunday we showed up at Volunteer Park, and with some coaching, we were able to tear down 2 piles of wood chips and spread them around the front entrance way. He goes on to thank the First United Methodist Church for arranging this event. The kids did go on to win two basketball games afterwards. He states that he has been in contact with Melissa Baker, South Lyon School Superintendent, and he wanted to ask Council if anyone had any issues if he met with her to discuss the SRO. Councilmember Parisien states she would like to join him. Councilmember Rzyzi states that until we have it funded maybe those discussions should wait. Kramer states it is more of just sitting down with her, as opposed to saying we are going to do it. He doesn't have the authority. He thought he would bring it to everyone's attention before he did, just to make sure that no one had any objections. Rzyzi states that it should be Lynne that does this. Councilmember Kurtzweil agrees, stating yes she is the City Manager. Rzyzi goes on to explain that she is the one that we pay the handsome salary to, and she is the one that interacts with other communities. He would prefer to have Lynne; she needs to be the point person. Kramer asks if anyone has any objection if he goes with Lynne. Ladner states, she has no objections.

Councilmember Kurtzweil states that she has had the pleasure of attending the Kensington Valley Chamber of Commerce Awards Luncheon and I would like to thank their board of directors, including our own Lynne Ladner for a really, really inspiring afternoon. Lynne gave out the awards to two High School Students, two scholarships. Lynne gave an excellent presentation and what a warm response she received. She heard cheers. I'm sure that I was one of them cheering for you, you just did a great job. You are very very well liked thought out the Chamber of Commerce area. You are one of their favorite Board of Directors, by the way. Kurtzweil goes on to state that she would like to continually or publicly thank our own South Lyon organizations and individuals for their honored accomplishments. We sometimes forget that we have some really really great individuals living here in South Lyon. She goes on to thank Peter Alexander who is a long time resident of South Lyon, he is the manager of Citizen's Bank here in town. Peter won Ambassador of the Year, and she knows him personally, and he has done more for the Chamber, in terms of public relations and good will and the business community than any other banker that she knows. If you know Peter, Peter works almost 36 hours a day, he is absolutely instrumental in the business community. Very very well respected and a great all around guy, congratulations Peter. Kurtzweil goes on to thank Tamara Ward, Executive Director at Abbey Park. She has known Tamara for a very long time. What she has done in this region in terms of accommodating and servicing the seniors in our community. Tamara's professional aid and supporting guidance to family's searching for answers at a time when parents are being put in to a step down sort of environment. Her skill set is unmatched by any other service in this community. Abbey Park clearly has the commitment to community service and it is extremely noteworthy. Tamara Ward is a resident of the City of South Lyon. Tamara Ward and Abbey Park received business of the year. Next, is the Knights of Columbus from St. Joseph Catholic Church, they were awarded organization of the year. Kurtzweil states she has personal connections to the Knights of Columbus. It's a wonderful organization and it focuses on the needs of those less fortunate. Their level of compassion and empathy for all people in need is highly commendable. Year after year, this organization is able to get new recruits that come in to the Knights with the same level of service and mission as their Elders. So congratulations to the Knights of Columbus, I am so glad that you are here in our Community. Last and most notable is Kathy Swan, she is not here this evening. Kathy chairs the Pumpkinfest and through that event she brings thousands of visitors to South Lyon. No other event showcases our city like Pumpkinfest does. At the awards banquet, Kurtzweil sat at the table with Kathy and I learned much about her. Mostly from her beautiful daughter that sat next to me. Kathy chairs the relay for life event, we saw her here this evening. She dedicates her time and her energy to her charitable cause, making a difference in women's health. Kathy also takes Girl Scouts on camping trips and Kurtzweil states that quite frankly, anybody that knows Kurtzweil, knows that she does not have the patience to take a lot of Girl Scouts out on a camping trip for a weekend. What Kathy brings to the table is her commitment to public service, her unwavering support of doing the right thing at the right time, for the right reason, right here in South Lyon. Kurtzweil states, Kathy Swan you are not here tonight, I wanted to give you a big hug. But I do want to make sure that everyone publicly acknowledges you as our Volunteer of the Year. Kurtzweil goes on to say that the Kensington Valley Chamber of Commerce has chosen the fountain in Paul Baker Park as the front of their directory. So she goes on to thank the Chamber for continuing to think of South Lyon. Additionally, I would like to notice that the Sustainable Art and Sound Art Show that begins on June 12th, there is actually a picture on here, The Stool of Giant Shock Absorbers, donated by Norm Fultz of Norm's Total Automotive Shop. Kurtzweil goes on to recognize Norm for donating something to the Sustainable Art Show. As we all know, he is right here in town and he has actually donated a piece of sustainable art to the show. Thank you so much Norm. Kurtzweil thanks everybody and concludes with enjoy your Memorial Day Weekend.

Councilmember Kivell states that we have a nice looking week coming up. Don't forget the Car Show on Wednesday Night, the Historic Village Jazz Concert with the High Schools Thursday night and the Memorial Day Parade. Thank you.

Mayor Galeas questions Ladner where do we go from here. Ladner advises that she has never been in this position before; she will need to take a look at the Uniform Budgeting Act, look at our charter, talk to our auditors, talk to the state and go from there. Galeas goes on to talk about Relay for Life, June 3rd, Family Life Community Church, great cause. Everybody knows somebody that has cancer, or somebody that is either family, friend or has passed. It's a good way to honor them and get a little health in the process. The Sustainable Art Show is going to be fantastic if you are going to be around, it will be worth seeing. The Mayor states that he normally doesn't bring these in, but somebody brought this to me, but he knows who this person is. Louis John Underhill, passed away and his funeral service is May 23rd. He has been a long time resident of South Lyon, people that have been here knows who he is and they know his name. If you know him or know of him, it would probably be nice to give a few minutes to his family.

ADJOURNMENT

CM 5-22-17 MOTION TO ADJOURN

Motion by Kurtzweil, Supported by Kramer

Motion to adjourn the meeting at 10:25 p.m.

Respectfully submitted.

Mayor John Galeas

Deputy Clerk Judy Pieper