

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

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

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

MINUTES

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

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

Motion by Rzyzi, approved by Parisien

Motion to approve the minutes as amended

VOTE: MOTION CARRIED- WEDELL OPPOSED

BILLS- None

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

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

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

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

AGENDACM 6-2-17 MOTION TO APPROVE AGENDA

Motion by Parisien, supported by Kramer

Motion to approve agenda

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT

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

OLD BUSINESS- NoneNEW BUSINESS

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

City Manager Ladner stated this is related to discussion we had at the last meeting. Currently the Department Heads and City Manager are allowed unlimited vacation days to bank. She stated we currently have 2 department heads that have many days banked. She further stated she would like to make a change in the date of the resolution on page 2 to December 31st. Councilmember Rzyzi asked who wrote the resolution. City Manager Ladner stated she did, then gave it to our Attorney for review. Councilmember Rzyzi asked why we aren't using use it or lose it. City Manager Ladner stated we don't have any employee groups with use it or lose it and if you told them they all had to take their full maximum allotted time off we would be without many employees for a quarter of the year.

Councilmember Rzyzi stated accruing 5 weeks a year is not uncommon. He stated this resolution is insulting to our taxpayers. He stated it says they can accumulate years of vacation time, and this is an unfunded liability and we just went through the largest tax increase in a decade and you can argue that we haven't had a tax increase, but we will have more if we don't do some work. The way this Council is spending we could have another tax increase. This speaks to the culture of the City and this Council, this is embarrassing. City Manager Ladner stated there was not a majority of opinion of council to make a resolution stating use it or lose it. She stated the clause doesn't allow them to continue to accrue and a payout. The clause is for the payout of money we currently owe to them. She further stated this doesn't allow for people to continue to accrue more than a 2-year limit. Councilmember Rzyzi stated it leaves it open ended and it leaves the City Manger the ability to adjust it. He stated this is like the 5 million we owe for MERS which we have no plan for. City Manager Ladner stated this gives her the ability to negotiate with a new experienced employee. Councilmember Rzyzi stated this is pro employee, not pro taxpayer. Mayor Galeas stated again, you already said she wrote it and reviewed it and if you had questions, why grandstand now, why not ask before the meeting so she can clarify it for you.

Councilmember Kramer asked what the non-department heads, non-union employees are allowed to carry over. City Manager Ladner stated it is 30 days. Councilmember Kramer stated they can only accrue 30

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

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

Motion by Wedell, supported by Parisien

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

VOTE:

MOTION CARRIED UNANIMOUSLY

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

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

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

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

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

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

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

Motion by Kramer, supported by Wedell

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

VOTE: ROLL CALL VOTE

Kivell- Yes

Parisien- Yes

Rzyzi- No

Galeas- Yes

Wedell- Yes

Kramer- Yes

Kurtzweil- No

MOTION CARRIED- 2 OPPOSED

3. Consider approval of Pumpkinfest Parade and necessary road closures

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

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

Motion by Kramer, supported by Rzyzi

Motion to approve the proposed road closures for the 2017 Pumpkinfest

VOTE: MOTION CARRIED UNANIMOUSLY

4. Consider replacement of Paul Baker Park Fountain

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

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

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

Motion by Kurtzweil, supported by Kramer

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

VOTE:

MOTION CARRIED UNANIMOUSLY

BUDGET

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

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

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

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

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

6-26-17

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

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

DOWNTOWN

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

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

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

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

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

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

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

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

MANAGERS REPORT

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

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

COUNCIL COMMENTS

Councilmember Kramer wished everyone a happy 4th of July.

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

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

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

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

6-26-17

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

Councilmember Kurtzweil stated she wanted to comment on the opening of the sustainable art show, it was wonderful, we had people from all over the place, including a gentleman from the Chicago Art Institute. She stated as she has said before the Cultural Arts Commission is clearly beginning to develop a good rapport with very sophisticated individuals involved in the art community. She stated she met with the outgoing CEO of the MEDC on Thursday and learned about the efforts of the State of Michigan to promote businesses in Michigan, it was a fascinating talk. Councilmember Kurtzweil stated she wanted to thank Heinanen for lighting up the Flag at night, as we all know the American Flag does not fly at night unless there is a light shining on it. She then wished everyone a safe 4th of July.

Councilmember Kivell stated that level of toxicity is crazy. He stated he has talked with dozens and hundreds of people that are so sick of the vitriol that is displayed in everyone of our meetings, and the idea of the conflict issue was taken to the levels it had and the idea we squandered that amount of wealth, when your talking about façade grants and things that could have been constructed with that money, it is glaringly weird you would rail on this.

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

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

ADJOURNMENT

CM 6-7-17 MOTION TO ADJOURN

Motion by Rzyzi, supported by Kurtzweil

Motion to adjourn meeting at 10:56 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted.

Mayor John Galeas

Clerk Lisa Deaton