

CITY OF SYLVAN LAKE
STUDY SESSION
MARCH 28, 2006

A Study Session of City Council was held on Tuesday, March 28, 2006, at Sylvan Lutheran Church, 2399 Figa, West Bloomfield, at 6:37 p.m. with Mayor Lorenz presiding.

Present: Lorenz, Conkey, Eriksen, Hungerman

Absent: Hunger-excused

Also Present: City Manager Martin and Clerk Clippert

Approve Meeting Limit of 2 hours with one-hour extension by vote

Moved Eriksen, seconded Hungerman, approve the meeting limit of 2 hours with a one hour extension by vote.

Yes: All

No: None

MOTION CARRIED

Meeting Open to the Public for Brief Comment

There were no public comments. Mayor Lorenz Closed this portion of the meeting.

Audit Report-John Mackey, Janz and Knight

F-003-06

Lorenz stated the audit report is very complicated to read and asked Mackey where in the report it highlights where the city is at. Mackey suggested using the comparison schedules in the back of the book. The front of the book has proper fund accounting. He also suggesting using the spreadsheet which Martin provided for them. The fund balance shows available funds for expenditure.

Eriksen questioned why the water/sewer capital project fund wasn't shown anywhere in the report. Mackey explained the water and sewer funds are business type accounts and that project has to be reported on the financial sheet in the proper funds. The project has been combined in the water and sewer funds. Everything that has to do with the water or sewer funds is required to be reported together, for this statement's purpose. That doesn't mean you can't keep track of them separately in another place. Part of the bond is also combined in the water and sewer funds. There are certain standards and requirements which they have to go by.

Council discussed with Mackey audit procedures, testing and material judgements to report.

There was discussion on the tax exempt funds. Eriksen believes council approved certain accounts to be set up as tax exempt funds and accounting would be kept separately for each of them. Mackey acknowledged the funds are being accounted separately. On this report they are shown as reserved funds and may have been combined. Eriksen wanted a separate page for each tax exempt account to be shown. Mackey will review the minutes where council approved the funds, but he doesn't believe they were set up that way. Eriksen believes there has to be a designated account setup in order for it to be tax exempt. Mackey responded that it is not necessary to set up the accounts for a donation to the city to be tax exempt.

Eriksen explained that they may be soon asking the residents for a millage increase in order to keep the city running. He is concerned that residents are going to look at this audit report and not be able to understand it and not know that some funds have been combined. Mackey doesn't believe this is the report that council would want to provide for the residents. He suggested using the budget and/or revenue and expenditure report or developing some kind of financial summary report.

Mackey explained, they recommend a standard measure for your fund balance should be two or three months of expenses in reserve.

Council discussed the different kinds of audits which can be provided.

Martin provided, the audit report shows value of the City for the bonding companies. He just received the city rating from Standards and Poor and we are still at an A+ rating.

Council thanked Mackey for coming to discuss the report with them.

Chuck Moss, County Commissioner for District 20, introduced himself. He explained he will be running for State Representative. Shelley Taub will be running for Senate. Currently he is Chairman for the Board of Commissioner's Finance Committee. He referenced the Oakland County's Financial Summary which they just put out and read the first page explaining because the audit report is so difficult to read, they have provided a report of County finances and activities, in layman terms, for use by the citizenry. He also informed them Oakland County has just filed a lawsuit with Detroit Water and Sewer.

Discussion of Citgo Property

ZP-007-06

Martin stated he has nothing new. Laith is working on getting the traffic study.

ROW Policy

S-006-06

Lorenz suggested some changes for above ground landscaping, retaining walls and nonconforming parking spaces not maintained.

Council also discussed the appeal process. Lorenz provided two suggestions, allowing multi car family that has a handicapped driver temporary ROW rights and lots that have no area for a driveway to hold more than one car to have permanent ROW parking. Conkey would like to see some kind of appeal process. Hungerman feels households with single car driveways should be allowed to appeal.

Martin will work on the changes and bring it back to them.

Blight Ordinance

O-005-06

Martin provided an ordinance which Bibeau drafted. He asked council to take it home and look it over. He noted it is essentially the same. They added information to not let Martin asked Council to let him know if they have a problem with anything. Otherwise he will have it on the agenda for a public hearing at the next City Council meeting.

Rental Ordinance

O-006-06

Eriksen stated he and Hunger haven t been able to get anything together yet. He stated he likes Birmingham s ordinance it has three pages on covering inspections which will address neglect by landlords. Council needs to come up with a notation of need. Eriksen stressed the ordinance is needed for health, safety and welfare.

Lorenz explained where he stands. He stated he could live with registration of rental property and making sure it is a single-family property. The other side would be to not have anything and he is not sure about that. If the ordinance could save one life he is for this.

Hungerman reviewed where he stands. He feels they need to prioritize what we are spending our time on and rental is at the bottom of his list. He said he would review the information and keep an open mind.

Moved by Eriksen, seconded Hungerman, to continue the meeting until 9:00 p.m.

Yes: All

No: None

MOTION CARRIED

Community Center

CC-005-06

Randy from Zilka Heating conducted their test and Martin is trying to set up a time with him to go over the results.

2006-07 Budget

B-003-06

Martin provided copies of the proposed budget. He explained in the estimated year end figures he feels they will only be \$9,116 short, compared to the budgeted \$39,506. He explained in the 2006-07 revenue column there is -\$51,712, which he left for council to decide what they would like to do with this.

Council will review this and get back to Martin.

City Manager Comments

Martin stated he attended the MML Legislative Conference. The Governor spoke on her vision for the State and was upbeat. She discussed the elimination of the single business tax. Her response was she is not going to do anything until there is something to replace the lost revenue. Martin attended a workshop on FOIA and Open Meetings Act. It was very interesting. They covered e-mails and how boards are discussing issues through e-mail. Any deliberation has to be at an open meeting not through e-mail.

Martin provided a worksheet proposal to lower the sewer rates. He reminded them they lowered the rate in 2004 and as a result of the work on the sewer system, he continues to see a decrease of flow. He explained the rate calculations, sample billings and three proposals. He asked council to look them over and give their recommendation. Martin is recommending proposal two.

Percentage of lot coverage will be discussed again at the next Planning Commission meeting. Martin has received a lot of information from other communities.

Martin stated he has received requests to change the date for allowing boats in the driveway. He explained currently the ordinance doesn't allow boats in the driveways unless they are beyond the 30' setback, with the exception from May 1st to October 1st. He doesn't have a problem with moving it up to April 1st. They will need to amend the ordinance. Council didn't have a problem with changing the date. Martin will try to get it ready for the Planning Commission meeting.

Adjournment

Moved by Eriksen, support Hungerman, to adjourn the Study Session Meeting.

Yes: All

No: None

MOTION CARRIED

The study session adjourned at 9:04 p.m.

Dennise Clippert, City Clerk