

A study session of the Sylvan Lake City Council was held on Tuesday, January 26, 2016; opening at 6:05 p.m. Mayor Dzenko presiding. Mayor Dzenko presided over the Pledge of Allegiance.

Present: Meskin, Zubrzycki, Cassar, Dzenko, Lorenz  
Absent: None  
Also Present: City Manager Martin, Clerk Dryden and Attorney Schultz

### Approval of Agenda

Moved by Lorenz, seconded Cassar, to approve the agenda as presented.

Yes: All  
No: None

MOTION CARRIED

### Public Comment

Barry Beard shared he used to live in the community and recently moved back. He sells golf carts and has seen some residents driving carts around. He stated he already spoke to Martin who informed him they are illegal. As he understands it, one of the objections is regulating them or making them street legal. He sells a club cart which can be made with 4-wheel brakes, windshield wipers, headlights, tail lights, turn signals, break lights, rollover protection; those vehicles usually cost between \$10,000 - \$12,000 and a used standard cart, 4-5 years old is \$2,000-\$3,500. He is not sure why a golf cart needs to be street legal. He feels this is the perfect neighborhood for these. He would like City Council to discuss allowing making these legal.

Zubrzycki stated he is interested in this and would like to discuss and explore it. Dzenko asked Martin what the legal stance on golf carts. Martin stated they would have to be street legal with a licensed driver. You usually see these on private property/private streets. He didn't know if council would even want to allow them if they could. Attorney Schultz added that would probably be a motor vehicle code and he could look into if council wants, but probably not something going to be able to pass an ordinance to allow. Martin added you can be run over just as easily by a cart as you can be by a car. He noted there was conversation on the state level to allowing off road vehicles to use the streets under a local ordinance, but he is not sure if it passed or not. Zubrzycki and Meskin were interested in looking into this.

Lorenz asked if mini scooters are allowed. Martin replied only electric motor.

Cassar stated years ago he bought one for his dad and the first time he took it on the street he was told he couldn't have on the road. That they needed to accelerate and brake at a certain rate, it just wasn't being electric. He sold it right away.

Beard stated gas carts can go 30 mph and the braking suspension is not designed to stop it or steer it properly at 30 mph. He suggested limiting to electric carts that can't go faster than 20

mph that they would have to follow all the laws of the road.

Dzenko stated they will look into it and he thanked Beard for his comment.

There were no other comments. Mayor Dzenko closed the public comment.

Sprinkler Meter Base Fee

**WA-002-16**

Martin reviewed City Council's discussion of waiving the base fee for a second meter for outdoor water usage. He stated whatever council decides to do; it will need to be voted on. He will write up a resolution for this. All of City Council was for waiving the base fee.

Garbage and Rubbish Millage

**F-002-16**

Martin reviewed prior discussions on this. Schultz added he looked to see what other communities are doing per City Council's request. He found Farmington Hills does levy a millage and a user fee. He shared a court case Bolt vs. City of Lansing, which discusses user fee verses a tax. To be a fee it has to meet certain criteria, it is a three part test; it has to be voluntary. Passing on a fee that reflects the actual cost for the community, you are not trying to make money, it is proportional and for service you are allowing. A lot of residents could end up with some big increases on smaller taxable valued homes. City Council will have to decide whether this is a good decision or not.

Cassar recalled when he asked this to be brought up he wanted to take the whole total and have it divided equally between the households, not dividing it between a fee and tax.

Martin informed council if they are dividing the full budget of \$225,000 between the 854 households, because they will lose the commercial property sharing in the cost, it would cost each household around \$263. Currently residents and commercial are paying 2 mills on their taxable value, so the majority would see a big increase.

Lorenz reviewed the budget and stated there is the contract and other cost for employees, HHW, leaf collection, etc. He added he will never argue it is the fairest way it is being done, but it has always been this way and residents knew that when they moved in. He is in favor of a millage and user fee.

Dzenko feels it is a step in the right direction.

Meskin would like to move money from the general fund, taking 1 mil from the voted 5 mills. Martin stated you wouldn't transfer a millage, it would be a dollar amount. Meskin stated we will keep getting more money as the taxable values increase. Martin explained as soon as the taxable value goes up Headlee drops our millage rate, just like it did last year. Martin explained how the Headlee amendment works. Unless there is new construction the city won't see additional revenue except for the rate of inflation. Meskin argued this stating the city received

more money in taxes this year. Martin replied it was the rate of inflation. Meskin stated he would like to see a transfer from the general fund.

Zubrzycki asked how residents would pay for the fee; how would it be billed. Martin stated most put the fee on the water bill. Attorney Schultz shared Farmington Hills levies the millage on the summer tax bill and user fee on the winter tax bill. Zubrzycki asked if the leaf pickup is included in all this. Martin confirmed it is. He acknowledged he asked Rizzo to give an extension option. They sent one to him today with three options, but it did not break out the cost for leaf collection so he asked them to do that. Then City Council can decide if they want to pay for this or not. Zubrzycki asked if they needed to decide something now or could they wait another year. Martin stated they need to address it while working on the coming budget, which will need to be adopted by May. Zubrzycki asked from the auditor's perspective is it ok to transfer money from the general fund to say the water fund. Martin replied, it has been done, usually in a one-time situation or emergency situation, buying equipment, capital improvement, etc., but you don't use it for operating.

Lorenz stated if we start taking money out of the general fund then you are further penalizing people who are paying a millage rate because now you are taking it out of their pockets to pay the garage fund and you are following an unfair millage rule. It is an undue burden on the small house to do an all-out flat fee. If they are going to do something he suggests doing the fee to supplement the shortfall and put it on the winter tax bill. He doesn't want this on the water bill. Additionally he feels it should be announced soon to allow residents to budget for ahead of time. Lorenz understands Meskin wanting to adjust the millage rate, but not for shifting money to other funds. Meskin didn't agree. He felt renters would never see the benefit.

Martin will get comparisons for City Council to look at. Most municipalities are tax based. The reason they did it this way in the beginning was because at that time the value of your home was a good indicator of your ability to pay. He provided the example you pay taxes for police/fire/parks and you may never use them. Or an example of the household who does use them all the time and their house value is lower so they are paying less, so you have to look at the big picture. Martin understands what they are saying. Cassar understood what Martin said, but felt public safety is a totally different service from garbage removal.

Cassar thanked Council for considering it and discussing this whether anything is done or not.

### Tri-City Fire Board

### **FD-001-16**

Meskin would like to pass a resolution that the City wants X amount of dollars given back to each of communities from the Tri City Fund Balance. We would have to leave enough money to cover expenses for so many years. Zubrzycki asked how much in the fund balance. Meskin stated he believes it is \$237,000.

Attorney Shultz stated he looked through the agreement and found the Township takes the money to make improvements to the station and buy capital equipment and puts 5-6% into a

capital outlay fund. He reminded them if they were to terminate the agreement the Township will look at how much is in the that fund and if they believe they have invested more than that fund will pay them back they are going to want money in cash before they would turn the station back over to the communities. He suggested they might want to find out those contingent fees. Meskin didn't see how the three cities would want to take on the fire services again. Zubrzycki clarified that is only if they want the facility back, which is not what they are wanting to do.

Lorenz stated this has always been their bone of contention with the Tri-City Fire Department is that the agreement was not setup equitably and it should have been setup on a millage based funding like everything else.

Zubrzycki asked if they are disbanding the Fire Board. Lorenz stated they can't dissolve unless the Board members leave or not reappointed.

Dzenko would like to know more about what Schultz was talking about before they ask for any money back.

Zubrzycki felt it may be a good time to get that money back right now because if the city pulls out we would be forfeiting everything to leave. He is in favor of moving to Bloomfield Township right now. Schultz explained the cities are the owners and the Township is the tenant. They could theoretically say they don't want it either and under the contract you owe us.

Martin stated it is somewhere around \$60,000 per community they are holding, not a significant amount.

Seawall – Pontiac Drive and Lakeview Beach

**L1-001-16**

Martin doesn't have anything new yet. He is still waiting to hear from JZ Contracting.

Citizen Research Council

**F-003-16**

Martin reviewed conversations they had on this in the past. The last conversation they asked Martin and Schultz to look options. They need more specific direction from City Council as to what want to look at/research.

Lorenz feels any smaller cities in Michigan are in danger of dissolving because of all the regulations being put on them. What would happen if they disincorporate and go back to West Bloomfield Twp.? How do we maintain what Sylvan Lake offers for ourselves? Can we make a Condo Association and maintain control of our parks and other property?

Schultz looked at the two questions – process to disincorporate and the ability to create some separate non-municipal corporation, some other entity. Under the Home Rule City's Act, you would disincorporate with a petition to the County Board of Commissioners, and hold an election in the City and Township's. The petition would require a vote by at least 25% of the

registered voters. The elections would be held separately in the City and all affected Townships. To approve the disincorporation it would have to be approved by 2/3 majority of the electors of the city and a majority of the combined electors of affected townships. If approved, the disincorporated city territory is returned to the respective township or townships from which it was originally incorporated or annexed. The assets and the obligations are divided prorata to the affected Townships. He looked a little at Bayview in Petoskey, which somehow has its own municipal regulations. Schultz asked if they really want them to look into this further or are they satisfied with what he just told them.

Lorenz feels he has answered his questions he had. He feels they would have to be in dire straits to even look at voting with the townships. He would be interested in looking into it if there is any way to make the city like a Condo Association so in case the City goes into dire straits then they are covered. Schultz stated he can research this.

Dzenko is interested in this too and asked Schultz to come up with an estimate of cost for looking into this.

#### Audit Questions and Letter of Correction

**F-004-16**

Martin stated he met with Meskin last week who had specific questions regarding the June 30, 2015 audit report. Martin forwarded these questions to the auditor and provided the auditor's response and then his own response. If City Council feels the need to have the auditor attend a meeting Martin will set something up.

Council will look over the two page document and let Martin know.

#### Police Department

**P1-001-16**

Martin shared they are having a hard time getting and keeping employees. They have put posted openings on the MCOLES site and there are several municipalities out there looking to hire and of those most are looking for full time, Sylvan is looking for part time. They have posted 4-5 times within the last year and an half. This last time we have only received three applications to date, All are new graduates from the academy. Then when they hire them they only stay to get the experience and then leave for a better fulltime job. Martin feels they need to hire another full time officer, which doesn't include a Chief. He reminded them they are saving so much money on both of these things. He knows money is an issue. He reported currently they have 3 full time and 3 part time officers. One of the part timers has an interview with Berkley. If he leaves we will need to cover the approximately 30 hours a week he works. Then they we will have to pay overtime to make up the hours because the other guys have part time jobs elsewhere. He reviewed what he thought were the full time benefits.

Dzenko feels the department needs to be staffed correctly. Lorenz feels it is very costly to train and never get any value out of it. He would like to make sure of the benefits. Zubrzycki asked if the city's compensation package is competitive with other communities.

Martin replied the pay is a little less but the risk is lower too as opposed to bigger departments. Schultz added benefits are what they used to work for, or the reason for taking the job. Martin added that has changed now and the fact that police are not looked at favorably by the populous is another reason.

Dzenko shared a conversation he had with a Sargent in Canton. They found the younger guys don't know how to talk to people. They are techy but can't relate to people.

Martin shared the salary for part time doesn't really increase whereas the full time increases in annual increments. The department requires 4.5 officers to cover all of the shifts. They are always going to need part time help to cover shortages, sick, vacation, etc.

Martin will work on this and also email Council the benefit package.

Zubrzycki asked if the reserve program is still in place. Martin stated it is. Zubrzycki asked how the union plays into this. Martin stated they don't currently have a union

Adjournment

Moved by Zubrzycki, seconded Cassar to adjourn the study session.

Yes: All  
No: None

MOTION CARRIED

The meeting was adjourned at 7:51 p.m.

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Dennise Dryden, City Clerk