

A Regular Meeting of the Sylvan Lake City Council was held on Wednesday, December 15, 2015; opening at 7:31 p.m. Mayor Dzenko presided over the Pledge of Allegiance.

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

APPROVAL OF AGENDA

Moved by Lorenz, seconded Cassar, to approve the City Council Agenda for December 15, 2015, as submitted.

Yes: All
No: None
MOTION CARRIED

APPROVAL OF MINUTES

Moved by Lorenz, seconded Meskin, to approve the November 18, 2015, regular meeting minutes as submitted:

Yes: All
No: None
MOTION CARRIED

APPROVAL OF DISBURSEMENTS

Moved by Meskin, seconded Zubrzycki, to approve the voucher report for December totaling \$268,048.88, as submitted.

Nov Payroll	\$ 58,675.72	Check #'s	11762-11766 DD2440-DD2467 EFT1001-EFT1007 STUB59-STUB61
Accts Pay-Nov-Dec	<u>\$ 209,373.16</u>	Check #'s	48635-48679
		EFT	1094 (E)-1097(E), 1104-1110(E)
Totaling	\$ 268,048.88	ACH	1098(A)-1103(A)

Yes: All
No: None
MOTION CARRIED

ACCEPTANCE OF REPORTS

Mayor Dzenko received the DPW and the City Attorney reports for November and asked that they be placed on file. Martin reported he email the Police report to City Council. They are having problems again with the reporting system.

COMMITTEE REPORTS

Mayor Dzenko read a report from the Parks & Recreation Committee; the Cookie Exchange with Santa went well. Three events are planned for next year so far, Chili Cook-off, Euchre Tournament, Egg Hunt and Sylvan Shuffle. They are looking forward to new members with new ideas.

Endres stated he has spoken to everyone on the Planning Commission and they are looking forward to the new restaurant Pepino's and they will meet when they need to. Also Endres reported the Board of Review met today to make minor adjustments. House values have increase around 5%, but taxable values can only increase by rate of inflation 1.6%.

BRIEF PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Jim Endres announced he along with Mike Zubrzycki and Jim Smith judged the lights. Residents did a great job and made their job hard choosing which to pick.

Endres also shared Pontiac Schools filed today to have two proposals on the ballot for March, their sinking fund proposal and renewal of 18 mills for operating.

CITY MANAGER COMMENTS

Martin welcomed everyone and hoped they had a nice Thanksgiving Holiday. He stated we have been spoiled with the nice weather, only one day of snow.

Leaf collection

The leaf collection went great after the couple hiccups we had over the end date. The weather was a big help in that.

Pepino's

C4-002-15

Martin is excited to have them coming into the city. He has had many conversations with their attorney and ours to make sure everything was lined up. Their goal was to be open for a New Year's

Eve party and to serve alcohol. They do not have their liquor license from the State yet. They have filled out all their application for sale of alcohol with the City along with the fees. It will go to Planning Commission first and with a recommendation from them for approval of special use and sale of alcohol. They are ok to open without their alcohol license. They will hold their New Year's Eve party with a special event license through a non-profit organization. Once we get going, Martin will setup a public hearing and Planning Commission meeting. Their idea is this is a temporary location, but he is hoping they will want to stay.

Ellen's Restaurant

C4-003-15

Martin has heard from them with a couple of questions of why they have to install a fire suppression system for their restaurant and why Pepino's isn't required to. Martin explained the Pepino's location has been a restaurant for a number of years; they haven't changed the use or structural changes. The question Ellen's had was whether Pepino's would be required to put in fire suppression because Ellen's is required to. Since Pepino's is a continuing use and Ellen's is moving into a new space and changing use requires them to come into compliance. That approval is through the Fire Department.

City Hall Construction

A-011-15

Hopefully in the next couple weeks we're going to have our electronic locks installed in the City Hall and DPW garage. Those are not part of the original renovation but a very prudent improvement. We are in the slow process of moving downstairs temporarily so they can finish the first floor renovations. They will hopefully begin renovations soon after the holidays. Martin is still working on a cost for the generator and ramp.

SAW Grant

SW-010-15

Martin has been spending a lot of time on the SAW grant work and it is moving along. They have done a lot of work finding and mapping manholes, catch basins and storm and sanitary sewer lines. The bid specs for cleaning and televising the storm and sewer lines went out and bids will be received until January 6. We have approximately 50,000 feet of sanitary sewer and 27,000 feet of storm that we're working on. The footage of storm drain will increase as we find more lines that are not currently shown on the map.

Seawall

L1-006-15

Martin is still trying to get an estimate for seawall work on Pontiac Drive and around the Lakeview Beach. So far he has not received any.

Tree Inventory

S-010-15

The tree inventory that has been in progress for the past couple years is now complete. Unfortunately it already needs to be updated with the loss of some of our trees in storms over the past year and a couple dangerous trees that needed to be removed. On a positive note, we have planted about 26 trees last year and about 18 the year before. The inventory is going to be of tremendous assistance in evaluating the number and condition of trees and coming up with a planting program. He will make a

short presentation on our findings at a future meeting.

Community Center Tables & Chairs **CC-007-15**

The new tables and chairs that were ordered for the Community Center were delivered this afternoon. We were told the delivery was going to be today, so the DPW staying ahead of the game took the old chairs out to make room for the new ones. When the truck made the delivery, the driver said his truck was too heavy and wouldn't go over the bridge, so they dropped them off at the DPW garage. That's when we found it was only tables being delivered and no chairs. So the DPW had to not only haul the new table down here, they had to get enough chairs back for tonight and this weekend. The balance of the order should be here by the New Year.

Garbage & Rubbish **F-004-15**

Martin provided a reminder for those in attendance that we will be talking about funding the Garbage and Rubbish Fund in the next couple months. How best to pay for the services provided. The conversation has been millage based, fee based, or a combination of both. City Council will be reviewing their options and implementation when.

Trail **RT-003-15**

If you're a trail user, you will see a new sign that went up by the trail between City Hall and Orchard Lake Road. This is the area mentioned a couple months ago that I had ITC come back and cut down all the vegetation after the trees were trimmed and looked like sticks, all within their rights. It's a wonderful opportunity for both the City and ITC who own the electrical transmission lines along the trail, to remove junk trees and incompatible vegetation with native plantings. When it's done it will be a beautiful showcase.

Light Judging

The annual Holiday Light judging was this past weekend and the winners and honorable mentions are posted on our website. Thank you to the Judges for making those tough decisions

P&R Events

The annual Cookie Exchange was this past Sunday and I heard it was a lot of fun and well attended. It is really important that we support our Parks and Recreation Committee that volunteers so much of their time.

Shop with a Cop **P1-006-15**

Tonight was the annual shop with a cop, or shop with a hero depending on who you talk to. Martin just came from Target where 26 kids from several families had Pizza and then shop with a "hero" using a gift card provided them. A big thank you to all that supported this event and Target for hosting again this year. This is not about "us" it's about helping others during this holiday season.

COUNCIL COMMENTS

Cassar welcomed everyone and wished them a Merry Christmas and Happy Holidays.

Zubrzycki wished everyone a Happy Holiday and hopes they enjoy the nice weather.

Lorenz expressed Merry Christmas and belated Happy Hanukkah. He wished everyone a joyous and prosperous 2016.

Meskin wished everyone happy holidays also. He shared he noticed the leaf vacuum guys got down to one guy doing it all, driving and vacuuming up the leaves. He was concerned with the liability of the person who is handling the leaf vacuum between the truck and trailer and getting ran over. Martin explained the vacuum is part of the trailer, it is one unit. It is their equipment. Meskin questioned when fire suppression is required, with what kind of renovations? Martin explained it depends on the depth of the work, moving walls, increasing seating, and/or making the kitchen bigger then they would have to bring it into compliance. Meskin question if this is required based on number of occupants allowed or what. Marin believes it number of occupants and square footage, but it is the Fire Departments requirement. Meskin inquired if any sewer cleaning would take place under the SAW grant reimbursement program. Martin stated yes it will. Part of the bid spec is clean if necessary. This will save us money too. Meskin stated he looked at the ramp at City Hall and feels it could be painted and extend the top portion forward to where the new door will be. A new ramp shouldn't be needed. Lastly Meskin asked about the tree inventory and is it the first 15' off the street that is City property. Martin stated that is correct.

Dzenko expressed Merry Christmas and belated Happy Hanukkah and Holidays to everyone.

ACTION ITEMS

- a. Resolution to Accept 2016 CDBG Funds **R2-008-15**

Martin explained the resolution states City Council accepts CDBG funds for 2016. He asked if anyone has any questions. No one did.

Moved by Cassar, seconded Meskin, to approve the resolution to accept CDBG funds for 2016.

Yes: Lorenz, Meskin, Zubrzycki, Cassar, Dzenko
No: None

RESOLUTION ADOPTED

b. Appointment of Dock Committee Members **A2-007-15**

Mayor Dzenko thanked the members who volunteered last year. He stated Patty Harrop, Bill Brundage, Brian Champa and Ed Robbins would like to return for another year. Mayor Dzenko appointed them and Harry Kirsbaum, Shane Doyle and Bob Duschinske to the Dock Committee for a one-year term, ending 12/31/16.

Moved by Lorenz, seconded Zubrzycki, to confirm the Mayor's appointments to the Dock Committee as stated.

Yes: All
No: None

MOTION CARRIED

c. Appointment of Parks & Recreation Committee Members **A2-008-15**

Mayor Dzenko again thanked the volunteers who served on the committee last year and expressed everyone should support the Parks and Recreation because they do a lot of great things. Mayor Dzenko appointed Patrick Runk, Terri Etter, Patty Harrop, Denise Hobbs, Larry Jack, Jessica Clarke and Danica Cousins to the Parks and Recreation Committee for a one-year term, ending 12/31/16.

Moved by Lorenz, seconded Zubrzycki, to confirm the Mayor's appointments to the Parks and Recreation Committee as stated.

Yes: All
No: None

MOTION CARRIED

d. Review of Water/Sewer Bills **WA-001-15 SW-011-15**

Mayor Dzenko reviewed last year City Council agreed to review the water and sewer rates in June and December and then in January make a decision to increase, decrease or stay the same. The rate change wouldn't take effect until the July billing cycle.

Martin reviewed his comparison sheet for water charges and explained during this past year Detroit Water changed their rate structure by significantly increase their base rate from \$5,339 to \$10,900 while reducing the usage fee (per 1000 cubic feet) from \$17.21 to 12.47. This was done because too much of their bill was in "usage" when the majority of their costs are fixed. This is the same reason we have a fixed cost with our billing. So he took last year's consumption the city used times the new

rate and fixed fee and found a difference of 19.98%. He provided the water budget spreadsheet showing his estimates, percent changes for both revenue and expenditures. He is proposing an increase in the water rates by 18%. He stated the easiest way to collection the additional cost would be to increase all rates (base rate, usage, second meter for non-residential, etc.) by 18%. However City Council has the option of increasing the base rate, usage rate, second meter charge, etc. Martin stated if they are interested in changing the rates differently, we can work on that information. It will just take a bit of work to do.

Cassar stated in the past they have always done across the board increase. He feels it may be best to continue doing it this way.

Lorenz asked Martin if he knew the percentage for fix cost and percentage for usage on our current bill. He feels being fair would be everyone should pay the fix costs equally and then paying for the water you use. Ours depends on how you use, if you use 10,000 gallons then it is about 50/50, at 20,000 is 65/35. We can figure out for Council how many users in each category, 1-1000 gallons, 1001-5,000 gallons, etc.

Dzenko agreed maybe the city should change how rates are charged spreading the fixed costs evenly to everyone and usage based on what the household uses.

Lorenz looked at other communities to see how they passed along their increases. They are all different.

Zubrzycki asked how Sylvan Lake is relative to other communities fixed and usage charges and how do our rates compare to theirs. Lorenz shared what he found on the internet with Bloomfield Twp, West Bloomfield Twp and Keego Harbor. Lorenz complimented Martin for his work with Pontiac and getting the sewer rate lowered. There is a lot to know.

Meskin wanted to know why they aren't transferring money to the water/sewer funds from the general fund or charging some of the expense from the water/sewer funds to the general fund. He stated there is a hefty cash reserve in the general fund.

Lorenz reviewed his requested to have the Citizen Research Council look at Sylvan Lake to help plan for the future, but Council didn't want to spend the money to do this and then they discussed having the Attorney providing them options. He feels they need to have the guts to do this research to help better plan for the future because at some point Sylvan Lake may not be able to afford standing on their own. He would love to keep things in our own city, but it probably won't be possible. He also reviewed his prior conversations saying the water and sewer funds are stand-alone funds and should not be funded by the general fund. Meskin responded then they should transfer expenses. He feels it is not fair to hit everyone with another increase. He complemented Martin for getting the reduction in the sewer cost. Meskin projects the general fund having a surplus again for the next couple years. Meskin doesn't feel they need to plan that far into the future and pouring more money into the city

and he doesn't want to see either. Lorenz asked Meskin what 10 year spreadsheet he was looking at because the one they all received shows they have no money left in the general fund by the end of the 10 years.

Cassar agreed this is not an easy subject. He does feel the water department needs to sustain itself. He is hoping they may be able to drop the millage rate and that will help residents out.

Jim Endres acknowledged it is a tough job that City Council has to do in making these decisions. He suggested holding a public hearing or putting a newsbyte out to say they are discussing this.

Dzenko stated they need to give Martin direction so they can make a decision next month. Dzenko told Meskin the balance of City Council members don't agree with Meskin's thinking to have the general fund supporting the water/sewer funds. Taxes should not pay for water/sewer.

Meskin again stated that expenses should be charged to the general fund instead of the water/sewer funds. Martin explained it doesn't matter how you state it-the general fund shouldn't be paying or charged water/sewer charges. Meskin stated he would settle for lowering the millage rate as Cassar stated.

Council felt they would like to look at a couple different options for passing along this increase. Martin will work on soon and get it to City Council to start looking at it.

Mayor Dzenko moved onto the sewer fees.

Martin explained this was a little easier to calculate, but could change because the rates to the Water Resources Commission are so new. Martin was hoping to reduce the maintenance and repair costs, but the repairs have been unavoidable. In calculating the sewer revenue he included \$20,000 additional revenue that we may receive by eliminating the summer sewer discount. In the expenditures there is \$97,000 for the deficit elimination. Once this is paid off, it will not be part of the budget. Martin is estimating the sewer rates will need to be increase by a minimum of 7.5%.

Meskin asked if there is any reason they are not giving the \$200,000 they borrowed from the general fund to the sewer fund. Mayor Dzenko stated because the rest of City Council doesn't agree with him at this time.

e. Banking Institutions for 2016 **F-005-15**

Moved by Meskin, seconded Cassar, to approve the list of banking institutions for 2016 as submitted.

Yes: All

No: None

MOTION CARRIED

Dzenko asked when the next Fire Board meeting is, he would like to attend. Meskin thought it was January 6th, but he would double check and let him know.

NON-ACTION ITEMS

- a. Security for Ferndale Park, Restroom and Boat Launch
- b. Parking in ROW
- c. Fire Department
- d. Seawall – Pontiac Drive

ADJOURNMENT

Moved by Lorenz, seconded Zubrzycki, to adjourn the regular City Council Meeting.

Yes: All

No: None

MOTION CARRIED

The meeting was adjourned at 8:47 p.m.

Dennise Dryden, City Clerk