

CITY OF SYLVAN LAKE  
STUDY SESSION  
JANUARY 27, 2015

A study session of the Sylvan Lake City Council was held on Tuesday, January 27, 2015; opening at 6:02 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 and Clerk Dryden

Approval of Agenda

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

Yes: All  
No: None

MOTION CARRIED

Public Comment

**SC-001-15**

Jim Endres stated he attended the Pontiac School Board meeting last night and they need to do a ballot proposal in May. They are proposing a sinking fund millage. Ballot language has to be approved and submitted by February 10<sup>th</sup>. This is the proposal they have made to the State Treasurer to eliminate the deficit they have. He stated a coalition is going to form. Lorenz questioned if a sinking fund can be used for operation. Zubrzycki read the explanation on the website for Pontiac Schools, their financial operating plan report, which discussed voter approval needed in May 2015 for advanced refunding for energy bond and sinking fund for capital projects.

Helen Jane Peters shared Pontiac Central High School sold for \$1M to Lee Industrial Contracting.

Community Center Fees

**CC-001-15**

Helen Jane and Pete Peters explained their disappointment in the increase fees. They have rented the center many times over the years. Last November they took their application and check for \$200 into City Hall and were told the fee was \$375. They feel this increase was unfair and they are not sure why they had to pay a higher fee when they got the application off the website which shows the fee for \$200. They asked who made this change and when was it made. City Council informed them they made the change, but didn't recall the exact date. Martin reviewed City Hall told them last time they rented the Community Center was for a Thursday which is a cheaper rate. This time they wanted a Friday which is \$375. It is only \$200 during Nov-Mar from 10am-4pm only. Peters claimed this is not on their form. They would like to see the fee for non-residents increase and residents decrease. Clerk Dryden asked Peters what the revision date was on the last page of the application which they filled out. Helen Jane stated August 27, 2014. Martin pointed out where they reading the application wrong. Peters conceded it was their fault.

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They feel the form is very confusing. Martin agreed with them.

Martin shared this the handout provided to council shows number of rental applications, resident verses non-resident broken down by the different rental options. He provided ideas to discuss, increase all rates, only non-resident rates, increase amount of early access, time frame for reservations-resident verse non-resident, cancel fee, and charge for tent or accessory.

Meskin wanted to discuss the handout with the 2014 fees and usage. He stated it doesn't match the audit report. Martin reiterated what he said in his email, that these figures are calendar year and the audit is fiscal year. Meskin feels they should still be the same. Martin stated they would remove these figures from the report in the future since they are confusing for Meskin. Zubrzycki likes seeing this information and stated they are not here to discuss revenues, but rates.

Cassar suggested maybe senior discounts for events such as Peters' Barber Shop Quartet. Martin is not in favor of senior discounts, many have more money than himage is not a good indicator of ability to pay. Also, people thenSeniors will start renting for other people because they can get it cheaper. He understands what Cassar is saying though.

Lorenz suggested giving residents an extra month over non-residents to reserve the center. He is also in favor of a rate increase for non-residents. Zubrzycki recalled residents having this benefit in prior years with them getting three months or so advance priority. He questioned why they changed it. Martin explained non-residents were getting residents to rent it for them and the resident wasn't even in attendance of the event. He reminded council we need to give them enough time to plan their event in advance. Lorenz suggested putting language on the contract that say if it is found that a non- resident is renting through a resident event will be canceled.

Zubrzycki looked up what other facilities are charging and found \$700-\$800 for non-residents. Cassar suggested changing the non-residents fees from \$175 to \$200, \$250 to \$300 and \$450 to \$600.

Dzenko suggested charging \$100 for a tent or accessory and \$75 for the early access fee.

Martin discussed the cancellation fee stating currently if they cancel less than 30 days of the event we keep all of the deposit, 30-90 days we keep 50%. He suggested adding if it is canceled 90 days or more we keep 20% of the fee with a minimum of \$50.

Martin will work on making changes to the applications and bring them to the regular meeting for City Council discussion and approval.

Lorenz discuss having yoga classes and card night going through the Parks & Rec Committee to sponsor this. Martin would like to the center more used for this type of thing. The Classification Policy will have to be looked at. It may need changing.

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Water/Sewer Rates

**U-001-15**

Meskin feels the rates are too high. Dzenko asked if Meskin had anything new he wants to discuss because the rest of council is on board with the increase.

Cassar asked if Martin had heard that Detroit water is going to increase the rate again soon. Martin confirmed this correct. In addition to that, the Water Resources just took over the City of Pontiac's billing operation and increased their rates because they were unfunded.

Lorenz stated last month they approved a loan to the sewer fund for \$200,000. He questioned the actual pay back. The resolution stated it would be paid back by June 30, 2015. The chances of that are pretty slim. Martin replied we will have two options then, one make the loan a payment-give the money from the general fund to the sewer fund and wipe away the loan, or increase the time to pay it back. You can reassess June 30<sup>th</sup>. Dzenko stated they should know after the second quarter bills go out which would be before June 30<sup>th</sup>. Lorenz still believes the general fund shouldn't be used for water and sewer. Dzenko agreed they shouldn't forgive the debt. Martin reminded them not only do they need to pay back the debt but they need to build up a surplus. They should have \$300,000-\$500,000 in each of the fund balances at a minimum. It cost \$200,000 to replace those two sections of water main. Cassar recalled someone saying that water repair should have been paid out of the general fund and not the water/sewer funds. Martin agreed someone said that but it was not him. Cassar doesn't agree with that either; it is part of the water system so it should be self-funded. Martin explained they are proprietary funds that should be self-funded and run like a business. There are many expenses in each fund and they probably are not funding enough all that they should. He explained we are fund just now spreading the OPEB liability to all funds, but if say a DPW worker retirees, that the benefits is are only paid out of the general fund currently, so water/sewer and other funds are not fully funding all aspects of truly running the department. Martin reviewed at the last meeting one of the Council members disagreed with his figures and then didn't believe the figures he provided for fiscal 2014. He stated this is what he does for a living and quite frankly it was an insult to him. He admitted that the figures he provided to City Council last month were off. In the sewer fund his estimated figures were off by \$12.38 for revenues and \$1028.69 for expenditures. In the water fund his estimate figures were off by \$190.25 in revenues and \$4.00 for expenditures. Considering the total revenue and expenditures for the water and sewer departments are over \$1.6M, that was pretty close. He further explained the difference between an admin fee and wages and benefits. This Wages and benefits are based on how much time is spent working in the departments. Both DPW employees, the front desk and the Treasurer spend a lot of time with the W/S departments and Martin spends a lot of time in the departments too. He then read a long list of job details which covers the time spent in these departments.

Meskin asked if the city would be ahead if they merged with West Bloomfield's water department. Martin replied, probably not West Bloomfield or Bloomfield. The easiest thing to do is go to Oakland County. The Water Resource Commission is huge and they take care of it. As he mentioned in the past, he has discussed the idea of having the WRC take over at least a portion of the operating. He is meeting with them again on February 3<sup>rd</sup> to come up with what they could do for us, what the benefits would be, whether we want to keep a little bit of it or get

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rid of have them to it all. Martin is also trying to get setting up a meeting with the guy running regarding the Pontiac Sewer Department. He doesn't agree with the whole philosophy of how they are charging us. He has argued this before. Meskin asked if the SAW Grant has shown anything regarding this. Martin stated they can't do anything until spring. Lorenz verified that Keego Harbor doesn't own operate their water/sewer system, where Sylvan Lake owns and operates our infrastructure. Martin added it is the price we are paying for our independence.

RVA Fees

**M-001-15**

Martin report the current fees are is \$400 resident and \$450 non-resident. There are 66 spaces, of those 7 are vacant and 2 are non-resident. Cassar recalled checking with U-Haul and The Space Place and they where \$50/month and \$70/month. Meskin stated he called and for 10x15 outdoor storage space was \$35/month and 10x30, \$50/month. Council felt the city's rates are very competitive and they don't need to be changed.

Martin noted they are going to have to perform maintenance on the lot this year, crack fill, stripping, numbering.

Martin noted the city has not advertised the RVA rental. Cassar feels the Beacon is a nominal fee and it would be a good idea to do.

Community Center Furniture

**CC-002-15**

Meskin stated the Home & Garden Tour Committee is starting to look at tables and chairs. Martin explained their input is great and wanted, but the money is donated to the city and then the city purchases the tables and chairs. Martin doesn't like folding chairs. He suggested contacting half dozen different vendors to try out their chairs and then choosing. Everyone agreed to no folding chairs.

Lorenz suggested a chair that is suitable for covering from a party rental place because some events want their chairs covered or dressed up.

Cassar suggested looking into refurbishing the current chairs. He has chairs the city could use while this is being done. Jim Endres volunteered to remove/replace the backs and seats if this is done.

Martin stated he would like to see round tables that seat 8 people. Cassar suggested getting 8-10 round high-top tables.

Ordinance for Construction Sites

**O-002-15**

Dzenko would like to see an ordinance that requires the construction of the outside of the building to be complete within one year, with X amount of dollars a day for a fine. Martin will

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look into this.

Tri-City Fire Dept.

**FD-001-15**

City Council discussed televising the Tri-City Fire Board meetings on cable. They felt there are only four meetings a year and funds comes out of our Cable Joint funds so there is no need for this.

Meskin share there is around \$237,000 left in the Tri-City fund balance and feels the board needs to discuss disbursing this back to the cities.

April 14<sup>th</sup> is the next Tri-City Fire Board meeting.

Adjournment

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

Yes: All  
No: None

MOTION CARRIED

The meeting was adjourned at 7:53 p.m.

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Dennise Dryden, City Clerk