

Fraser City Council - Regular Meeting
Thursday – May 9, 2013 - 7:00 P.M.
Municipal Building

A Regular Meeting of the Fraser City Council was conducted on the above date at the City Municipal Building, located at 33000 Garfield Road, Fraser, County of Macomb, Michigan.

Present: Mayor Hagerty and Council Members Accavitti, Blanke, Carnagie,
Cilluffo, Jennings and Morelli
Absent: None
Also Present: Richard E. Haberman, City Manager
Kathy Kacanowski, City Clerk
Jack Dolan, City Attorney

1. **Call Meeting to Order** - Mayor Hagerty called the regular meeting to order at 7:00 p.m.
2. **Pledge of Allegiance**
3. **Approval of Agenda**

Member Carnagie moved, seconded by Member Blanke, to APPROVE THE AGENDA AS PRESENTED.

The motion carried unanimously.

4. **Citizen Participation on Agenda Items**

Juanita Parker, 16442 Clarkson spoke relative to the proposed budget.

5. **Presentations**

- a. Presentation by Detroit Institute of Arts representative, Barbara Heller, who spoke regarding the artwork displayed in the city and Fraser Community Weekend.

6. **Public Hearings**

- a. Public Hearing and Council Consideration to approve two separate Industrial Facilities Tax Exemption requests from HGS Aerospace, located at 34480 Commerce and 34550 Commerce, in the amount of \$2,846,574 for building improvements and new equipment estimated to retain 50 jobs and create 30 new jobs.

Mayor Hagerty opened the public hearing at 7:18 p.m.

HGS Aerospace Owner Christopher Hubert and Jim Ahee from Macomb County spoke regarding this request.

Mayor Hagerty closed the public hearing at 7:22 p.m.

Member Morelli moved, seconded by Member Jennings, to APPROVE THE RESOLUTION FOR AN INDUSTRIAL FACILITIES TAX EXEMPTION FOR HGS AEROSPACE IN THE AMOUNT OF \$2,846,574 FOR A PERIOD OF 12 YEARS.

Resolution Approving Application of HGS Aerospace
For Industrial Facilities Exemption Certificate
For Real and Personal Property

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on June 16, 1977, the City of Fraser City Council by resolution established Industrial Development District 1; and

WHEREAS, HGS Aerospace has filed an application for an Industrial Facilities Exemption with respect to real and personal property to be acquired and installed within the Industrial Development District 1; and

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WHEREAS, before acting on said application the City of Fraser held a hearing on May 9, 2013 at the Fraser Municipal Building at 7:00 p.m. at which hearing the applicant, the Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility and installation on new machinery and equipment had not begun earlier than six (6) months before the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Fraser; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes with the City of Fraser, after granting this certificate, will exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Fraser that:

1. The City of Fraser Council finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, **shall not have the effect of substantially impeding the operation of the City of Fraser, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Fraser.**
2. The application of HGS Aerospace for an Industrial Facilities Exemption Certificate, with respect to personal property on the following described parcel of real property situated within the Industrial Development District, to wit:

34480 Commerce Road
"FRASER INDUSTRIAL SUB ' N" W 325 FT OF FOLL; S 13 FT LOT 29;
LOTS 30 TO 36 INCL; AND N 7 FT OF LOT 37. CITY OF FRASER

34550 Commerce Road
FRASER INDUSTRIAL SUB; LOTS 23-28 INCL & S 13 FT OF LOT 22 & N
7 FT OF LOT 29; EXC EAST 151.46 FT.
3. The Industrial Facilities Tax Exemption Certificate, when issued, shall be and remain in force and effect for a period of twelve (12) years after completion.

AYES: 7
NAYES: 0
ABSENT: 0

RESOLUTION DECLARED ADOPTED.

The motion carried unanimously.

- b. Public Hearing for discussion of Fiscal Year 2013-2014 Proposed Budget.

Manager Haberman provided information relative to the proposed budget. He explained the \$830,000 shortfall, no mil increase since 2001, personnel reductions, increased efficiencies and one time revenues. All options have been exhausted and a mil increase is needed.

Mayor Hagerty discussed tiered budgets/departments, pension funding, state revenue funding, limited contingency fund and recapped past budget discussions. He also spoke relative to value based versus commodity based community and the popsicle index.

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Member Blanke agreed with the importance of quality of life and city services. She noted school taxes are separate from city taxes.

Member Cilluffo also agreed with value based community and commented on services and strong public safety. He stated he is not in favor of cutting dollars or eliminating tier 2 budgets.

Member Jennings recapped prior budget discussions and proposes utilizing Public Safety money this year only to help balance the budget. She suggests a 1 mil tax increase, an administration fee on the taxes and savings in retiree health savings. She further discussed options for year 2 and 3 with increased mils, use of fund balance and capital improvement bond.

Mayor Hagerty stated he wants to create a 3 year budget and proposed 1 mil sanitary, 1 mil library and 1 mil general. In addition, we would begin to address the silent deficit.

Member Cilluffo noted that if a department has a budget surplus at the end of the fiscal year, the surplus goes to general fund. He would prefer to have this money, or a percentage, brought forward to the next fiscal year's budget as an incentive for that department.

Member Carnegie voiced his concern relative to the cost of the enterprise fleet and would like to consider cutting the fleet. Member Jennings noted the enterprise fleet may need to be reviewed in the future but it won't impact their decision on this budget.

Member Morelli stated his concern that the mayor's proposal is for special millages and limits mils to only those departments that they will likely be permanent.

Member Accavitti stated it is obvious we need to make a mil adjustment. He proposed a 1.5 mil increase to general funds.

Member Jennings stated a vote was taken at the last meeting to reduce council's budget and she suggested the Focus on Fraser be cut back but not eliminated. She would like to see the elimination of the Senior Christmas lunch and a small reduction of approximately \$500 from the conference line item.

Member Blanke stated she did not vote either way on a cut to the council budget. She agrees with Member Accavitti's proposal of 1.5 mil and stated when Director Rouhib leaves, the public safety fund will never bring in that same amount of revenue. She also will not vote on retiree healthcare issues.

Member Carnegie agrees with Member Jennings' suggestion to utilize drug and gambling funds since it is the resident's money. He stated he discussed this with Director Rouhib and was advised it should not affect them for the next few years. Manager Haberman noted that public safety equipment has not been purchased out of the general funds since 2001.

Mayor Hagerty noted his proposal includes a .52 increase to city hall bond and Member Accavitti's does not, it would be separate, so there is difference of ½ mil between proposals.

Attorney Dolan advised Council the budget could be adopted tonight and the retiree healthcare aspect could be tweaked later if needed.

Mayor Hagerty opened the public hearing at 8:57 p.m. and the following residents spoke regarding this item:

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Anna Cameron, 34273 Garfield Circle
Carolyn Blackwell, 34630 Clarkson W
Nancy Teschendorf, 34653 Clarkson E
Ken Immler, Hawk Industrial
Dave Stouder, Linden

Mayor Hagerty closed the public hearing at 9:09 p.m. and at this time Mayor Hagerty requested a break; meeting reconvened at 9:22 p.m.

7. Consent Agenda

Member Accavitti moved, seconded by Member Morelli, to APPROVE THE CONSENT AGENDA ITEMS AS PRESENTED.

- a. Approval of Minutes of the Regular Council Meeting of 4/11/13.
- b. Approval of Minutes of the Special Council Meeting of 4/16/13
- c. Approval of Bills for the Month of April 2013 in the amount of \$571,535.95.
- d. Receive and file Minutes of the 3/5/13 meeting of the Parks and Recreation Commission.
- e. Approval Authorizing the Administration to sign the contract with Wolverine Fireworks in the amount of \$9,500 for the annual City Picnic Fireworks Display.

The motion carried unanimously.

8. Requests For Council Action

a. Request Council adopt the Fiscal Year 2013-2014 Budget.

Member Accavitti moved, seconded by Member Blanke, TO APPROVE THE ADOPTION OF THE FISCAL YEAR 2013-2014 BUDGET WITH A 1.5 MIL TAX ASSESSMENT AND THE INCLUSION OF THE ADMINISTRATION FEE.

The motion carried unanimously.

b. Request Council set a Public Hearing for June 13, 2013 at 7:00 p.m. for the Industrial Facilities Tax Exemption application from Enmark Tool & Gage Co., located at 18100 Cross Lane, Fraser, MI in the amount of \$2,674,500 for building improvements and new equipment retaining 45 jobs and creating 3 new jobs.

Member Jennings moved, seconded by Member Accavitti, to SET A PUBLIC HEARING FOR JUNE 13, 2013 AT 7:00 P.M. FOR THE INDUSTRIAL FACILITIES TAX EXEMPTION APPLICATION FROM ENMARK TOOL & GAGE CO., LOCATED AT 18100 CROSS LANE, FRASER, MI IN THE AMOUNT OF \$2,674,500 FOR BUILDING IMPROVEMENTS AND NEW EQUIPMENT RETAINING 45 JOBS AND CREATING 3 NEW JOBS.

The motion carried unanimously.

9. Report of City Administration/Pending Items

Manager Haberman advised that he and Finance Director, Tim McCulloch, are working on a new water rate and this will be brought to Council at the June meeting. He stated their goal is to set a fixed rate for one year.

10. Report of Mayor and City Council/New Business

Mayor and Council discussed various topics.

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11. Citizen Participation

Anna Cameron, 34273 Garfield Circle
Christina Woods, Recreation Director

12. Adjournment

Member Accavitti moved, seconded by Member Carnagie, to ADJOURN THE
REGULAR COUNCIL MEETING OF THURSDAY, MAY 9, 2013 AT
9:41 P.M.

The motion carried unanimously.

Respectfully submitted,

Kathy Kacanowski, City Clerk

Doug Hagerty, Mayor

/kk