

Fraser City Council - Regular Meeting
Thursday – February 13, 2014 - 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, Carnagie, Cilluffo, Jennings and Morelli
Absent: Council Member Hemelberg
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 Jennings requested Item 8g be moved ahead of 8a.

Member Jennings moved, seconded by Member Carnagie, to APPROVE THE AGENDA AS AMENDED.

The motion carried unanimously.

4. **Citizen Participation on Agenda Items** - none
5. **Presentations**

a) Mayor Hagerty presented a Certificate of Recognition in honor of the Library's 50th Anniversary. Library Board Secretary, Linda Champion and Library Director, Jean Slivka accepted the certificate and spoke briefly on this subject.

b) Fraser Public Schools Superintendent, Dr. Dave Richards and Board of Education President, Gerry Gauthier were present. Mr. Gauthier provided an update on the schools advising they are working on a new three year Strategic Plan. In addition, they plan to have a traffic light installed on Garfield by the high school and it should be in place by the end of the school year. He advised that enrollment has been increasing and is currently at 95%.

c) Finance Director, Tim McCulloch, provided a presentation on the City's current financial status. He noted a few items of concern such as budgets for winter maintenance (snow removal), Library and DPW building maintenance & Senior Housing repairs/maintenance.

Mayor Hagerty asked DPW Superintendent BJ VanFleteren about the status of the salt. Mr. VanFleteren advised they have enough currently but has been in contact with another community if additional salt is needed before the end of the season. BJ also advised Council that the tennis courts are in dire need of repair and he has received quotes. Parks, including Fort Fraser, are also in need of maintenance.

Member Carnagie inquired whether any capital improvements were anticipated for the Baumgartner House. Mr. McCulloch advised nothing has been presented yet but this is usually discussed by their Board in the spring. Member Carnagie asked about a new City Hall roof and Mr. VanFleteren advised it should be ok for the next few years. Member Carnagie thanked Mr. McCulloch for his presentation and requested a copy of the pie chart used during the presentation be provided to Council.

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6. Public Hearings

a) Public Hearing and City Council consideration to approve a resolution allocating Community Development Block Grant Funds for 2014.

Mayor Hagerty opened the Public Hearing at 7:59 p.m. Audience participation requesting funding is listed below:

Maggie Varney, Wigs 4 Kids
John Miller, St Vincent DePaul
Dorie Vazquez-Nolan – CARE House
Timothy Stockard – HOPE Center
Cathy Goodrich – Macomb County Warming Center
BJ VanFleteren – DPW Superintendent spoke relative to needs for Senior Activity Center maintenance and repairs for roof, parking lot, roof top units, cement and building painting.

Mayor Hagerty closed the Public Hearing at 8:46 p.m.

Mayor Hagerty moved, seconded by Member Carnagie, to ALLOCATE \$2,500 EACH TO SOCIETY OF ST VINCENT DEPAUL, WIGS 4 KIDS OF MICHIGAN, MACOMB COUNTY WARMING CENTER, HOPE CENTER IN MACOMB, AND CARE HOUSE FOR A TOTAL OF \$12,500. DROP THE CHORE PROGRAM AND GIVE THE BALANCE OF \$167,500 TO D.P.W. FOR REPAIRS TO THE SENIOR CENTER.

RESOLUTION

RESOLVED, whereby the Council of the City of Fraser approves the following projects for fiscal year (FY) 2014 Community Development Block Grant (CDBG) funding in a total amount of \$180,000.00; and further, hereby approves the sub-recipient agreements with the County of Macomb for the following projects:

Senior Activity Center	\$167,500
Care House	\$ 2,500
Hope Center in Macomb	\$ 2,500
Macomb County Warming Center	\$ 2,500
Society of St. Vincent dePaul	\$ 2,500
Wigs 4 Kids of Michigan	\$ 2,500

The motion carried unanimously.

7. Consent Agenda

Member Accavitti moved, seconded by Member Morelli, to APPROVE THE CONSENT AGENDA ITEMS WITH THE AMENDED MINUTES.

- a. Approval of Minutes of the Regular Council Meeting of 1/9/14.
- b. Approval of Minutes of the Special Council Meeting of 1/21/14.
- c. Approval of Bills for the Month of January 2014 in the amount of \$668,761.03
- d. Receive and file Minutes of the 11/18/2013 Library Board Meeting.
- e. Receive and file Minutes of the 12/3/13 Parks and Recreation Commission meeting.
- f. Receive and file Minutes of the 1/7/14 Parks and Recreation Commission meeting.
- g. Receive and file Minutes of the 11/20/13 Planning Commission meeting.
- h. Receive and file Minutes of the 5/16/13 Zoning Board of Appeals meeting.
- i. Receive and file Minutes of the 12/2/13 Historical Commission meeting.
- j. Reappointment of Bill Morelli as Acting Mayor

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- k. Reappointment of Frank Farina, Chris Hinkle and Mark Stimac to the Zoning Board of Appeals with terms to expire December 31, 2016.
- l. Reappointment of Sandra Caloia, Jerry Brown and Michael Lesich to the Parks and Recreation Commission with terms to expire December 31, 2016.
- m. Reappointment of Thomas Loy, Robert Neiborg and Edward Rickard to the Planning Commission with terms to expire December 31, 2016.

The motion carried unanimously.

8. Requests For Council Action

g. Report of the Administration on the Status of Pension Plan and Retiree Healthcare.

Manager Haberman provided a history of the current Pension Plan noting the plans have been underfunded since their inception and was not addressed. When he became trustee in 2010, he found several issues such as the Plan had not been submitted to the Internal Revenue Service, City Manager had majority of authority of the Board, and the mortality rate was out of date. Once a new pension attorney was hired, these issues were resolved.

According to the results of a recent study, moving to Municipal Employees' Retirement System could save the city \$300,000 so they are considering changing to MERS. Also, a modified hybrid of Defined Benefit and Defined Contribution could be offered and will be discussed with the Collective Bargaining Units.

Manager Haberman clarified the annual contribution and spoke of the unfunded actuarial liability. He stated although he is confident with the Plan, MERS can provide confidence to the city and employees with their expertise. Consensus of Council was to proceed with working toward moving to MERS and would like to have a Letter of Understanding from them.

Relative to the Retiree Healthcare, Manager Haberman spoke of the liability advising we are currently on the *pay as you go* plan. He noted the legal landscape is rapidly changing and Council will need to meet, perhaps in the Fall, to discuss a strategy prior to the next contract negotiations.

Mayor Hagerty and Member Cilluffo both agreed that a wait and see approach is best at this time and we should move cautiously.

a. Request Council approve resolution and deficit reduction plan for City Hall Bond debt.

Finance Director, Tim McCulloch, spoke briefly on this item.

Member Jennings moved, seconded by Member Cilluffo, to APPROVE A RESOLUTION AND DEFICIT REDUCTION PLAN FOR CITY HALL BOND DEBT.

RESOLUTION

WHEREAS, the City of Fraser's General Obligation Debt Service Fund has a \$182,714 deficit fund balance on June 30, 2013; and

WHEREAS, Act 140 of the Public Acts of 1971 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury.

NOW THEREFORE IT IS RESOLVED that the City of Fraser's legislative body adopts the following as the General obligation Debt Service Fund Deficit Elimination Plan:

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	2013-14	2014-15
FUND BALANCE (DEFICIT) - BEGINNING	(182,714)	(40,502)
REVENUES		
CURRENT TAXES-CITY HALL	534,000	443,484
CURRENT PERSONAL PROPERTY TAXES	96,000	78,306
INDUSTRIAL FACILITY TAX	23,000	21,384
OTHER REVENUE	135,700	138,450
TOTAL REVENUES	788,700	681,624
EXPENSES		
PRINCIPAL - 2010 GO UNLIMITED TAX BONDS	425,000	420,000
PRINCIPAL - 2012A BONDS	110,000	115,000
INTEREST - 2012A BONDS	25,700	23,450
INTEREST - 2010 GO UNLIMITED TAX BONDS	83,788	79,537
AGENT FEES	2,000	2,000
TOTAL EXPENSES	646,488	639,987
FUND BALANCE (DEFICIT) - ENDING	(\$40,502)	1,135

BE IT FURTHER RESOLVED, that the City of Fraser’s Finance Director submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

The motion carried unanimously.

- b. Request Council approve the purchase of a new server to replace current city and DPS servers at the cost not to exceed \$80,000. To be paid from Gambling Forfeiture account.**

Mike Wing, INACOMP, provided a short presentation explaining the new server. He stated the Public Safety server was purchased in 2006 and is outdated; the City Hall server was purchased in 2009 and is struggling with disk space. Mayor Hagerty inquired about a cloud based system and there was some discussion on the security and reliability of this system.

Member Jennings moved, seconded by Member Accavitti, TO APPROVE THE PURCHASE OF A NEW SERVER TO REPLACE THE CURRENT CITY AND DPS SERVERS AT THE COST NOT TO EXCEED \$80,000; TO BE PAID FROM THE GAMBLING FORFEITURE ACCOUNT.

The motion carried unanimously.

- c. Request Council approve a budget adjustment to increase the Gambling Forfeiture budget \$125,000 for purchase under agenda item 8b, construction of Public Safety kitchen and other miscellaneous equipment expenses.**

Member Cilluffo moved, seconded by Member Morelli, TO APPROVE A BUDGET ADJUSTMENT TO INCREASE THE GAMBLING FORFEITURE BUDGET \$125,000 FOR PURCHASE UNDER AGENDA ITEM 8b,

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CONSTRUCTION OF PUBLIC SAFETY KITCHEN AND OTHER
MISCELLANEOUS EQUIPMENT EXPENSES.

The motion carried unanimously.

- d. Request Council approve Energy Service Conversion project for DTE to replace 22 incandescent street lights with LED fixtures. Net cost after rebate of \$7,612. Annual energy savings of \$4,842. ROI 1.6 years. Funds from account #101-448-920-000 Street Lighting.**

Manager Haberman advised they plan to replace the lighting on Utica Road between 13 and 14 Mile Roads.

Member Accavitti moved, seconded by Member Morelli, TO APPROVE THE ENERGY SERIES CONVERSION PROJECT FOR DTE TO REPLACE 22 INCANDESCENT STREET LIGHTS WITH LED FIXTURE. NET COST AFTER REBATE OF \$7,612 WITH FUNDS TO COME FROM ACCOUNT 101-448-920-000 STREET LIGHTING.

The motion carried unanimously.

- e. Request Council review and discuss our Amusement License Fees / Ordinance.**

Member Morelli stated he spoke to the owner of a local laundromat who felt the fees charged were excessive; it was noted the individual was not present at tonight's meeting. Manager Haberman stated the costs were typical but these machines are normally located in bars. A regulating ordinance usually requires higher fees due to enforcement and not the machine because electronic devices could be used for gaming purposes. Attorney Dolan also noted ordinances such as this sometimes require more of the city's resources.

- f. Request Council renew the moratorium on medical marijuana through February 12, 2015.**

Attorney Dolan spoke on a recent case to clarify the City's legal control and recommends continuing the moratorium.

Member Morelli moved, seconded by Member Cilluffo, TO RENEW THE MORATORIUM ON MEDICAL MARIJUANA THROUGH FEBRUARY 12, 2015.

The motion carried unanimously.

9. Report of City Administration/Pending Items

Manager Haberman noted personal property tax assessments were discussed at a recent conference and city's will be reimbursed 100%. He also advised it was recently determined that Volunteer Firefighters will not be included in monitoring of hours for medical insurance.

10. Report of Mayor and City Council/New Business

Mayor and Council discussed various topics. Mayor Hagerty noted Member Hemelberg was not in attendance due to illness.

Mayor Hagerty moved, seconded by Member Carnagie, to APPROVE THE EXCUSED ABSENCE OF MEMBER HEMELBERG.

The motion carried unanimously.

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11. Citizen Participation - None

12. Adjournment

Member Accavitti moved, seconded by Member Carnagie, to ADJOURN THE
REGULAR COUNCIL MEETING OF THURSDAY, FEBRUARY 13, 2014
AT 10:41 P.M.

The motion carried unanimously.

Respectfully submitted,

Kathy Kacanowski, City Clerk

Doug Hagerty, Mayor

/kk