

Fraser City Council - Regular Meeting
Thursday – April 10, 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 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 moved, seconded by Member Cilluffo, TO REMOVE ITEM 8e FROM THE AGENDA.

The motion carried unanimously.

Member Accavitti requested 7f be corrected to denote April 25th as Arbor Day and Manager Haberman asked to change item 6a to 5b and 5b to 5c. This would allow the Public Hearing for an IFT to be heard prior to the lengthy budget and 5 year capital improvement plan presentation.

Member Cilluffo moved, seconded by Member Jennings, TO ACCEPT THE CORRECTION TO THE CONSENT AGENDA DENOTING APRIL 25TH AS ARBOR DAY AND MOVING ITEM 6a TO 5b AHEAD OF THE BUDGET PRESENTATION

The motion carried unanimously.

Member Carnagie moved, seconded by Member Morelli, TO APPROVE THE AGENDA AS AMENDED.

The motion carried unanimously.

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

a) Vania Apps, Fraser First Booster Club President, acknowledged the loss of Sandy Caloia and advised Mike Lesich has joined this group. She introduced Shannon Lauer, a fourth grade teacher at Emerson Elementary, and student Zack Lord. Zack shared his award winning poster with Council.

Ms. Apps introduced Sterling Brown and Tia Sam. Mr. Brown and Ms. Sam spoke briefly about a talent show they conducted recently to benefit the Barrier Free Park.

Ms. Linda Davis Kirksey provided an update on the progress of the park.

b) Public Hearing and Council Consideration to approve an Industrial Facilities Tax Exemption request from Monarch Industrial Group, located at 34021 James J Pompo Dr, in the amount of \$346,197.19 for the purchase of capital equipment. Applicant expects this to retain 12 current positions and provide for the addition of 40 new positions over the next two years. Mayor Hagerty opened the public hearing at 7:23 p.m.

Mike Hebert, President of Monarch Industrial Group, spoke on this request.

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Mayor Hagerty closed the public hearing at 7:30 p.m.

Member Morelli moved, seconded by Member Cilluffo, to APPROVE THE RESOLUTION FOR AN INDUSTRIAL FACILITIES TAX EXEMPTION FOR MONARCH INDUSTRIAL GROUP IN THE AMOUNT OF \$346,197.19 FOR A PERIOD OF 12 YEARS.

Resolution Approving Application of Monarch Industrial Group, LLC
For Industrial Facilities Exemption Certificate
For 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, Monarch Industrial Group has filed an application for an Industrial Facilities Exemption with respect to personal property to be acquired and installed within the Industrial Development District 1; and

WHEREAS, before acting on said application the City of Fraser held a hearing on April 10, 2014 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 of 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 Monarch Industrial Group 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:

11-32-276-012
CATALLO INDUSTRIAL PARK LOT 10. L77 PP1-3. CITY OF FRASER
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: 6
NAYES: 0
ABSENT: 1

RESOLUTION DECLARED ADOPTED.

The motion carried unanimously.

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c) Manager Haberman presented a draft fiscal year 2015-2015 budget explaining the budget is a policy document where Council prioritizes goals. He spoke of goals accomplished in 2013/2014 and what to expect in the upcoming fiscal year. He provided some long term solutions such as privatizing trash pickup or implementing a 1 mil library millage.

Manager Haberman provided a five year estimated budget. He noted Public Safety forfeiture funds are a contingency and he does not want to depend on this for balancing the budget. Mayor Hagerty advised he would prefer a three year plan be made available to Council before the next workshop, along with an inflationary aspect. He also provided a summary of the budget process for the benefit of residents.

A Capital Improvement presentation was provided by Manager Haberman. He stated the City has ignored capital expenditures for several years and the number of water breaks have increased in frequency and scope. He spoke of aging equipment and failing roads noting failure to adequately budget for capital improvements creates a silent deficit. The city has 43 miles of local streets, more than 63 miles of water lines and over 73 miles of sewer lines, most over 50 years old. The cost of replacing water and sewer lines is approximately 1 million per mile. He stated Council could consider a bond issue for 15.7 million to pay for infrastructure; this requires approval by Council to take to a vote of the people.

Manager Haberman explained how roads are selected for repairs (mix of fixes). He also spoke of the industrial park noting a geotechnical study was completed last November. Since these streets are internal service roads, paying for improvements should be limited to those who benefit from the improvement. We can either create a special assessment district or tax increment financing authority (TIFA). He explained more about these two options; the first must be approved by 51% of the property owners and the second requires Council action to enact.

Member Cilluffo stated he would like to see how the roads were rated. Manager Haberman explained everyone may not agree with the list; however, there may be drainage or other issues and there is a need to keep fair streets in good condition. Weight control of trucks and motor carrier enforcement was discussed with Public Safety Director Rouhib. He stated a motor carrier officer position could pay for itself due to extensive fines; however, no officers are currently trained, or interested, in this position. Attorney Dolan will check to see if we can lower weight limits locally as issues could arise for the businesses if limitations are imposed.

Member Jennings pointed out the bond would be for 20 years but only fixes 15% of the roads; she prefers a shorter, less aggressive bond. She would also like to review the rating system for the roads, list of patch roads and complaints from residents. She suggested having these streets re-driven with Council input. Mayor Hagerty voiced concern with having a Council member involved in the road selection since it would make it political. Member Cilluffo would like a summary included on the need for each road repair or replacement. Member Carnegie stated Council has yet to make a decision on the water bills.

6. Public Hearings

a) MOVED TO ITEM 5b

b) Member Accavitti moved, seconded by Member Carnegie, TO SET A PUBLIC HEARING FOR MAY 8, 2014 ON FISCAL YEAR 2014-2015 BUDGET.

The motion carried unanimously.

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7. Consent Agenda

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

- a. Approval of Minutes of the Regular Council Meeting of 3/13/14.
- b. Approval of Minutes of the Special Council Meeting of 3/25/14.
- c. Approval of Bills for the Month of March 2014 in the amount of \$1,317,792.67
- d. Receive and file Minutes of the 3/4/14 Parks and Recreation Commission meeting.
- e. Receive and file Minutes of the 3/5/14 Planning Commission meeting.
- f. Approval of Proclamation denoting April 25, 2014 as Arbor Day.
- g. Approval of Resolution seeking to adopt the MERS Defined Benefit plan and authorizing the City Manager to act on behalf of the City for completion of documents and transfer of assets.

The motion carried unanimously.

Member Carnagie inquired as to the status of transferring the pension plan to MERS and Manager Haberman explained this request will be brought before the Pension Board for approval.

8. Requests For Council Action

- a. Request Council award bid for heating and air conditioning maintenance and replacement to Johnson Thermol Temp.**

Member Jennings moved, seconded by Member Cilluffo, to AWARD THE BID FOR HEATING AND AIR CONDITIONING MAINTENANCE AND REPLACEMENT TO JOHNSON THERMOL TEMP.

The motion carried unanimously.

- b. Request Council approve the purchase of a new in-car camera system from L-3 Mobile-Vision, Inc. for \$61,385 including a 5 year warranty with funds to come from Gambling Forfeiture.**

Member Jennings moved, seconded by Member Carnagie, to APPROVE THE PURCHASE OF A NEW IN-CAR CAMERA SYSTEM FROM L-3 MOBILE-VISION, INC. FOR \$61,385 INCLUDING A 5 YEAR WARRANTY WITH FUNDS TO COME FROM GAMBLING FORFEITURE.

The motion carried unanimously.

- c. Request Council approve a budget amendment transferring \$61,500 from Gambling Forfeiture fund balance to Capital Outlays for the purchase of in-camera system.**

Member Jennings moved, seconded by Member Carnagie, to APPROVE A BUDGET AMENDMENT TRANSFERRING \$61,500 FROM GAMBLING FORFEITURE FUND BALANCE TO CAPITAL OUTLAYS FOR THE PURCHASE OF IN-CAR CAMERA SYSTEM.

The motion carried unanimously.

- d. Request Council set dates for special meetings for FY 2014-2015 Budget Workshops.**

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Member Accavitti moved, seconded by Member Morelli, to SCHEDULE A SPECIAL MEETING FOR APRIL 22, 2014 AT 7:00PM TO DISCUSS THE FISCAL YEAR 2014-2015 BUDGET. IF NECESSARY, A SECOND MEETING WILL BE HELD ON MAY 6, 2014 AT 7:00PM.

The motion carried unanimously.

- e. Request Council discuss and clarify intent to seek Requests for Qualifications for contracted professional services.**

THIS ITEM WAS REMOVED.

- f. Request Council discuss the future appointment of department heads not listed as Administrative Officers.**

Attorney Dolan stated clarification is needed since there is conflicting language relative to authority of appointments. City Charter indicates Administrative Officers are appointed by Council. Administrative Officers as listed as Clerk, Treasurer, Assessor, Attorney, Chief of Police and Fire Chief. Public Works Director and Assistant City Manager were added by Ordinance. He noted a couple of ordinances may need to be amended for clarification.

Mayor Hagerty indicated he would prefer Council interview and hire the City Manager, Public Safety Director, Finance Director, Public Works Director and Attorney. He would like the Administration to interview Assessor, Building Official, Clerk, Recreation Director and Library Director with final approval by Council. Attorney Dolan advised this would require a change in the City Charter and Mayor indicated that was not his intent. Attorney Dolan noted a couple of ordinances may need to be amended for clarification.

Mayor Hagerty moved, seconded by Member Accavitti, to HAVE ATTORNEY DOLAN PREPARE AN ORDINANCE FOR COUNCIL'S CONSIDERATION KEEPING THE CHARTER LANGUAGE THE SAME BUT ADDING, BY ORDINANCE, COUNCIL WILL APPOINT LIBRARY DIRECTOR AND RECREATION DIRECTOR.

The motion carried unanimously.

9. Report of City Administration/Pending Items

Manager Haberman stated he is working on water reports and infrastructure lists. He will provide this data to Council for review prior to the next workshop. He noted City Hall will be closed on Good Friday, April 18th.

10. Report of Mayor and City Council/New Business

Mayor and Council discussed various topics. Member Carnagie requested an update on the properties (formerly Ernie's gas station and Dairy Queen). Manager Haberman advised both projects should begin in the spring. The Planning Commission approved special land use so an oil change facility will be constructed on the gas station site.

Attorney Dolan asked Council if they would like to make a motion to excuse Member Hemelberg from the meeting; no motion was made.

11. Citizen Participation

Anna Cameron, 34273 Garfield Circle
Ken Immler, Hawk Industrial/Deluxe Development

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12. Adjournment

Member Accavitti moved, seconded by Member Carnagie, to ADJOURN THE
REGULAR COUNCIL MEETING OF THURSDAY, APRIL 10, 2014 AT
10:49 P.M.

The motion carried unanimously.

Respectfully submitted,

Kathy Kacanowski, City Clerk

Doug Hagerty, Mayor

/kk