

Fraser City Council - Regular Meeting
Thursday – May 8, 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,
Hemelberg, Jennings and Morelli
Absent: None
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 Cilluffo moved, seconded by Member Jennings, TO REMOVE ITEMS 8b AND 8c FROM THE AGENDA RELATIVE TO LIQUOR LICENSES.

The motion carried 5-2 with no votes by
Members Carnagie & Hemelberg

Mayor Hagerty moved, seconded by Member Morelli, to add item 8e (1) FOR THE PURPOSE OF REOPENING DISCUSSION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING.

The motion carried unanimously.

Member Jennings moved, seconded by Member Cilluffo, TO REMOVE ITEM 8g RELATIVE TO DISCUSSION OF CITY WATER BILLING AND RATE SYSTEM.

The motion carried 4-3 with no votes by
Hagerty, Accavitti & Hemelberg

Mayor Hagerty moved, seconded by Member Cilluffo, TO ADD ITEM 8a (1) REQUEST FOR COUNCIL TO APPROVE THE PURCHASE OF A PUBLIC SAFETY VEHICLE.

The motion carried unanimously.

Member Accavitti moved, seconded by Member Cilluffo, TO APPROVE THE AGENDA AS AMENDED.

The motion carried unanimously.

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

- a. Public Hearing for discussion of Fiscal Year 2014-2015 Proposed Budget.

Mayor Hagerty opened the public hearing at 7:06 p.m.

With no public to be heard, Mayor Hagerty closed the public hearing at 7:07 p.m.

7. **Consent Agenda**

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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 4/10/14.
- b. Approval of Minutes of the Special Council Meeting of 4/22/14.
- c. Approval of Bills for the Month of April 2014 in the amount of \$597,040.02
- d. Receive and file Minutes of the 3/3/14 Historical Commission meeting.
- e. Receive and file Minutes of the 3/10/14 Library Board meeting.

The motion carried unanimously.

8. Requests For Council Action

- a. Request Council approve the amendments of the Pension Plan as presented by the Pension Attorney and adopted by the Pension Board.**

Member Jennings moved, seconded by Member Carnagie, to APPROVE THE AMENDMENTS OF THE PENSION PLAN AS PRESENTED BY THE CITY MANAGER AND ADOPTED BY THE PENSION BOARD.

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The motion carried unanimously.

- a(1).Request Council approve the purchase of a 2014 Dodge Charger AWD in the amount of \$25,372.00. Total cost to be paid from Gambling Fund.**

Member Carnagie moved, seconded by Member Cilluffo, to APPROVE THE PURCHASE OF A 2014 DODGE CHARGER AWD IN THE AMOUNT OF \$25,372.00 WITH TOTAL COST TO BE PAID FROM GAMBLING FUND.

The motion carried unanimously.

- b. Request Council approve the new Class C and SDM license with Sunday sales permit (pm), dance entertainment permit and outdoor service (1 area) to be located at 33050 Utica, Fraser.**

THIS ITEM WAS REMOVED.

- c. Request Council approve the new Tavern License with Sunday sales permit located at 18050 15 Mile Road, Fraser.**

THIS ITEM WAS REMOVED.

- d. Request Council approve the purchase of fireworks for the annual City Picnic from Wolverine Fireworks Display, Inc. in the amount of \$9,500.**

Member Hemelberg moved, seconded by Member Accavitti, to APPROVE THE PURCHASE OF FIREWORKS FOR THE ANNUAL CITY PICNIC FROM WOLVERINE FIREWORKS DISPLAY, INC. IN THE AMOUNT OF \$9,500.

The motion carried unanimously.

- e. Request Council approve a budget amendment transferring \$-- from -- fund balance to Road Maintenance-Snow Removal.**

Member Accavitti moved, seconded by Member Hemelberg, to APPROVE A BUDGET AMENDMENT TRANSFERRING \$22,000 FROM MAJOR STREET AND \$38,000 FROM LOCAL STREET FUNDS TO ROAD MAINTENANCE-SNOW REMOVAL.

The motion carried unanimously.

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e(1).Request Council discuss Community Development Block Grant funding.

Mayor Hagerty voiced concern that the County redirected \$2500 allocated to the Society of St Vincent DePaul to the MCCSA CHORE program. Attorney Dolan explained the Society of St Vincent DePaul did not apply to the County for funding and, therefore, did not qualify so the County redirected the money back to the CHORE program.

Mayor Hagerty inquired whether the Council had any recourse as they may prefer to allocate this money elsewhere. Attorney Dolan suggested a Council representative and City Manager schedule a meeting with the County to discuss other allocation options. Mayor Hagerty, with Council consensus, requested the City Manager draft a letter to the County requesting a meeting to discuss this matter.

f. Request Council adopt the Fiscal Year 2014-2015 Budget.

Manager Haberman advised Council he was recently informed the city's worker compensation claims have been reduced and are best in the last 12 years. This has resulted in expected savings in premiums.

Member Carnegie voiced concern that \$400,000 savings is included in the proposed budget for the anticipated transfer of the pension plan to Municipal Employees Retirement System (MERS). Member Haberman stated he is optimistic the members will approve this transfer since the Pension Board unanimously approved the agreement. He noted that he will verify with MERS, but understands that if any collective bargaining unit decides not to transfer to MERS, they can set up their own pension plan. It was noted the savings is to the pension plan. A discussion ensued relative to MERS transfer.

Mayor Hagerty voiced his concerns relative to state shared revenue (EVIP), personal property tax (PPT) and also MERS. He requested additional wages for a full time DPW laborer at 2080 hours and a half time DPW supervisor at 1040 hours. His final concern with the proposed salary increases for administration. Manager Haberman advised Council that employees covered under collective bargaining agreements received at least one week additional vacation after negotiations.

Finance Director McCulloch explained the personal property taxes and tax bills. Mayor Hagerty stated he would prefer a 3.5% overall reduction in the budget to make up for the \$400,000 shortfall in the event units do not move to MERS. He stated Administration will need to decide where the reduction will come from. Manager Haberman requested Mayor clarify he would like to see a 3.5% reduction in the budget, addition of \$101,000 for a new Public Works employee and addition of \$30,000 for a Public Works part time supervisor for a total \$600,000 cut in the budget; Mayor confirmed. Lengthy discussion ensued relative to DPW staffing needs.

Mayor Hagerty moved, seconded by Member Hemelberg, to ACCEPT THE BUDGET AS PRESENTED WITH TWO CAVEATS: ADDITION OF ONE FULL TIME DPW EMPLOYEE AND ½ TIME DPW SUPERVISOR WITH NO SALARY INCREASES. No vote taken at this time.

Discussion continued and Director McCulloch noted a reduction in either staffing or services will be required to adjust the budget and Council will need to provide direction. Mayor Hagerty stated he would like the Administration to decide on where the reductions will occur. His suggestions were either moving \$100,000

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from rainy day fund for one year or allocating already voted millages such as library. Mayor advised he will amend his motion as follows:

Mayor Hagerty moved, seconded by Member Hemelberg, to ACCEPT THE BUDGET OF 12.435 AS PRESENTED WITH THE ADDITION OF ONE FULL TIME DPW EMPLOYEE AND ½ TIME DPW SUPERVISOR, NO SALARY INCREASES, AND TRANSFER OF \$100,000 FROM RAINY DAY FUND BALANCE TO GENERAL FUND. No vote taken at this time.

Discussion continued on reducing fund balance. Manager Haberman stated we could maintain the current millage tax rate since City Hall bond is up this year for approximately the same cost. Member Jennings proposed including one week vacation for the two administrative employees instead of a salary increase. Member Cilluffo noted using City Hall bond will result in a tax increase. Mayor advised he will amend his motion as follows:

Mayor Hagerty moved, seconded by Member Hemelberg, to ACCEPT THE BUDGET OF 12.435 AS PRESENTED WITH THE ADDITION OF ONE FULL TIME DPW EMPLOYEE AND ½ TIME DPW SUPERVISOR, NO SALARY INCREASES, ADDITION OF ONE WEEK VACATION FOR TWO ADMINISTRATIVE EMPLOYEES AND A TAX NEUTRAL ON THE DEBT.

A roll call vote was taken:

Accavitti - yes	Hemelberg - yes	
Carnegie - no	Jennings - no	
Cilluffo - no	Morelli - no	
Hagerty - yes		The motion failed 3-4

At this time, 9:59 pm, Mayor Hagerty requested a short break. The meeting resumed at 10:08 pm.

Member Carnegie advised he would like to meet after the MERS meeting which is scheduled next week and Manager Haberman will provide Council with MERS discussion results.

Member Carnegie moved, seconded by Member Hemelberg, to POSTPONE THE FINAL BUDGET DISCUSSION AND SET A SPECIAL MEETING FOR WEDNESDAY, MAY 14, 2014 AT 7:00 PM.

The motion carried unanimously.

- g. Request Council discuss and develop consensus on changes to the city water billing and rate system.**

THIS ITEM WAS REMOVED.

- h. Request Council discuss and adopt CIP plan as presented by the Administration and/or give direction to the Administration on the plan.**

Mayor Hagerty suggested this item be postponed to a future date.

Manager Haberman stated there is another option of 2 mil. It will be on a pay as you go basis with a sunset provision. Consensus of Council was to have City Manager provide this as another option to review.

9. Report of City Administration/Pending Items

Manager Haberman spoke relative to worker compensation premiums and claims.

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10. Report of Mayor and City Council/New Business

Mayor and Council discussed various topics.

11. Citizen Participation

Jay Slazinski, Indoor Golf Clubs

12. Adjournment

Member Carnegie moved, seconded by Member Morelli, to ADJOURN THE
REGULAR COUNCIL MEETING OF THURSDAY, MAY 8, 2014 AT
10:34 P.M.

The motion carried unanimously.

Respectfully submitted,

Kathy Kacanowski, City Clerk

Doug Hagerty, Mayor

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