

Fraser City Council - Special Meeting
Tuesday – April 7, 2015 - 7:00 P.M.
Municipal Building

A Special 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 and Jennings
Absent: Council Member Morelli
Also Present: Richard Haberman, City Manager
Kathy Kacanowski, City Clerk
Jack Dolan, City Attorney

1. **Call Meeting to Order** - Mayor Hagerty called the special meeting to order at 7:00 p.m. Mayor noted Member William Morelli was absent.

2. **Pledge of Allegiance**

3. **Approval of Agenda**

Member Accavitti moved, seconded by Member Carnagie, TO APPROVE THE AGENDA AS PRESENTED.

The motion carried 6-0

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

5. **Presentations**

City Manager Haberman introduced the new Finance Director, Mary Jaganjac. He then began the budget presentation noting that since the former Finance Director left in December, the numbers are not current. He explained the Clerk's budget was reduced because a full time employee transferred to the Library last year and going forward a part time election clerk will be utilized at election time only.

He spoke of the management of cities from 1960 to 2000 and how we have been reducing personnel; however, this affects services. He explained that since Council has been adamant in the past they prefer not to contract or privatize certain services such as dispatch or ambulance, this will not be explored. He explained the City does not need to get back to where we were in 2007 since the organization has become leaner and smaller, but needs a tax rate that is sustainable and this will require a multi-year approach. He also stated that failure to budget for capital improvements creates a silent deficit.

Operating and personnel expenses will increase each year and legacy costs need to be addressed as well as infrastructure costs. He stated changing pre-65 retiree health care to match coverage active employees have would save \$388,422. In addition, we could adopt a 1 mil for the Library and 2 mil tax for trash.

City Manager stated there has not been much new development in the city and Mayor Hagerty noted the city of Birmingham has changed their zoning to allow larger homes to be built on lots where smaller houses were removed.

Member Cilluffo expressed his concern with the revenue side of the budget. Member Jennings stated most revenue losses occurred in the Public Safety, District Court and DPW and these departments should be required to explain why these losses occurred. She noted there is no money in the budget for salary increases and we may need to reduce staff. Manager Haberman noted in most cases if revenues are down, expenses are down and some accounts are pass through accounts.

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Member Carnegie was concerned with the Building Department budget and the high cost for vehicle, cell phone and part time wages since it was mentioned there is not much development occurring in the city. Manager Haberman stated most goes to code enforcement and many issues are resolved without receiving revenues from fines. Attorney Dolan stated that many communities are utilizing code enforcement because of the increase in non-owner occupied residences.

Manager Haberman will provide a five year budget to Council as is along with a budget that is aimed at getting to a level basis. Manager Haberman will work with the Finance Director to get the 2015-16 amended budget column accurate numbers. Manager Haberman stated he used figures from financial statements and was a little conservative, but is comfortable with the numbers.

It was noted that a few years ago the Library hired a company to collect past due fines and the Building Department was instructed to reconcile their bonds. Both departments received money; however going forward, there will not be much to collect. Manager Haberman also stated that when available, Public Safety assigns staff to attempt collection of outstanding court fees. Attorney Dolan mentioned that this attempt to collect money is occurring in several communities. Member Carnegie advised some communities offer to waive points if the fines are paid.

Manager Haberman explained that the City Clerk is retiring in May and he will bring his recommendation for a replacement to Council at the next meeting since this is a Council appointment.

6. Requests For Council Action

a. Request Council sets date(s) for 2015-2016 Budget review and discussion.

Consensus of Council is to schedule a special meeting for Tuesday, April 28, 2015 at 6:30pm.

7. Report of City Administration/Pending Items

Manager Haberman stated he had nothing else to report.

8. Report of Mayor and City Council/New Business - none

9. Citizen Participation - none

10. Adjournment

Member Carnegie moved, seconded by Member Hemelberg, to ADJOURN THE SPECIAL COUNCIL MEETING OF TUESDAY, APRIL 7, 2015 AT 8:47 P.M.

The motion carried 6-0

Respectfully submitted,

Kathy Kacanowski, City Clerk

Doug Hagerty, Mayor