

Fraser City Council - Special Meeting
Tuesday – April 28, 2015 - 6:30 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: None
Also Present: Richard Haberman, City Manager
Kathy Kacanowski, City Clerk

1. **Call Meeting to Order** - Mayor Hagerty called the special meeting to order at 6:30 p.m.
2. **Pledge of Allegiance**
3. **Discussion of Proposed Fiscal Year 2015-2016 Budget**

Manager Haberman provided a supplementary City Budget Presentation on the proposed fiscal year 2015-2016 budget. He explained that numbers for pension, along with other items, may be redistributed for the final budget; however, total numbers would not change.

The presentation provides a strategy to deal with the budget shortfall:

- a) Retiree healthcare changes for pre-65 retirees;
- b) Charging non-general fund account a 10% administration fee, similar to property taxes and water/sewer fund. Further clarification is that this is a transfer of funds or reallocation of funds and not actually new revenue.
- c) Create a Special Assessment District to pay for street lighting; 0.77 mills estimated.

These strategies would provide an end fund balance of \$1,702,246.

Member Jennings noted these suggestions were all provided by Plante Moran and are part of general accounting practices. Member Carnagie stated he would prefer an accurate number instead of estimated 0.77 although Manager Haberman stated this is very close to accurate.

Unaddressed issues are:

- a) Pension contributions and retiree healthcare, which are 35% of general fund
- b) Capital Expenditures for public property funds – no funds budgeted

Additional recommendations from Plante Moran:

- a) 3 mil tax for trash, recycling and other refuse services
- b) 1 mil for Library
- c) City eligible for PA 33 Public Safety millage.

Council can approve these millages and they will appear on taxes as separate specific services.

Manager Haberman stated we will need to set property tax rate at a sustainable rate for:

- a) New market realties
-Requires a multi year approach
-Operating and personnel expenses which will increase
- b) Legacy costs and infrastructure costs need to be addressed

Mayor Hagerty stated other options are available and he is open to suggestions. Member Jennings questioned Court's decrease in revenues and Public Safety Director George Rouhib spoke on behalf of this department. He stated revenues may have been overstated, ticket issuance has decreased due to staffing levels, and

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individuals are not paying their fines. He did note that ticket writing and arrests are currently increasing and Manager Haberman stated there may be an adjustment in the final budget. Public Safety overtime was discussed as well as impound release fees.

According to Member Jennings, Motor Pool gas increased but the city purchases whole sale and costs did not change much. Manager Haberman stated he was conservative as he cannot guess costs for upcoming months. It was mentioned the Enterprise lease remained the same but thought two cars would be removed from inventory. Manager Haberman stated we may purchase Assessing and Recreation cars with low mileage, give these to Public Works lease two new vehicles. Member Carnagie questioned whether leasing was still a value to the city and Manager Haberman affirmed it was. Member Carnagie also questioned Public Works Superintendent BJ VanFleteren on the cost of leaf pickup. BJ explained cost is approximately \$33,000 per year and noted seasonal workers have been utilized primarily for this task.

Member Hemelberg inquired whether a new hi ranger truck for DPW would be included in the budget since the current truck cannot be utilized. It was discussed that the truck would be leased and it could be ordered now but payments would not begin until July. This item will be placed this on the next agenda.

Member Cilluffo noted another piece of equipment needed is an asphalt machine. Cost is \$17,000 for a new machine to keep asphalt heated. This will also be placed on the May agenda.

Member Cilluffo asked Randy Warunek, Building Official, for suggestions on how to increase revenues in their department. It was noted that fines obtained do not always go to the Building Fund although they do some of the work. Randy also stated he is always under budget on expenditures and they are planning on replacing a part time and full time employee in the Building Department.

Library Director, Lorena McDowell, spoke regarding new shelving needed at the Library. Current shelving is in poor condition and the total cost for the most needed shelving is just under \$50,000. Member Jennings suggested using the money budgeted for books and materials on shelving instead; however, Lorena noted several books were outdated and new non-fiction books are needed.

Member Jennings favors the four recommended items and this was consensus of Council. Mayor Hagerty would like a better explanation on the Administration fee and Manager Haberman will provide a simplified version.

Member Hemelberg inquired what it would cost a homeowner for .077 mil increase. He was advised 1 mil equals \$50 per year so for a \$50,000 house, it would be approximately \$30 per year.

Member Hemelberg voiced concern with the budget numbers and that the state deadline is June 30th. Manager Haberman stated the budget must be adopted in May but can be adjusted afterward if necessary.

4. Citizen Participation on Proposed FY 2015-2016 Budget - none

5. Adjournment

Member Jennings moved, seconded by Member Carnagie, to ADJOURN THE SPECIAL COUNCIL MEETING OF TUESDAY, APRIL 28, 2015 AT 8:45 P.M.

The motion carried unanimously

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Respectfully submitted,

Kathy Kacanowski, City Clerk

Doug Hagerty, Mayor

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