

Minutes
Fraser City Council – Special Study Meeting
December 5th, 2017 @ 6:30pm

A Special Study 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 Pro-tem Blanke, Council Members Foster, Kalka, Lesich, Schornak and Winowiecki

Absent:

Also Present: D. Wayne O'Neal, City Manager
Kelly Dolland, City Clerk
Tim Tomlinson, City Attorney

1. Call Meeting to Order – Mayor Pro-tem Blanke called the regular meeting to order at 6:30pm

2. Pledge of Allegiance

3. Approval of Agenda

Member LESICH moved, second by Member KALKA, TO ADD AGENDA ITEM 6. AUDIENCE PARTICIPATION LIMITED TO A THREE MINUTE DIALOG.

Member LESICH moved, second by Member KALKA, TO APPROVE AGENDA AS AMENDED.

Motion carried 6-0

4. Requests for Council Study -

A. MEMBERSHIP IN EASTPOINTE/ROSEVILLE CHAMBER OF COMMERCE

Members Kalka and Winowiecki met and spoke with Linda Weishaupt regarding the many benefits of the Eastpointe / Roseville Chamber of Commerce. Member Kalka asked Council to consider joining for a cost of roughly \$288.00

Member LESICH moved, second by Member SCHORNAK, TO AMEND AGENDA TO INCLUDE DISCUSSION AND OR ACTION REGARDING EASTPOINTE ROSEVILLE CHAMBER OF COMMERCE.

Motion carried 6-0

Member KALKA moved, second by Member WINOWIECKI, TO APPROVE THE REQUEST OF COUNCIL TO JOIN THE EASTPOINTE / ROSEVILLE CHAMBER OF COMMERCE AT A COST OF \$288.00.

Motion carried 6-0

Member Schornak offered \$50 to offset cost.
Member Winowiecki offered \$50 to offset cost.
Member Kalka offered \$50 to offset cost.
City Manager Wayne O'Neal offered \$50 to offset cost.

Audience to be Heard:
Resident Gary Niedojadlo spoke on topic

B. 2017-2018 BUDGET UPDATE IN RESPONSE TO PA-33 FAILURE TO PASS

City Manager Wayne O'Neal spoke of the failure to pass PA-33 after affect, he pointed out the many concerned department heads, employees and union representatives in the audience, and that stated he could not cut

his way to a balanced budget. He stated the Finance Director recoded the 2017-2018 Budget, with the recoding he found many discrepancies, the fund balance is low and the City's cash flow is dangerously low. He also spoke of the impact of the advisory vote in November, thanked the city employees and many volunteers involved in PA-33. The information provided by the city was true whereas the campaign against PA-33 with filled with false information and very expensive. Council needed one vote to pass PA-33. Mr. O'Neal spoke of the Personal Property Tax refund, 'it was a very lucky win'.

C. RESTATEMENT OF CHART OF ACCOUNTS AND ISSUES RELATED TO REVENUES AND EXPENDITURES

Finance Director Tim Sadowski reclassified the chart of accounts for this year which will help the budget process next year. During the process he found short falls in the budget. Mr. Sadowski was concerned with the short falls in the budget, personal property reimbursement, tax revenues, capital elimination of budget helped reduce expenses, and a loss of \$1,116,000 from general fund. He also pointed out the city's fund balance / cash flow is low, the city money has enough funds to run 46 more days. Behind the scenes there is MERS and retiree healthcare expenses. The City has an unfunded pension plan. When the cash flow runs

out, the payments first stopped would be MERS, debt payments, contractors and the payroll.

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Member Schornak questioned MERS.

Mr. Sadowski stated the Emergency Manager/State will issue a loan, pay off loans, cancel contracts, end benefits, basically balance the budget through a loan and restructure the city.

Member Blanke spoke

Member Winowiecki spoke

Member Lesich spoke

D. PUBLIC SAFETY DEPARTMENT STAFF REDUCTIONS AND RESTRUCTURING

Public Safety Director George Rouhib spoke of the 26% staffing cut since 2005, a reduction of staff within reason, the assessment of safety needs, operation efficiencies, dispatch and revenue loss with the reduction of staff. Director Rouhib proposed to terminate eight positions.

Member Blanke spoke

Member Kalka spoke

Member Schornak spoke

Member Lesich spoke

Member Winowiecki spoke

Recess 8:53pm

E. RECREATION/SENIOR CENTER CLOSURE AND RELATED ISSUES

Director Christina Woods provided an overview of the Recreation / Activity Center, projects in-progress, the budget, reductions of service.

Member Foster spoke

Member Winowiecki spoke

Member Lesich spoke

Member Schornak spoke

Member Kalka spoke

Member Blanke spoke

F. SENIOR APARTMENT RENTAL RATES AND LOAN AGREEMENT FOR 2017 SUBSIDY

City Manager Wayne O'Neal proposed a rate increase based on the increase proposed to Council in 2015. Stated the general fund has been subsidizing the Senior Housing, tax payer dollars subsidize the housing.

Member Foster requested a projected forecast.

Member Kalka questioned how long has the Senior Housing been operating at a deficit? – over five years.

Mr. O'Neal stated the Finance Director will conduct a Performance Report on the Senior Housing.

Member Winowiecki spoke of Section 8 and HUD options.

G. MEETING WITH ROSEVILLE CITY MANAGER AND COST SHARING

City Manager O'Neal met with Roseville City Manager Scott Adkins regarding Smart Bus and Senior Center. He also spoke of the Clinton Township Recreation assistance with the Smart Bus. This is not an option, Fraser Tax dollars' support Fraser Smart Bus, not Clinton Township Smart Bus.... Cannot subsidize Fraser tax payer dollar in another community.

H. CLOSE CITY HALL ON FRIDAYS

City Manager O'Neal requested Council allow the City Manager the flexibility to maintain city business hours Monday-Thursday 8am – 4:30pm, closed Friday.

I. IT DEPARTMENT REDUCTIONS

IT Director Michele Kwiatkowski presented various cost cut savings equaling a total of \$82,522.00

Member Winowiecki spoke

Member Lesich spoke

J. DPW PROGRAM EXPENSES

Department of Public Works Director JB VanFleteren focused on six items; leaf program, tree removal, street sweeping, brush pickup, grass cutting and watering of flowers.

Member Schornak spoke

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Member Lesich spoke
Member Foster spoke
Member Blanke spoke

5. Council Comments

Member Foster state she would speak to Director Rouhib individually.
Member Kalka thanked the staff, spoke of the Chamber of Commerce.
Member Winowiecki spoke of the effects of the failure of PA-33.
Member Lesich thanked the department heads and Finance Director Tim Sadowski for his presentation.
Stated the City must look at the legacy cost and health care expenses.
Member Schornak spoke of the failure of PA-33 and offered the City a check.
Member Blanke thanked all department heads.

6. Citizen Participation

Resident Donna Reiner spoke on topic
Resident Roy Malone spoke on topic
Resident Gary Niedojadlo spoke on topic
Resident Kent Stonebreaker spoke on topic
Resident G. Lynch spoke on topic

7. Adjournment

Member LESICH moved, second by Member WINOWIECKI, TO ADJOURN THE SPECIAL STUDY COUNCIL MEETING OF DECEMBER 5TH, 2017 @ 11:22PM.

The motion carried unanimously,

Respectfully submitted,

Kelly Dolland, City Clerk

Kathy Blanke, Mayor Pro-tem