



City of Fraser

CENTENNIAL COMMUNITY

CITY MANAGER

Elaine Leven

CITY CLERK

Cindi Greenia

MAYOR

Michael Lesich

MAYOR PRO-TEM

Dana Sutherland

COUNCIL

Amy Baranski

Patrick O'Dell

Kenny Perry

Patrice Schornak

Sherry Stein

**FRASER CITY COUNCIL
SPECIAL BUDGET MEETING
CITY COUNCIL CHAMBERS
33000 GARFIELD, FRASER, MI 48026
TUESDAY, MAY 14, 2024 @ 6:30 P.M.
As Approved June 13, 2024**

A special meeting of the Fraser City Council was held on Tuesday, May 14, 2024, at 6:30 p.m. in City Council Chambers, 33000 Garfield, Fraser, MI 48026.

1. CALL TO ORDER

Mayor Lesich called the meeting to order at 6:31 p.m.

2. PLEDGE OF ALLEGIANCE

Mayor Lesich led the Pledge of Allegiance

3. ROLL CALL OF COUNCIL MEMBERS

The following members were present:

Lesich, O'Dell, Perry, Schornak, Stein, Sutherland

The following members were absent: Baranski

Motion by Lesich supported by Schornak to excuse Council Member Baranski from the meeting.

AYES: Lesich, O'Dell, Perry, Schornak, Stein, Sutherland

NAYS: None

Motion Carried

4. APPROVAL OF AGENDA

Motion by Schornak supported by O'Dell to approve the agenda of the May 14, 2024 Special City Council Meeting as presented/amended.

AYES: Lesich, O'Dell, Perry, Schornak, Stein, Sutherland

NAYS: None

Motion Carried

5. CITIZEN'S PARTICIPATION ON AGENDA ITEMS

Nothing at this time.

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6. NEW BUSINESS

a. DPW Fulltime Position Backfill

City Manager Leven addressed this item with City Council. It is a request to backfill a position that was vacated at the DPW. Historically in the past administration has come before City Council to get approval for these matters. On Monday someone in the DPW submitted his resignation and opened up this position.

Motion by O'Dell supported by Schornak to approve the backfilling of the D.P.W. Equipment Operator Position as submitted to City Council.

AYES: Lesich, O'Dell, Perry, Schornak, Stein, Sutherland

NAYS: None

Motion Carried

7. RETURNING BUSINESS

a. FY 2024-2025 Police and Fire SAD Millage Rates Resolution #2024-005

City Manager Leven opened discussion on the item by stating that the current budget has 2 mills that were levied for PA 33 which supports the Police and Fire Departments. She had recommended 2 mills in the DRAFT FY 24/25 budget as well. Since the last meeting it was discovered that the city would need to place an additional \$433,428 into MERS/OPEB. This was discovered by our Finance Director recently. That would change the projected fund balance left at the end of the FY 24/25.

Council Member O'Dell felt that in light of this new information we should leave the PA33 mills at 2.

Motion by O'Dell supported by Lesich to approve City of Fraser Resolution # 2024-005 as presented with two mills being levied for PA33.

Discussion on Motion

Council Member Schornak indicated she was willing to agree to one mill, although she preferred that 0 mills were levied. If she agreed to one mill she would like to see Council agree to \$1,500,000 being allocated to pay down our OPEB liability, \$4,000,000 being allocated to the Industrial Subdivision Roads and \$3,000,000 allocated to residential roads and infrastructure.

Discussion was had on what type of fund balance would be left if Council was to allocate funds in the manner suggested by Council Member Schornak. She felt that City Council should make a commitment to these expenditures. Particularly paying down the OPEB liability and the roads. Council needs to make a plan moving forward to address the needs in the City.

Mayor Lesich indicated he was in support of the \$1,500,000 to pay down OPEB liability as suggested by Council Member Schornak and he was also committed to the other two expenditures. He would like time to look into those matters further with guidance from our engineer and city administration. He was not committed to any certain dollar amount at this time.

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Further discussion was had on PA33 millage levied. Many concerns were raised as to what cutting it would mean, also concerns raised that we currently have a budget surplus and we need to spend that down.

Council Member Stein indicated that when she came to the meeting, she was in support of one mill, but after hearing of the \$433,428 increase in the budget she felt that 1.5 mills would be the best compromise. She would still be in favor of committing money to pay down OPEB.

At this time review of the fund balance, considering the additional expenditure for MERS/OPEB that was now going to be in this Fiscal Year's budget. Concern was had if they reduced PA 33 to one mill and committed to some form of expenditures on the Industrial Roads and residential roads and expenditure the fund balance would be quite small.

Council Member Stein stated she was willing to compromise at 1.5 mills levied for PA33.

VOTE ON MOTION

AYES: Lesich, O'Dell, Sutherland

NAYS: Perry, Schornak, Stein

Motion Fails

Motion by Stein supported by O'Dell to approve levying 1.5 mills for PA33 for the FY 24/25 Budget.

AYES: Lesich, O'Dell, Schornak, Stein, Sutherland

NAYS: Perry

Motion Carried

Motion by Lesich supported by O'Dell to levy .75 mills for PA33 on the Summer tax bill and .75 mills for PA33 on the Winter tax bill.

AYES: Lesich, O'Dell, Schornak, Stein, Sutherland

NAYS: Perry

Motion Carried

Motion by Schornak supported by Lesich to allocation an additional \$1,250,000 to OPEB/MERS Trust out of the general fund balance for the FY 24/25 budget year.

Council Member Schornak rescinded her motion Mayor Lesich rescinded his support

Motion by Lesich supported by Schornak to appropriate an additional \$1,250,000 to General Ledger Account Number 101-961-724.300 Retiree Healthcare OPEB Account for Fiscal Year 2024-2025.

AYES: Lesich, O'Dell, Schornak, Stein, Sutherland

NAYS: Perry

Motion Carried

b. FY 2024-2025 Budget Adoption Resolution #2024-006

Rob Barrett, DPW Supervisor was available to take questions regarding items in the DPW Proposed Budget. Mayor Lesich noted that no decision had been formally made

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on some of the items as follows:

Leaf Equipment
Wood Chipper
Stump Grinder
Backhoe

Mr. Barrett indicated that he and City Manager Leven had reviewed the leaf pick up issue in depth. They would like to put additional time and effort into the situation prior to recommending anything. He suggested at this time that the leaf equipment request be withdrawn from the budget. He anticipated bringing the matter back after a thorough investigation had been done so that City Council could make a good decision on this.

He then stated that a wood chipper was a very important piece of equipment. The one they currently had was a 2003. It was often in need of repair. This was a critical piece of equipment for our residents. The stump grinder was also a necessary piece of equipment. He reviewed that they spent over \$40,000 subbing stump grinding work out over the last four years.

The backhoe was about 20 years old. They have two backhoes currently and would like a third. This is the second highest priority behind the chipper. This is a need, not a want. Council Member Schornak stated she was 100% behind this.

Motion by Lesich supported by Sutherland to approve City of Fraser Resolution #2024-006 as presented.

AYES: Lesich, O'Dell, Perry, Schornak, Stein, Sutherland
NAYS:

Motion Carried

8. CITIZEN PARTICIPATION

Nothing at this time.

9. ADJOURNMENT

Motion by Lesich supported by Schornak to adjourn the meeting at 8:18 p.m.

AYES: Lesich, O'Dell, Schornak, Stein, Sutherland
NAYS: Perry

Motion Carried

Respectfully Submitted:

Cindi Greenia, Clerk
City of Fraser

Michael Lesich, Mayor
City of Fraser