



City of Fraser

CENTENNIAL COMMUNITY

CITY MANAGER

Elaine Leven

CITY CLERK

August Gitschlag

MAYOR

Michael Lesich

MAYOR PRO-TEM

Dana Sutherland

COUNCIL

Amy Baranski

Patrick O'Dell

Kenny Perry

Patrice Schornak

Sherry Stein

**FRASER CITY COUNCIL
CITY COUNCIL CHAMBERS
33000 GARFIELD, FRASER, MI 48026
THURSDAY, SEPTEMBER 26, 2024 @ 6:30 P.M.
SPECIAL MEETING**

A special meeting of the Fraser City Council was held on Thursday, September 26, 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 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

Mayor Lesich led the Pledge of Allegiance.

3. ROLL CALL OF COUNCIL MEMBERS

The following members were present:

Present: Baranski, Lesich, O'Dell, Perry, Schornak, Stein, Sutherland.

Absent:

OTHERS PRESENT:

City Manager Leven, DPW Superintendent Rob Barrett, DPW Supervisor Joe Gregory,
Deputy Clerk Greenia

4. APPROVAL OF AGENDA

Motion by Baranski supported by Stein to approve the agenda of the September 26, 2024 meeting of the Fraser City Council as amended.

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

NAYS: None

Motion Carried

**Fraser City Council Special Meeting
September 26, 2024**

5. CITIZEN PARTICIPATION ON AGENDA ITEMS

Ken Stonebreaker, 32309 Oxford Court was present to address the Council. He indicated he was in opposition to item 6a – Set Public Hearing Date and Time for Consideration of RZ23-03 – Sheetz Conditional Rezoning – even being on the agenda. The Planning Commission had heard this and were in opposition to it. He reviewed his concerns.

Vania Apps, 31641 York Street addressed the Council. She wanted to share her concern that the people in the area of the proposed Sheetz development get proper notice.

6. NEW BUSINESS

a. Set Public Hearing Date and Time for Consideration of RZ23-02 – Sheetz Conditional Rezoning Application

City Manager Leven went over the history of the proposed development and indicated that the attorneys had reviewed it and now it was ready to come before City Council to hold a public hearing for discussion and consideration of the item.

City Council discussed possible dates that they could meet in the end of October. Council agreed that October 30th was a good night for a meeting. City Manager Leven indicated that on October 30th Council Chambers were being used for Early Voting so it would not be available. She stated they had been looking at alternative sites to hold the meeting.

Discussion of time of the meeting, notification to residents and having a sign put up on the corner stating proposed conditional rezoning at this site. City Manager Leven stated that we would be sending out letters to residents within 300 feet of the property. They also talked about setting a time limit for public speaking at this meeting of perhaps three (3) minutes each with a possible additional two (2) minutes.

Motion by Stein supported by Sutherland to hold a public hearing for Consideration of RZ23-02 – Sheetz Conditional Rezoning Application on Wednesday, October 30, 2024 at 6:00 p.m. with a location to be determined, and adding that City Administration notifies everyone within 300 feet (or greater if they so choose) of the property

Public Comment on Motion

Paul Cilluffo, 31640 Cyril Court, stated his concerns with having the meeting somewhere other than City Council Chambers.

Council Member Perry wanted to make certain that the meeting would still be recorded. Mayor Lesich assured him that it would be. He wanted to make sure everyone had an opportunity to speak that wanted to.

Amy Pierson, 16640 14 Mile Road. She indicated her surprise that Council was even going to hold this meeting after the turn out at the Planning Commission on this item and the comments that were shared.

Mayor Lesich indicated that the applicant has the right to petition City Council to hear them.

**Fraser City Council Special Meeting
September 26, 2024**

Mark Richter, 16330 Gordon stated his concern was that everyone was notified of the Meeting. He did not care where it was as long as everyone was told about it and there was enough room for everyone.

Vote on Motion:

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

NAYS: None

Motion Carried

b. Utility Rate Presentation by Municipal Analytics

John Kaczor, Municipal Analytics, was present to review his findings on the Utility Rate Study. Mr. Kaczor began his presentation by sharing exactly what it was they were contracted to do – they were to build a rate model for the City for water and sewer billing rates.

They considered the total cost of the utilities and tried to figure out a rate that would be sufficient to recover the expenses. This included operations and maintenance, capital costs, debt costs, any other costs that are associated with this. The primary costs are what the City pays to GLWA (Great Lakes Water Authority) for the treated water as well as the wastewater that is sent to them for treatment. He reviewed the other debts.

Mr. Kaczor reviewed the report before City Council. He went into great detail in regards to how the costs were determined for each user – whether it be a single family or a large business. They were trying to equalize everyone's based cost based on their meter size.

He then referred to the chart showing that last study was done in 2017 by Plante Moran. There had been very little change in the rates since 2018-2019. Plante Moran had made suggestions for rate adjustments and the City had not followed these. In fact, the Ready to Serve charge for both water and sewer had not changed since 2019 at all. Rates have been very stagnant in the City. This is a process that needs to be reviewed and updated annually, not every five (5) years.

He reviewed the items they considered when figuring debt and cash reserves and what that meant to calculating the rates as well as the benefits of having a higher cash reserve including the possibility of obtaining grants to pay for capital improvements in our system.

He discussed the rate strategy they were recommending. They would recommend Maintaining what the City has now with a commodity charge as well as a ready to serve charge. They were recommending modifying the ready to serve charge. It is based On meter size and they were recommending shifting the ratios to the AWWA standard ratios over a three (3) year time period in the model to smooth out the increase over that time period. They were looking to increase the ready to serve charge to recover some of the fixed cost of the system. This will help the City's rate stability and cash reserves.

He reviewed why it was important to shift more cost to fixed costs rather than the variable costs. The users of the system had some control over the amount of water they consumed and that made it more difficult to rely on income from those numbers as they were always changing. He also went over the AWWA ratios and what they meant as to usage for each size of meter.

At this time, he shared what the proposed increases would look like in the model they were proposing. For a homeowner with a 5/8" meter and usage of 4.5 units

**Fraser City Council Special Meeting
September 26, 2024**

per month the increase would be about 9.4% in the total water and sewer bill. He discussed what increases for other meter sizes would be. A lengthy discussion was had on capital improvements, where money would come from for capital improvements, how using some of this funding would help rate increases smooth out.

He was recommending phasing these increases in over the next three (3) years. Discussion was had on the percentages of increase in the next year – was the Phasing in done in three (3) years. Mr. Kaczor stated that the 9.4% would be next year, then 8.6%, then 4.0% and similar increases. Further discussion was had on what things effected the proposed increase.

Mr. Kaczor then reviewed the implementation of this rate model. When did Council want to implement this? He gave them all the options of how they could choose to do this. He reminded them that the longer they wait either the more the rate increase would be or the less capital improvements they would be able to do. The model he proposed assumed a mid-year (January 1, 2025) rate increase and another one in July or October of next year – so that would be two (2) in the same calendar year. He was looking to them to give them direction on how this is to be implemented.

He will be revising the model based on feedback from City Council and City Administration. He reminded them again to stay on top of this, do it every year if possible. Annual updates are the best way to keep increases low. Discussion was had on the best way to move forward with it. City Council agreed that they understood there has to be some increase in rates. Discussion was had on paying cash for capital improvements versus bonding out for the expenses and other avenues to reduce these increases, possibly having a residential cost and a commercial cost might be a good idea.

Ken Stonebreaker, 32309 Oxford Court stated his concern with businesses in the City that had fire suppression without a meter on it. Discussion ensued.

Frank Farina, 15485 Grambling Drive. He was concerned with the amount of money in the reserve and how much that cost the residents and business owners in their water bills. He also noted his concern that someone with two (2) people in a house would be charged the same as a business with the same size meter.

Paul Cilluffo, 31640 Cyril Avenue, questioned the percent loss number that is billed to us from GLWA and we cannot account for. He felt this needed to be investigated closer.

Mr. Kaczor noted that any questions or requests that City Council may have should be directed to the City Manager and she would forward them to him.

Mayor Lesich thanked Mr. Kaczor for his efforts on this study. Mr. Kaczor stated he looked forward to some guidance from City Council on how they wanted to address this rate increase. He then added that he appreciated the staff's help during this study.

c. Set Public Hearing Date and Time for Consideration of Water and Sewer Rates for Fiscal Year 2024-2025

**Fraser City Council Special Meeting
September 26, 2024**

Mayor Lesich stated he would suggest that they have the public hearing on this at the Regular November Meeting of City Council.

Motion by Lesich supported by O'Dell to set the public hearing date and time for the consideration of water and sewer rates for Fiscal Year 2024-2025 for November 14, 2024 at 6:30 p.m.

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

NAYS: None

Motion Carried

7. ADJOURNMENT

Motion by Baranski supported by Schornak to adjourn the meeting at 8:25 p.m.

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

NAYS: None

Motion Carried

Respectfully Submitted:

Michael Lesich, Mayor
City of Fraser

Cindi Greenia, Deputy Clerk
City of Fraser