



City Of Fraser

CENTENNIAL COMMUNITY

MAYOR

Joseph Nichols

COUNCIL

Mayor Pro Tem Michael Carnagie

Acting Mayor Matt Hemelberg

Patrice M. Schornak

Yvette Foster

Kathy Blanke

Michael Lesich

CITY MANAGER

Richard E. Haberman

CITY CLERK

Kelly Ann Dolland

FRASER CITY COUNCIL – REGULAR MEETING THURSDAY – JANUARY 14, 2016 – 7:00 P.M. CITY HALL

OPENING PRAYER: Rev. Bradley A. Smith St. John Lutheran Church-Fraser, MI

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. CITIZEN PARTICIPATION ON AGENDA ITEMS
5. PRESENTATIONS –
 - a. Plante Moran – Fraser Finances
6. PUBLIC HEARINGS
 - a. Healthmark Industries Application for creation of Plant Rehabilitation Agreement.
7. CONSENT AGENDA
 - a. Approval of Minutes of the Regular Council Meeting of December 10, 2015.
 - b. Approval of Bills for the month of December 2015 in the amount of \$1,452,541.91.
 - c. Receive and file the minutes of December 1, 2015 meeting of Recreation Commission.
 - d. Request Council appoints Sarah Kelley, David Winowiecki and Laura Lesich to the Recreation Commission.

8. REQUESTS FOR COUNCIL ACTION –

- a) Request Council consider an Ordinance Amending and Revising in the Code Of Ordinances Chapter 32 Zoning adding under Section 32-134(1) Subparagraph J Permitting the Indoor Storage and Indoor Sale of Classic Automobiles, Providing for Definition, Regulations, Repealer, Severability, Penalties and Effective Date.
- b) Request the Council approve a budget amendment from Fund Balance to Account Number 101-101-757-000 in the amount of \$5,500 for the purchase of iPad devices for City Business.
- c) Request Council adopt addition to the Council Rules and Procedures addressing the process for appointment of an individual to fill a vacant seat on the City Council under Section 5.4 of the City Charter.
- d) Request the Council consider rule changes regarding the use of electronic devices during Council meetings as recommended by the Mayor, Mayor Pro Tem and Acting Mayor and adopt the Electronic Equipment and Internet Policy presented by the Administration for Council and Employees.
- e) Request Council Enter into Closed Session pursuant to 15.268 (a) of the Open Meetings Act to consider a review of the City Manager.

9. REPORT OF THE CITY ADMINISTRATION/PENDING ITEMS

10. REPORT OF MAYOR AND CITY COUNCIL/NEW BUSINESS

11. CITIZEN PARTICIPATION

12. ADJOURNMENT

(Posted Friday, January 8, 2016 at 4:30p.m.)

THE CITY OF FRASER WILL PROVIDE NECESSARY REASONABLE AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WITH DISABILITIES AT THE MEETING UPON FOUR DAYS NOTICE TO:
RANDY WARUNEK, BUILDING DEPARTMENT(586) 293-3100 EXT 154
IT IS THE POLICY OF THE CITY OF FRASER THAT NO PERSON, ON THE BASIS OF RACE, CREED, COLOR, RELIGION, NATIONAL ORIGIN, OR ANCESTRY, AGE, SEX, MARITAL STATUS, OR DISABILITY SHALL BE DISCRIMINATED AGAINST, EXCLUDED FROM PARTICIPATION, DENIED THE BENEFITS OF, OR OTHERWISE SUBJECTED TO DISCRIMINATION IN ANY PROGRAM OR ACTIVITY FOR WHICH IT IS RESPONSIBLE.

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



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To the Honorable Mayor and
Members of the City Council
City of Fraser, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fraser, Michigan, (the City), for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 26, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. As described in Note N to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, during the year ended June 30, 2015. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements of the governmental activities, business-type activities, and Water and Sewer Fund were:

- Management's calculation of the percentages for current and noncurrent compensated absence liabilities is based on an estimate of the percentage of employees' use of compensated absences.
- Management's calculation of the net other post-employment benefits obligation and allocation between the governmental activities and business-type activities is based on actuarial studies which utilized certain actuarial assumptions.
- The calculation of the net pension liability is based on an actuarial study which utilized certain actuarial assumptions. The allocation of the net pension liability between governmental activities and business-type activities is based on the contributions made to fund the liability.

The most sensitive estimate affecting the financial statements of the governmental activities, business-type activities, Water and Sewer Fund, and aggregate remaining fund information was:

- Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following schedule summarizes uncorrected misstatements of the financial statements that were proposed to management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

	Total Assets	Total Liabilities	Equity	Revenue	Expenses/ Expenditures	Change in Net Position/ Fund Balance
Opinion Unit: Governmental Activities						
Misstatements: Overstated accounts receivable	\$ (15,643)	\$ -	\$ (15,643)	\$ (15,643)	\$ -	\$ (15,643)
Overstated expenses	23,365	-	23,365	-	(23,365)	23,365
	<u>\$ 7,722</u>	<u>\$ -0-</u>	<u>\$ 7,722</u>	<u>\$ (15,643)</u>	<u>\$ (23,365)</u>	<u>\$ 7,722</u>
Opinion Unit: Business-Type Activities						
Misstatement: Understated accumulated depreciation	\$ (35,585)	\$ -0-	\$ (35,585)	\$ -0-	\$ 35,585	\$ (35,585)
Opinion Unit: General Fund						
Misstatements: Overstated accounts receivable	\$ (15,643)	\$ -	\$ (15,643)	\$ (15,643)	\$ -	\$ (15,643)
Overstated expenses	23,365	-	23,365	-	(23,365)	23,365
	<u>\$ 7,722</u>	<u>\$ -0-</u>	<u>\$ 7,722</u>	<u>\$ (15,643)</u>	<u>\$ (23,365)</u>	<u>\$ 7,722</u>
Opinion Unit: Water and Sewer Fund						
Misstatement: Understated accumulated depreciation	\$ (35,585)	\$ -0-	\$ (35,585)	\$ -0-	\$ 35,585	\$ (35,585)
Opinion Unit: Aggregate Remaining Fund Information						
Misstatement: Overstated cash/Understated payables	\$ (37,061)	\$ (37,061)	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The following material misstatement detected as a result of audit procedures was corrected by management: recording of due to other governmental units in the General Fund.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedule, and pension and other post-employment benefit schedules, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on it.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of City Council and management of the City of Fraser, Michigan, and is not intended to be, and should not be, used by anyone other than these specified parties.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

December 23, 2015

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS

To the Honorable Mayor and
Members of the City Council
City of Fraser, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fraser, Michigan (the City), as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City's internal control to be material weaknesses:

MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

During the audit, we generally provide assistance in identifying and calculating some of the many year-end accrual adjustments required to prepare financial statements in accordance with generally accepted accounting principles (GAAP), including the requirements of GASB Statement No. 34. Accruals represent adjustments other than cash activity that impact the accounting records (i.e., accrued liabilities, due to other governmental units, beginning fund balance, etc.).

While management provided several adjusting entries after the commencement of fieldwork, a material journal entry was also proposed to management during the audit for an adjustment to the amount due to other governmental units resulting from a tax tribunal. This issue was noted and reported in our audit comments last year, however significant improvement noted in that the current year required only one material adjusting journal entry while the previous year required 64 adjusting journal entries.

MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS - CONTINUED

We are pleased to assist in this process as we have expertise with these types of adjustments and reporting issues and can generally assist in a very cost-efficient manner. However, we bring this issue to your attention since it meets the definition of a material weakness in your internal control over financial reporting, as management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows (where applicable), including the proper recording of journal entries. Therefore, we recommend that the City continue to take steps to ensure that material journal entries are not necessary at the time future audit analysis is performed.

REVIEW OF PAYROLL

During the course of the audit, we noted that there is no review being performed of the changes or adjustments to payroll, (i.e., adding new employees, unusual fluctuation in hours). The last review was completed in November 2014.

We recommend that the City's management review the changes and adjustments for each pay period to ensure their accuracy.

BANK RECONCILIATIONS

Through discussions with management and observations during our preliminary audit fieldwork, we noted that bank reconciliations had not been completed for several months. Management is responsible for establishing, maintaining, and monitoring their procedures, including implementation of proper controls related to bank reconciliations. The City maintains a policy for bank reconciliations to be completed within two weeks of receipt of bank statements. To address this issue, the City contracted with an outside accounting firm to assist with the completion of the bank reconciliations prior to the commencement of year-end audit procedures.

Now that the bank reconciliations have been completed through the end of the fiscal year, we recommend that management assure that the bank reconciliations continue to be completed in a timely manner. All bank reconciliations should be completed the month after the bank statement is received and reviewed by someone other than the preparer.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City's internal control to be significant deficiencies:

COURT BOND RECONCILIATION

During the course of the audit, we noted that the open bond listing report from the 39th District Court did not agree to the City's general ledger. The difference was \$16,261. Activity for this account was recorded every 6 months as opposed to being recorded on a monthly basis. In addition, the general ledger activity was not provided to the Deputy Court Administrator for review; therefore, she did not realize there was an unreconciled difference. This issue was noted and reported in our audit comments last year.

We recommend that the City's Finance Director or Deputy Finance Director record the activity for the 39th District Court bond account on a monthly basis and provide a copy of the general ledger activity for the month to the Deputy Court Administrator at the 39th District Court for her review.

PURCHASING PROCEDURES

During the course of the audit, we noted that purchases over \$2,500 did not have the required purchase order completed. Management is responsible for establishing, maintaining, and monitoring their procedures, including implementation of proper controls involving purchases. The City maintains a policy that purchases over \$2,500 require a purchase order and three bids included as support. City policies are not being followed.

We recommend that the City adhere to the purchasing policies that are in place or alter their procedures while maintaining sufficient internal controls.

CHECK REGISTER APPROVAL

During the course of the audit, we noted that monthly registers for checks written from the Police Department were not being approved. Additionally, the check register for January 2015 was unable to be provided when initially requested. Management is responsible for establishing, maintaining, and monitoring their procedures, including implementation of proper controls involving the accounts payable process.

We recommend that the Police Department provide the Finance Department with a monthly check register for review and approval.

AUTHORIZED BANK ACCOUNT SIGNERS

During our audit it was noted that the former Finance Director remained an authorized signer on the bank accounts, with the exception of two (2) accounts, after he was no longer employed at the City. Management is responsible for establishing, maintaining, and monitoring their procedures, including implementation of proper controls over bank accounts.

We recommend that the City implement a review process to ensure authorized signors are properly updated on the bank accounts.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance:

BUDGET VARIANCES

As noted in the required supplementary information to the financial statements, various expenditures of the General Fund and total expenditures of the Major Streets Fund, Local Streets Fund, Ambulance Fund, and the Gambling Forfeiture Fund exceeded the amounts appropriated. A similar issue was noted and reported in our audit comments last year. It was also noted that the Local Streets Fund budgeted for a deficit of \$10,732. Michigan Public Act 621 of 1978, as amended, provides that the City adopt formal budgets for all applicable General and Special Revenue Funds, and shall not incur expenditures in excess of the amounts appropriated. Also, the Public Act requires amendments to be performed prior to incurring additional expenditures. The budget must include all anticipated expenditures and the related revenue and fund equity to fund these expenditures.

We recommend the City monitor expenditures against adopted budgets and make appropriate budget amendments as needed in the future. We also recommend that City Council review the budget to actual statements on a monthly basis to accurately track expenditures against their approved budget.

UNCLAIMED PROPERTY

During the course of the audit, we noted that several of the outstanding checks listing on the bank reconciliations were old and still outstanding. Some checks were written as far back as 2010. Michigan Public Act 29 of 1995 provides that the City report and escheat unclaimed property to the State of Michigan. Michigan Department of Treasury Numbered Letter 2009-1 also gives guidance on this subject. This issue was noted and reported in our audit comments last year.

We recommend that outstanding checks be reviewed on an annual basis and any checks that are outstanding for more than one year appropriately be escheated to the State of Michigan unless a replacement check can be issued to the payee.

LATE PAYROLL TAX PAYMENT

During the course of the audit, we noted that payroll taxes were not submitted within the required number of days and a late penalty was assessed. Management is responsible for establishing, maintaining, and monitoring their procedures, including implementation of proper controls involving payroll and payroll taxes.

We recommend that the City implement procedures to ensure that payroll taxes are submitted in a timely manner to avoid unnecessary fines and penalties.

This communication is intended solely for the information and use of management, the Honorable Mayor and Members of the City Council of the City of Fraser, Michigan, others within the City, and applicable departments of the State of Michigan, and is not intended to be, and should not be, used by anyone other than these specified parties.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

December 23, 2015

**City of Fraser
Macomb County, Michigan**

FINANCIAL STATEMENTS

June 30, 2015

City of Fraser

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City of Fraser

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Fraser, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fraser, Michigan (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fraser, Michigan, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note N to the financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, during the year. As a result, the financial statements now recognize the City's unfunded defined pension benefit obligation as a liability for the first time and more comprehensively and comparably measures the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). Our opinions are not modified with respect to this matter.

Also as discussed in Note N to the financial statements, the City implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, during the year. As a result, the City recognized a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and the pension and other post-employment benefits schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements, individual nonmajor special revenue fund budgetary comparison schedules, combining internal service fund financial statements, and combining fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, individual nonmajor special revenue fund budgetary comparison schedules, combining internal service fund financial statements, and combining fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, individual nonmajor special revenue fund budgetary comparison schedules, combining internal service fund financial statements, and combining fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

December 23, 2015

City of Fraser

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

As management of the City of Fraser, Michigan (the City), we offer readers of the financial statements a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015.

Financial Highlights

- The liabilities of the City of Fraser exceeded its assets at the close of the recent fiscal year by \$7,072,283. The City had a deficit in unrestricted net position of \$34,533,458 at the end of the fiscal year.
- As of the close of the current fiscal year, the City of Fraser's governmental funds reported combined ending fund balances of \$8,830,783, an increase of \$5,405,378 in comparison with the prior year.
- The City of Fraser's total long-term obligations increased by \$5,492,510 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Fraser's basic financial statements. The basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the City of Fraser's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City of Fraser's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fraser is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. This includes uncollected taxes and earned but unused leave time.

The Government-wide Financial Statements distinguish functions of the City of Fraser that are mainly supported by taxes and governmental activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Fraser include general government, public safety, public works, and recreation and culture. The business-type activities of the City of Fraser include the water and sewer system and senior citizen housing.

The Government-wide Financial Statements include not only the City of Fraser, but also a legally separate Downtown Development Authority and Economic Development Authority for which the City is financially accountable. Financial information for these entities is reported separately from the financial information presented for the primary government and due to their immateriality is included with the fiduciary funds.

The Government-wide Financial Statements can be found on pages 1-2 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fraser, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Fraser can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the Government-wide Financial Statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the general fund and street construction fund. These funds are considered to be major. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of Combining Statements elsewhere in this report.

A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the annual appropriated budget.

Proprietary Funds

The City of Fraser maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City of Fraser used enterprise funds to account for its water and sewer system and senior citizen housing. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Fraser's various functions. The City of Fraser uses internal service funds to account for its fleet of vehicles and healthcare.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide Financial Statements, because the resources of those funds are not available to support the City of Fraser's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Other information

The notes provide additional information that is essential to fully understand the data provided in the Government-wide and Fund Financial Statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the changes in the City's net pension liability and schedule of employer contributions. This information can be found on pages 41-42.

City of Fraser

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fraser, liabilities exceeded assets by \$7,072,283 at the close of the recent fiscal year.

By far the largest portion of the City of Fraser's net position reflects its investment in capital assets (for example, land, buildings, vehicles, office equipment, furniture, and other equipment); less any related debt used to acquire those assets that are still outstanding. The City of Fraser used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Fraser's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TABLE 1 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current Assets	\$ 4,924	\$ 4,225	\$ 4,007	\$ 2,968	\$ 8,931	\$ 7,193
Capital Assets, net	21,397	16,417	30,378	29,570	51,775	45,987
Total Assets	26,321	20,642	34,385	32,538	60,706	53,180
Deferred Outflows of Resources	2,903	791	252	88	3,155	879
Liabilities						
Current Liabilities	2,843	1,770	1,747	1,700	4,590	3,470
Non-current Liabilities	45,938	35,194	20,406	19,503	66,344	54,697
Total Liabilities	48,781	36,964	22,153	21,203	70,934	58,167
Net Position						
Net investment in capital assets	13,486	13,251	12,419	12,429	25,905	25,680
Restricted	1,490	1,696	86	-	1,576	1,696
Unrestricted (Deficit)	(34,533)	(30,478)	(21)	(1,006)	(34,554)	(31,484)
Total Net Position	<u>\$ (19,557)</u>	<u>\$ (15,531)</u>	<u>\$ 12,484</u>	<u>\$ 11,423</u>	<u>\$ (7,073)</u>	<u>\$ (4,108)</u>

Governmental Activities' net position decreased by \$4,025,552 compared to the prior fiscal year. As the City complies with recent changes to the accounting standards, recognition of the net pension liability has found its way to our balance sheet. The 2014 columns reported above have been restated from last year to reflect the recording of the net pension liability and related deferred outflows of resources.

Reviewing the financial data within the Business-Type Activities, the City continues to make significant progress in improving net position over the past few years. The total net position has increased by \$1,060,992, while the unrestricted portion of net position has decreased by approximately \$10,000. Within the Water and Sewer Fund, the City is constantly reviewing its rate structure to ensure the system is covering current expenses and as well as preparing for future projects.

City of Fraser

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

TABLE 2 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Program Revenue:						
Charges for Service	\$ 3,613	\$ 2,937	\$ 8,086	\$ 7,105	\$ 11,699	\$ 10,042
Operating Grants and Contribution	1,071	881	-	-	1,071	881
Capital Grants and Contributions	228	-	111	-	339	-
General Revenue:						
Property Taxes	9,417	9,337	-	-	9,417	9,337
State-shared Revenue	1,306	1,272	-	-	1,306	1,272
Unrestricted Investment Earnings	25	7	2	13	27	20
Transfers and Other Revenue	41	204	-	(136)	41	68
Total Revenue	15,701	14,638	8,199	6,982	23,900	21,620
Program Expenses						
General Government	2,970	3,073	-	-	2,970	3,073
Public Safety	11,212	9,180	-	-	11,212	9,180
Public Works	3,185	3,945	-	-	3,185	3,945
Health and Welfare	803	646	-	-	803	646
Recreation and Culture	1,356	1,097	-	-	1,356	1,097
Community and Economic Development	22	23	-	-	22	23
Interest on Long-term Debt	178	121	-	-	178	121
Water and Sewer	-	-	6,797	6,353	6,797	6,353
Senior Housing	-	-	341	328	341	328
Total Program Expenses	19,726	18,085	7,138	6,681	26,864	24,766
Change in Net Position	\$ (4,025)	\$ (3,447)	\$ 1,061	\$ 301	\$ (2,964)	\$ (3,146)

Business-type Activities

Capital assets for business-type activities increased by \$808,472 compared to the prior year. The increase relates to continued work completed by the Oakland Macomb Drainage District and the water main replacement taking place on Utica Road between 13 and 14 Mile Roads offset by depreciation expense.

For the fourth consecutive year, the Water and Sewer Fund ended the fiscal year with a positive cash balance. This has been the result of ensuring the utility rates reflect the true cost of the water and sewer system. The ultimate goal is to maintain a fund balance that will cover at least two months' of expenses along with an adequate amount to maintain the City's aging system through annual capital improvement projects.

Financial Analysis of the City of Fraser's Funds

As noted earlier, the City of Fraser uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Governmental funds

As of the end of the current fiscal year, the City of Fraser's governmental funds reported combined ending fund balances of \$8,830,783. The unassigned general fund balance of \$1,656,334 computes to 13.54 percent of the 2015-16 general fund budget. The Government Finance Officers Association recommends, at a minimum, that general purpose governments, regardless of size, maintain unrestricted fund balance in their General Fund of no less than two months of regular General Fund expenditures.

Proprietary funds

The City of Fraser's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. Total net position of the Water and Sewer Fund as of June 30, 2015, amount to \$10,522,351, while the unrestricted portion of the net position at the end of the year amounted to a deficit of \$136,324. Last year's unrestricted portion within that particular fund was \$482,671. The senior citizen housing complex ended with unrestricted net position totaling \$115,296, up from \$107,896 in the prior year.

General Fund Budgetary Highlights

City Council, City Administration, and Department Heads continue to work hard to stay on budget. Even as budgetary expenditures have been decreased over the past two years, the same level of service continues to be provided by the City. During the course of 2014-15, the general fund revenues came in \$459,988 less than expected. The most significant variances were noted for property tax revenue and district court revenue. In an \$11.8 million dollar budget, expenditures were \$127,354 less than budgeted. The net between budgetary revenue and expenditures for 2014-15 was \$332,634.

Capital Assets

The City of Fraser's net investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$46,538,199 (net of accumulated depreciation). The net investment in capital assets includes land, buildings and system improvements, vehicles, equipment, park facilities, intangible assets, and streets. A majority of the capital asset activity is associated with the gravity flow sewer project. Further details regarding capital assets may be found in Note E.

Long-Term Debt

At the end of the current fiscal year, the City had totaled bonded debt outstanding of \$24,596,290, backed by the full faith and credit of the government. Its purpose is attributable to both governmental (\$7,575,000) and business-type activities (\$17,021,290) at year end. In addition, the City has entered into various installment purchase agreements for equipment and has accrued liabilities for compensated absences.

During the year, the City issued bonds and entered into a new installment purchase agreement totaling \$6,934,102 and made principal payments totaling \$1,512,295. See Note F for additional information regarding long-term debt.

Economic Factors and Next Year's Budgets

The economy continues to be a prominent factor in the City of Fraser's financial condition and upcoming budgets. Property values sharply declined over the past few years, and the City's revenue garnered by property taxes has grown considerably smaller. The good news is that property values are starting to stabilize. The City is still projecting a slight increase in property values for the upcoming 2015-16 budget cycle. The Headlee Amendment limits this increase to 0.3 percent, and with cost of goods and services increasing 1 to 2 percent in 2016, this dynamic will presents a continuous challenge in the future.

City of Fraser

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Requests for Information

This financial report is intended to provide the City's citizens, taxpayers, customers, and investor with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, we invite you to contact the administration offices at city hall.

BASIC FINANCIAL STATEMENTS

City of Fraser

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,827,319	\$ 596,126	\$ 3,423,445
Restricted cash and cash equivalents	8,097	86,363	94,460
Investments	1,860,739	-	1,860,739
Receivables	228,064	1,589,914	1,817,978
Due from other governmental units	757,837	-	757,837
Internal balances	(1,722,112)	1,722,112	-0-
Due from others	520,846	-	520,846
Prepays	443,569	12,279	455,848
Total current assets	4,924,359	4,006,794	8,931,153
Noncurrent assets			
Restricted cash and cash equivalents	5,237,253	-	5,237,253
Capital assets not being depreciated	5,193,928	837,043	6,030,971
Capital assets being depreciated, net	10,965,702	29,541,526	40,507,228
Total noncurrent assets	21,396,883	30,378,569	51,775,452
TOTAL ASSETS	26,321,242	34,385,363	60,706,605
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,903,262	252,456	3,155,718
LIABILITIES			
Current liabilities			
Accounts payable	591,400	472,070	1,063,470
Accrued liabilities	147,034	23,591	170,625
Due to other governmental units	121,704	-	121,704
Unearned revenue	10,967	-	10,967
Accrued interest payable	39,189	119,851	159,040
Current portion of compensated absences	557,432	3,060	560,492
Current portion of long-term debt	1,375,926	1,128,405	2,504,331
Total current liabilities	2,843,652	1,746,977	4,590,629
Noncurrent liabilities			
Net pension liability	18,409,690	1,600,842	20,010,532
Net other post-employment benefits obligation	20,533,772	1,974,501	22,508,273
Noncurrent portion of compensated absences	459,188	-	459,188
Noncurrent portion of long-term debt	6,535,063	16,830,921	23,365,984
Total noncurrent liabilities	45,937,713	20,406,264	66,343,977
TOTAL LIABILITIES	48,781,365	22,153,241	70,934,606
NET POSITION			
Net investment in capital assets	13,485,894	12,419,243	25,905,137
Restricted			
Streets and highways	202,181	-	202,181
Public safety	1,229,607	-	1,229,607
Debt service	58,915	86,363	145,278
Unrestricted	(34,533,458)	(21,028)	(34,554,486)
TOTAL NET POSITION	\$(19,556,861)	\$ 12,484,578	\$(7,072,283)

See accompanying notes to financial statements.

City of Fraser

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 2,970,004	\$ 1,859,600	\$ 140,212	\$ -	\$ (970,192)	\$ -	\$ (970,192)
Public safety	11,212,085	916,953	15,143	-	(10,279,989)	-	(10,279,989)
Public works	3,185,349	326,989	815,652	-	(2,042,708)	-	(2,042,708)
Health and welfare	802,924	350,162	-	-	(452,762)	-	(452,762)
Community and economic development	22,287	-	90,900	-	68,613	-	68,613
Recreation and culture	1,355,821	158,888	8,606	227,920	(960,407)	-	(960,407)
Interest on long-term debt	177,352	-	-	-	(177,352)	-	(177,352)
Total governmental activities	19,725,822	3,612,592	1,070,513	227,920	(14,814,797)	-0-	(14,814,797)
Business-type activities							
Water and Sewer	6,797,426	7,559,594	-	110,858	-	873,026	873,026
Senior Citizen Housing Complex	340,800	526,734	-	-	-	185,934	185,934
Total business-type activities	7,138,226	8,086,328	-0-	110,858	-0-	1,058,960	1,058,960
Total primary government	<u>\$ 26,864,048</u>	<u>\$ 11,698,920</u>	<u>\$ 1,070,513</u>	<u>\$ 338,778</u>	(14,814,797)	1,058,960	(13,755,837)
General revenues							
Property taxes					9,416,874	-	9,416,874
State shared revenues					1,305,929	-	1,305,929
Investment earnings					25,446	2,032	27,478
Miscellaneous					40,996	-	40,996
Total general revenues					10,789,245	2,032	10,791,277
Change in net position					(4,025,552)	1,060,992	(2,964,560)
Restated net position, beginning of the year					(15,531,309)	11,423,586	(4,107,723)
Net position, end of the year					<u>\$(19,556,861)</u>	<u>\$ 12,484,578</u>	<u>\$ (7,072,283)</u>

See accompanying notes to financial statements.

City of Fraser
Governmental Funds
BALANCE SHEET
June 30, 2015

	General Fund	Street Construction Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 991,203	\$ -	\$ 1,558,146	\$ 2,549,349
Restricted cash and cash equivalents	8,097	5,237,253	-	5,245,350
Investments	1,523,138	-	337,601	1,860,739
Receivables				
Accounts	55,718	-	-	55,718
Taxes	165,710	-	-	165,710
Special assessments	4,477	-	-	4,477
Due from other governmental units	590,221	-	167,616	757,837
Due from other funds	468,169	-	-	468,169
Due from others	520,846	-	-	520,846
Prepays	430,158	-	13,411	443,569
TOTAL ASSETS	\$ 4,757,737	\$ 5,237,253	\$ 2,076,774	\$ 12,071,764
LIABILITIES				
Accounts payable	\$ 363,182	\$ 81,975	\$ 9,767	\$ 454,924
Accrued liabilities	139,442	-	7,592	147,034
Due to other funds	1,798,217	-	468,169	2,266,386
Due to other governmental units	119,471	-	2,233	121,704
Unearned revenue	10,967	-	-	10,967
TOTAL LIABILITIES	2,431,279	81,975	487,761	3,001,015
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	239,966	-	-	239,966
FUND BALANCES				
Nonspendable				
Prepays	430,158	-	13,411	443,569
Restricted				
Streets and highways	-	5,155,278	200,325	5,355,603
Public safety	-	-	1,229,607	1,229,607
Debt service	-	-	98,104	98,104
Assigned				
Health and welfare	-	-	18,508	18,508
Debt service	-	-	29,058	29,058
Unassigned	1,656,334	-	-	1,656,334
TOTAL FUND BALANCES	2,086,492	5,155,278	1,589,013	8,830,783
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,757,737	\$ 5,237,253	\$ 2,076,774	\$ 12,071,764

See accompanying notes to financial statements.

City of Fraser

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2015

Total fund balances - governmental funds \$ 8,830,783

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 89,908,333	
Accumulated depreciation is	<u>(73,995,418)</u>	
Capital assets, net		15,912,915

Long-term receivables are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.		239,966
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An internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the government-wide statement of net position		447,113
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Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions		2,903,262
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Compensated absences	(1,014,286)	
Accrued interest payable	(39,189)	
Long-term obligations	(7,893,963)	
Net pension liability	(18,409,690)	
Net other post-employment benefits obligation	<u>(20,533,772)</u>	
		<u>(47,890,900)</u>

Net position of governmental activities \$(19,556,861)

City of Fraser

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2015

	General Fund	Street Construction Fund	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ 8,612,058	\$ -	\$ 1,069,642	\$ 9,681,700
Licenses and permits	361,453	-	-	361,453
Intergovernmental				
Federal	114,649	-	86,869	201,518
State	1,379,465	-	853,920	2,233,385
District Court and Violations Bureau	683,088	-	-	683,088
Charges for services	569,241	-	320,148	889,389
Fines and forfeitures	85,249	-	677,242	762,491
Interest and rents	181,126	-	2,915	184,041
Other	427,532	-	47,753	475,285
TOTAL REVENUES	12,413,861	-0-	3,058,489	15,472,350
EXPENDITURES				
Current				
General government	2,027,859	-	-	2,027,859
Public safety	6,084,481	-	467,304	6,551,785
Public works	1,365,940	-	821,188	2,187,128
Health and welfare	-	-	693,576	693,576
Community and economic development	19,252	-	-	19,252
Recreation and culture	970,550	-	-	970,550
Other	1,962,873	-	-	1,962,873
Capital outlay	-	22,549	242,599	265,148
Debt service	-	97,737	584,882	682,619
TOTAL EXPENDITURES	12,430,955	120,286	2,809,549	15,360,790
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,094)	(120,286)	248,940	111,560
OTHER FINANCING SOURCES (USES)				
Transfers in	365,799	-	362,587	728,386
Transfers out	-	-	(710,132)	(710,132)
Bond proceeds	-	5,135,000	-	5,135,000
Bond premium	-	140,564	-	140,564
TOTAL OTHER FINANCING SOURCES (USES)	365,799	5,275,564	(347,545)	5,293,818
NET CHANGE IN FUND BALANCES	348,705	5,155,278	(98,605)	5,405,378
Restated fund balances, beginning of year	1,737,787	-	1,687,618	3,425,405
Fund balances, end of year	\$ 2,086,492	\$ 5,155,278	\$ 1,589,013	\$ 8,830,783

See accompanying notes to financial statements.

City of Fraser

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Net change in fund balances - total governmental funds **\$ 5,405,378**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$	506,387
Depreciation expense		<u>(826,522)</u>

Excess of depreciation expense over capital outlay	(320,135)
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An internal service fund is used by management to charge the costs of certain activities to individual funds. The net position of the internal service fund increased in the current period. 17,183

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In the current period, these amounts costs of:

Change in unavailable revenue	227,920
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Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current period, these amounts consist of:

Debt principal retirement	514,950
Bond proceeds	(5,135,000)
Bond premium	<u>(140,564)</u>

(4,760,614)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

(Increase) in net pension liability	(2,868,093)
(Increase) in accrued interest payable	(9,683)
Decrease in compensated absences	69,209
(Increase) in other post-employment benefits obligation	(3,899,164)
Increase in deferred outflows of resources related to pensions	<u>2,112,447</u>

(4,595,284)

Change in net position of governmental activities **\$ (4,025,552)**

City of Fraser

Proprietary Funds

STATEMENT OF NET POSITION

June 30, 2015

	Business-type Activities			Governmental
	Nonmajor		Total Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	Senior Citizen Housing Complex Fund		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 430,758	\$ 165,368	\$ 596,126	\$ 277,970
Restricted cash and cash equivalents	86,363	-	86,363	-
Accounts receivable	-	-	-0-	2,159
Customer receivables	1,589,914	-	1,589,914	-
Due from other funds	1,722,112	-	1,722,112	76,105
Prepaid expenses	12,279	-	12,279	-
Total current assets	3,841,426	165,368	4,006,794	356,234
Noncurrent assets				
Capital assets not being depreciated	12,043	825,000	837,043	-
Capital assets being depreciated, net	27,489,595	2,051,931	29,541,526	246,715
Total noncurrent assets	27,501,638	2,876,931	30,378,569	246,715
TOTAL ASSETS	31,343,064	3,042,299	34,385,363	602,949
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	252,456	-	252,456	-
LIABILITIES				
Current liabilities				
Accounts payable	425,374	46,696	472,070	136,476
Accrued liabilities	22,704	887	23,591	-
Accrued interest payable	117,362	2,489	119,851	-
Current portion of compensated absences	3,060	-	3,060	2,334
Current portion of long-term debt	873,405	255,000	1,128,405	17,026
Total current liabilities	1,441,905	305,072	1,746,977	155,836
Noncurrent liabilities				
Net pension liability	1,600,842	-	1,600,842	-
Net other post-employment benefits obligation	1,974,501	-	1,974,501	-
Noncurrent portion of long-term debt	16,055,921	775,000	16,830,921	-
Total noncurrent liabilities	19,631,264	775,000	20,406,264	-0-
TOTAL LIABILITIES	21,073,169	1,080,072	22,153,241	155,836
NET POSITION				
Net investment in capital assets	10,572,312	1,846,931	12,419,243	229,689
Restricted for capital replacement	86,363	-	86,363	-
Unrestricted	(136,324)	115,296	(21,028)	217,424
TOTAL NET POSITION	\$ 10,522,351	\$ 1,962,227	\$ 12,484,578	\$ 447,113

See accompanying notes to financial statements.

City of Fraser

Proprietary Funds

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2015

	Business-type Activities			Governmental
	Nonmajor		Total Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	Senior Citizen Housing Complex Fund		
OPERATING REVENUES				
Charges for services	\$ 7,484,831	\$ 6,425	\$ 7,491,256	\$ 1,859,515
Interest and penalties	73,319	101	73,420	-
Rentals	-	520,208	520,208	673,015
Other	1,444	-	1,444	8,636
TOTAL OPERATING REVENUES	7,559,594	526,734	8,086,328	2,541,166
OPERATING EXPENSES				
Salaries	519,869	32,869	552,738	30,214
Fringe benefits	506,967	-	506,967	23,281
Materials and supplies	150,524	19,755	170,279	-
Equipment rental	280,000	-	280,000	-
Repairs and maintenance	70,587	86,809	157,396	537,054
Cost of water	1,022,725	-	1,022,725	-
Cost of sewage disposal	2,416,940	-	2,416,940	-
Utilities	4,906	40,322	45,228	-
Postage	27,814	-	27,814	-
Claims paid	-	-	-0-	1,859,515
Miscellaneous	30,860	53,407	84,267	2,825
Depreciation	1,335,124	91,147	1,426,271	68,513
TOTAL OPERATING EXPENSES	6,366,316	324,309	6,690,625	2,521,402
OPERATING INCOME	1,193,278	202,425	1,395,703	19,764
NONOPERATING REVENUES (EXPENSES)				
Tap-in fees	13,958	-	13,958	-
Intergovernmental - State	96,900	-	96,900	-
Interest and other revenue	1,714	318	2,032	15,673
Interest expense	(431,110)	(16,491)	(447,601)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(318,538)	(16,173)	(334,711)	15,673
NET INCOME BEFORE TRANSFERS	874,740	186,252	1,060,992	35,437
Transfers in	-	-	-0-	16,247
Transfers out	-	-	-0-	(34,501)
TRANSFERS	-0-	-0-	-0-	(18,254)
CHANGE IN NET POSITION	874,740	186,252	1,060,992	17,183
Restated net position, beginning of year	9,647,611	1,775,975	11,423,586	429,930
Net position, end of year	\$ 10,522,351	\$ 1,962,227	\$ 12,484,578	\$ 447,113

See accompanying notes to financial statements.

City of Fraser

Proprietary Funds

STATEMENT OF CASH FLOWS

Year Ended June 30, 2015

	Business-type Activities			Governmental
	Nonmajor			Activities
	Water and Sewer Fund	Senior Citizen Housing Complex Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 7,265,236	\$ 526,734	\$ 7,791,970	\$ 2,475,632
Cash paid to suppliers	(4,586,105)	(197,442)	(4,783,547)	(2,297,923)
Cash paid to employees	(504,072)	(32,746)	(536,818)	(32,501)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,175,059	296,546	2,471,605	145,208
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-0-	16,247
Transfers out	(1,722,112)	-	(1,722,112)	(34,501)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,722,112)	-0-	(1,722,112)	(18,254)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital acquisitions	(2,234,743)	-	(2,234,743)	(130,800)
Capital grant	96,900	-	96,900	-
Tap-in fees	13,958	-	13,958	-
Payments on long-term borrowing	(711,098)	(270,000)	(981,098)	(16,247)
Proceeds from debt issuance	1,799,102	-	1,799,102	-
Interest and fees paid	(417,294)	(17,144)	(434,438)	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,453,175)	(287,144)	(1,740,319)	(147,047)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,714	318	2,032	15,673
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(998,514)	9,720	(988,794)	(4,420)
Cash and cash equivalents, beginning of year	1,515,635	155,648	1,671,283	282,390
Cash and cash equivalents, end of year	<u>\$ 517,121</u>	<u>\$ 165,368</u>	<u>\$ 682,489</u>	<u>\$ 277,970</u>

City of Fraser

Proprietary Funds

STATEMENT OF CASH FLOWS - CONTINUED

Year Ended June 30, 2015

	Business-type Activities			Governmental
	Nonmajor			Activities
	Water and Sewer Fund	Senior Citizen Housing Complex Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 1,193,278	\$ 202,425	\$ 1,395,703	\$ 19,764
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,335,124	91,147	1,426,271	68,513
Decrease (increase) in:				
Receivables	(294,358)	-	(294,358)	8,071
Due from other funds	-	-	-0-	(73,605)
Prepays	(10,401)	-	(10,401)	100
Deferred outflows related to pensions	(164,589)	-	(164,589)	-
Increase (decrease) in:				
Accounts payable	(250,250)	3,215	(247,035)	124,652
Accrued liabilities	15,377	123	15,500	(1,215)
Due to other funds	-	(364)	(364)	-
Compensated absences	420	-	420	(1,072)
Net pension liability	(82,782)	-	(82,782)	-
Other post-employment benefits obligation	433,240	-	433,240	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,175,059	\$ 296,546	\$ 2,471,605	\$ 145,208

See accompanying notes to financial statements.

City of Fraser

Fiduciary Funds

STATEMENT OF NET POSITION

June 30, 2015

	Pension and Retiree Healthcare Trust Funds	Economic Development Corporation	Downtown Development Authority	Agency Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,564	\$ 1,044	<u>\$ 953,740</u>
LIABILITIES				
Due to individuals and agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 953,740</u>
NET POSITION				
Unrestricted	<u>\$ -0-</u>	<u>\$ 1,564</u>	<u>\$ 1,044</u>	

See accompanying notes to financial statements.

City of Fraser

Fiduciary Funds

STATEMENT OF CHANGES IN NET POSITION

Year Ended June 30, 2015

	Pension and Retiree Healthcare Trust Funds	Economic Development Corporation	Downtown Development Authority
ADDITIONS			
Investment income			
Interest and dividends	\$ 108,746	\$ -	\$ -
Net appreciation in fair value of investments	<u>(496,675)</u>	<u>-</u>	<u>-</u>
TOTAL ADDITIONS	(387,929)	-0-	-0-
DEDUCTIONS			
Benefit payments	26,513	-	-
Transfer to MERS	27,105,031	-	-
Administrative expenses	<u>55,277</u>	<u>-</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>27,186,821</u>	<u>-0-</u>	<u>-0-</u>
CHANGE IN NET POSITION	(27,574,750)	-0-	-0-
Net position, beginning of year	<u>27,574,750</u>	<u>1,564</u>	<u>1,044</u>
Net position, end of year	<u>\$ -0-</u>	<u>\$ 1,564</u>	<u>\$ 1,044</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fraser, Michigan, (the City) is located in Macomb County, Michigan, and has a population of approximately 14,480. The City operates with a City Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, and utilities services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below:

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City of Fraser (primary government) and its component units, entities for which the government is considered to be financially accountable. The component units are legally separate from the City; however, they are not discretely presented because they are immaterial to the financial statements as a whole. Therefore, the component units are included in the fiduciary funds financial statements.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of the City of Fraser, Michigan, contain all the funds controlled by the City Council.

2. Blended Component Units

The City of Fraser Building Authority is governed by a board that is appointed by the City's governing body. Although it is legally separate from the City, it is reported as part of the Senior Citizen Housing Complex Fund because its primary purpose is to finance and construct the City's senior citizen housing.

The City's employee retirement system has also been blended into the City's financial statements. The system is governed by an eleven (11) member retirement board that includes the plan trustee chosen by the City Council. The system is reported as if it were part of the primary government because of the fiduciary responsibility that the City retains relative to the operations of the retirement system.

3. Fiduciary Component Units

The component units are reported in the fiduciary funds financial statements since they are not material to the City's financial statements as a whole. However, the City remains financially accountable for these entities, even though they are legally separate. The fiduciary funds financial statements contain the following component units:

Downtown Development Authority - The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the downtown district. The DDA's governing body, which consists of 10 individuals, is selected by the City Council. The DDA does not have separate issued financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Fiduciary Component Units - continued

Economic Development Corporation - The Economic Development Corporation (Corporation) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The Corporation's governing body, which consists of nine individuals, is selected by the City Council. The Corporation does not have separately issued financial statements.

4. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Street Construction Fund is used to account for the capital projects financed by the 2015 General Obligation Unlimited tax Bonds.

The City reports the following major enterprise fund:

- a. The Water and Sewer Fund is used to account for the operations required to provide water distribution, water treatment, sewage disposal, and sewage treatment systems for the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

Additionally, the City reports two internal service funds: one to account for the management of motor pool services provided to other departments on a cost-reimbursement basis and one to account for health care costs and the payment of approved claims.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Presentation - continued

FUND FINANCIAL STATEMENTS - CONTINUED

The City also reports fiduciary trust funds to account for the activities of employee benefit plans, which accumulate resources for pension and other post-employment benefit payments to qualified employees and fiduciary funds for the Economic Development Corporation and Downtown Development Authority, respectively. The City transitioned the pension plan administration to the Municipal Employees Retirement System (MERS) during the year.

Agency funds are used to account for assets held by the City in trustee capacity. Agency funds are custodial in nature and do not involve the results of operations.

5. Measurement Focus

The government-wide, proprietary, and non-agency fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

There is no measurement focus for the fiduciary agency fund since assets equal liabilities.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues that are considered measurable but not available are recorded as receivables and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Budgets and Budgetary Accounting

The General and Special Revenue Fund budgets shown as required and other supplementary information were prepared on the modified accrual basis. The City prepares separate budgets for the General Fund and the Garbage Collection Fund. For financial statement purposes and in accordance with accounting principles generally accepted in the United States of America, the two funds are combined. Annual appropriated budgets are adopted for all required governmental fund types. The City employs the following procedures in establishing the budgetary data reflected in the financial statements:

- a. The City requires the City Manager to submit an estimate of revenues and anticipated expenditures for the succeeding fiscal year on or before April 15 of each year. The City Manager is then authorized to assign and transfer budget amounts within each fund to the extent that the net total fund appropriation (which the City defines as gross authorized expenditures less related revenues that are specifically designated to fund those activities) is not exceeded. City Council approval is required for any budgetary changes that result in an increase to net appropriations.
- b. A Public Hearing is conducted to obtain taxpayers' comments in May.
- c. At the May Council meeting, the budget is legally enacted through passage of a resolution.
- d. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.
- e. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

8. Cash, Cash Equivalents, and Investments

The City pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the City's investments. Cash consists of checking, savings, and money market accounts. Cash equivalents consist of temporary investments in mutual funds and certificates of deposit with original maturities of ninety (90) days or less.

Investments include U.S. Government Securities and certificates of deposit with original maturities of greater than ninety (90) days from the date of purchase. Investments are recorded at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

9. Restricted Cash and Cash Equivalents

The City's restricted cash and cash equivalents are for debt service repayment and capital purchases.

10. Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Receivables

Receivables consist of amounts due related from individuals and businesses related to charges for services, interest receivable, special assessments receivable, taxes levied that have not been collected, and other amounts owed to the City at year-end.

12. Property Tax

The City of Fraser bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the City of Fraser on July 1 on the taxable valuation of property located in the City as of the preceding December 31 and are due without penalty on August 31. The July 1 levy is composed of the City's millage, County's millage assessments, and school taxes. All real property taxes not paid to the City by March 1 are turned over to the Macomb County Treasurer for collection. The Macomb County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable are retained by the City for subsequent collection. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to \$20 per \$1,000 of assessed valuation for general governmental services and additional amounts specifically designated for debt repayment, ambulance services, and city hall debt repayment. For the year ended June 30, 2015, the City levied 18.2462 mills per \$1,000 of assessed valuation for general governmental services, 0.3884 mills for debt repayment, 0.9818 mills for ambulance services, and 1.2500 mills for city hall debt repayment. The total taxable value for the 2014 levy for property within the City was \$431,757,048.

13. Prepays

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in fund balance. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of fund balance.

14. Unearned Revenue

The City defers revenue recognition in connection with resources that have been received but not yet earned.

15. Compensated Absences

Certain City employees are granted vacation and sick leave in varying amounts and are permitted to accumulate these benefits. In the event of termination, an employee is paid for accumulated vacation and sick time. All employees with accumulated unused vacation and sick time pay at June 30, 2015, along with related payroll taxes, are recorded in the government-wide and proprietary fund financial statements.

16. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

17. Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities and business-type activities columns. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one (1) year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	15 years
Buildings and improvements	20 - 50 years
Vehicles	5 - 20 years
Machinery and equipment	5 - 20 years
Library collection	7 years
County road improvements	5 - 20 years
Roads and sidewalks	20 - 30 years
Water and sewer distribution systems	25 - 30 years
Furniture and fixtures	5 - 15 years

18. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will, when applicable, report a separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will be recognized as an outflow of resources (expenditure/expense) until that time. Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The City reports deferred outflows of resources on the statement of net position which correspond to the City's net pension liability and are related to differences between projected and actual pension plan investment earnings and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow of resources in the period to which they apply.

The City also reports deferred inflows of resources on the governmental funds balance sheet related to revenue that is unavailable to finance expenditures of the current period.

19. Long-term Liabilities

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

20. Restrictions of Net Position

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding sources or some other outside source which precludes their use for unrestricted purpose.

21. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those expected.

22. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

As of June 30, 2015, the carrying amounts and bank balances for each type of bank account are as follows:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
PRIMARY GOVERNMENT		
Checking and savings	\$ 8,445,333	\$ 8,622,919
Certificates of deposit	<u>1,678,343</u>	<u>1,678,343</u>
TOTAL PRIMARY GOVERNMENT	10,123,676	10,301,262
FIDUCIARY FUNDS		
Checking and savings	<u>956,348</u>	<u>955,693</u>
TOTAL REPORTING ENTITY	<u>\$ 11,080,024</u>	<u>\$ 11,256,955</u>

The primary government cash and cash equivalents caption on the basic financial statements included \$2,550 of imprest cash.

Deposits

Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 2015, the City accounts were insured by the FDIC for \$3,404,253 and the amount of \$7,852,702 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the City held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

<u>Investment Type</u>	<u>Market Value</u>	<u>S&P Rating</u>	<u>Weighted Average Maturity</u>
PRIMARY GOVERNMENT			
U.S. government bonds	<u>\$ 489,671</u>	AA+	6.44 years

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Rating information on the City's investments as of June 30, 2015, is presented above.

Interest rate risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

Structuring the investment portfolio with the objective of attaining a rate of return, throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

Concentration of credit risk

The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

Diversifying investments of the City's funds. The City shall diversity its investments by security type and by financial institution. With the exception of United States Treasury securities and authorized investment pools, no more than 50% of the City's total investment portfolio shall be invested in a single security type or with a single financial institution.

Custodial credit risk

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

Requiring that deposits and investments held by a third-party custodian be evidenced by a safekeeping receipt.

The cash and cash equivalents and investments referred to above have been reported in the cash and cash equivalents or investments captions on the basic financial statements, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of June 30, 2015:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 3,423,445	\$ 956,348	\$ 4,379,793
Restricted cash and cash equivalents	5,331,713	-	5,331,713
Investments	<u>1,860,739</u>	<u>-</u>	<u>1,860,739</u>
	<u>\$ 10,615,897</u>	<u>\$ 956,348</u>	<u>\$ 11,572,245</u>

NOTE C: INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2015, are as follows:

Due to General Fund from:	
Nonmajor governmental funds	<u>\$ 468,169</u>
Due to Water and Sewer Fund from:	
General Fund	<u>\$ 1,722,112</u>
Due to internal service funds from:	
General Fund	<u>\$ 76,105</u>

Amounts appearing as interfund payables and receivables arise from three types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. A second type of transaction is where one fund provides a good or service to another fund. The third type of transaction is where one fund borrows cash from another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE D: INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to General Fund from:		
Nonmajor governmental funds		<u>\$ 365,799</u>
Transfers to nonmajor governmental funds from:		
Internal service funds	\$ 34,501	
Other nonmajor governmental funds	<u>328,086</u>	
		<u>\$ 362,587</u>
Transfers to internal service funds from:		
Nonmajor governmental funds		<u>\$ 16,247</u>

Transfers to the General Fund from the nonmajor governmental fund were to fund general operations. Transfers between nonmajor funds were to fund capital projects. Transfers to the internal service funds from nonmajor governmental funds were for debt service payments related to a dump truck. Transfers to nonmajor governmental funds from internal service funds were for debt service payments related to related to a fire truck and copiers.

NOTE E: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Primary Government

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions/</u> <u>Reclassifications</u>	<u>Deletions/</u> <u>Reclassifications</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 4,938,136	\$ -	\$ -	\$ 4,938,136
Construction in progress	<u>32,922</u>	<u>255,792</u>	<u>(32,922)</u>	<u>255,792</u>
Capital assets not being depreciated	4,971,058	255,792	(32,922)	5,193,928
Capital assets being depreciated				
Land improvements	162,706	-	-	162,706
Roads and sidewalks	73,773,890	136,528	-	73,910,418
County road improvements	553,414	-	-	553,414
Buildings and improvements	6,514,985	90,900	-	6,605,885
Vehicles	3,819,582	156,492	-	3,976,074
Machinery and equipment	1,486,008	-	-	1,486,008
Library collection	230,651	30,397	-	261,048
Furniture and fixtures	<u>274,291</u>	<u>-</u>	<u>-</u>	<u>274,291</u>
Subtotal	86,815,527	414,317	-0-	87,229,844

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE E: CAPITAL ASSETS - CONTINUED

Primary Government - Continued

	Balance July 1, 2014	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2015
Governmental Activities - continued				
Less accumulated depreciation for:				
Land improvements	\$ (108,800)	\$ (5,965)	\$ -	\$ (114,765)
Roads and sidewalks	(68,538,385)	(441,897)	-	(68,980,282)
County road improvements	(195,896)	(18,447)	-	(214,343)
Buildings and improvements	(2,258,881)	(139,891)	-	(2,398,772)
Vehicles	(2,789,996)	(174,420)	-	(2,964,416)
Machinery and equipment	(1,067,834)	(78,074)	-	(1,145,908)
Library collection	(135,024)	(36,341)	-	(171,365)
Furniture and fixtures	(274,291)	-	-	(274,291)
Subtotal	<u>(75,369,107)</u>	<u>(895,035)</u>	<u>-0-</u>	<u>(76,264,142)</u>
Net capital assets being depreciated	<u>11,446,420</u>	<u>(480,718)</u>	<u>-0-</u>	<u>10,965,702</u>
Capital assets, net	<u>\$ 16,417,478</u>	<u>\$ (224,926)</u>	<u>\$ (32,922)</u>	<u>\$ 16,159,630</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 265,066
Public safety	148,614
Public works	326,652
Recreation and culture	86,190
Internal Service Fund	68,513
	<u>\$ 895,035</u>

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 837,043	\$ -	\$ -	\$ 837,043
Capital assets being depreciated				
Water and sewer distribution systems	38,647,846	2,234,743	-	40,882,589
Buildings and building improvements	<u>3,911,052</u>	<u>-</u>	<u>-</u>	<u>3,911,052</u>
Subtotal	42,558,898	2,234,743	-0-	44,793,641

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE E: CAPITAL ASSETS - CONTINUED

Primary Government - Continued

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business-type Activities - continued				
Less accumulated depreciation for:				
Water and sewer distribution systems	\$(12,057,871)	\$ (1,335,124)	\$ -	\$(13,392,995)
Buildings and building improvements	(1,767,973)	(91,147)	-	(1,859,120)
Subtotal	(13,825,844)	(1,426,271)	-0-	(15,252,115)
Net capital assets being depreciated	28,733,054	808,472	-0-	29,541,526
Capital assets, net	<u>\$ 29,570,097</u>	<u>\$ 808,472</u>	<u>\$ -0-</u>	<u>\$ 30,378,569</u>

Depreciation expense was charged to the following business-type activities:

Water and Sewer	\$ 1,335,124
Senior Citizen Housing Complex	91,147
	<u>\$ 1,426,271</u>

NOTE F: LONG-TERM DEBT

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2015:

	Restated Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Amount Due in One Year
Governmental Activities					
2010 Refunding Bonds	\$ 2,860,000	\$ -	\$ (420,000)	\$ 2,440,000	\$ 410,000
2015 General Obligation Unlimited Tax Bonds	-	5,135,000	-	5,135,000	830,000
2015 Bond premium	-	140,564	-	140,564	23,427
Lease purchase agreement - Aerial Platform Fire Truck	188,995	-	(62,998)	125,997	62,998
Lease purchase agreement - Dump Truck	33,273	-	(16,247)	17,026	17,026
Installment purchase agreement - Copier	31,991	-	(16,000)	15,991	15,991
Installment purchase agreement - E911 phones	52,363	-	(15,952)	36,411	16,484
Compensated absences	1,086,901	525,358	(595,639)	1,016,620	557,432
	4,253,523	5,800,922	(1,126,836)	8,927,609	1,933,358

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE F: LONG-TERM DEBT - CONTINUED

	Restated Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Amount Due in One Year
Business-type Activities					
2012A Refunding Bonds	\$ 1,230,000	\$ -	\$ (115,000)	\$ 1,115,000	\$ 115,000
2012B Refunding Bonds	1,300,000	-	(270,000)	1,030,000	255,000
2008 North Gratiot Interceptor Drainage District	327,509	-	(12,860)	314,649	12,860
2010B OMID Drainage District	135,135	-	(5,808)	129,327	6,042
2010A MID Drainage District	3,409,971	-	(121,715)	3,288,256	123,684
2010 North Gratiot Drainage District	31,639	-	(1,123)	30,516	1,144
2010A OMID Drainage District	533,228	-	(25,446)	507,782	26,144
2009 Clean Water Revolving Loan Fund	6,195,000	-	(320,000)	5,875,000	325,000
2011 OMID Drainage District	728,420	-	(28,531)	699,889	29,245
2011 MID Drainage District	1,319,906	-	(40,615)	1,279,291	45,125
2013A OMID Drainage District	1,589,514	-	-	1,589,514	65,396
2014A OMID Drainage District	-	232,405	-	232,405	8,994
2015A OMID Drainage District	-	464,881	-	464,881	-
2015 SAW Loan OMID Drainage District	-	232,390	-	232,390	9,063
2015 Public OMID Drainage District	-	232,390	-	232,390	9,063
Installment purchase agreement - Sewer vacuum equipment	285,000	-	(30,000)	255,000	30,000
Installment purchase agreement - Backhoe	56,000	-	(10,000)	46,000	10,000
Installment purchase agreement - Water meters	-	637,036	-	637,036	56,645
Compensated absences	2,640	7,623	(7,203)	3,060	3,060
	<u>17,143,962</u>	<u>1,806,725</u>	<u>(988,301)</u>	<u>17,962,386</u>	<u>1,131,465</u>
	<u>\$ 21,397,485</u>	<u>\$ 7,607,647</u>	<u>\$ (2,115,137)</u>	<u>\$ 26,889,995</u>	<u>\$ 3,064,823</u>

Significant details regarding outstanding long-term debt (including current portion) are presented below:

Governmental Activities

General Obligation Bonds

\$3,960,000 2010 General Obligation Unlimited Tax Refunding Bonds dated August 25, 2010, due in annual installments ranging from \$410,000 to \$530,000 through October 1, 2019, with interest ranging from 2.00 to 4.00 percent. \$ 2,440,000

\$5,135,000 2015 General Obligation Limited Tax Refunding Bonds dated June 16, 2015, due in annual installments ranging from \$830,000 to \$880,000 through October 1, 2020, with interest ranging from 2.00 to 3.00 percent. 5,135,000

\$ 7,575,000

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE F: LONG-TERM DEBT - CONTINUED**Governmental Activities - Continued**Installment and Lease Purchase Agreements

\$699,980 Lease Purchase Agreement for an aerial platform fire truck dated October 17, 2006, due in annual installments of \$62,998 through October 1, 2016, with interest of 4.43 percent. \$ 125,997

\$109,005 Installment Purchase Agreement for a dump truck dated December 22, 2009, due in annual installments ranging from \$13,472 to \$17,027 through April 1, 2016, with interest of 4.79 percent. 17,026

\$61,991 Installment Purchase Agreement for a copier dated June 9, 2011, due in an annual installments ranging from \$14,000 to \$16,000 through October 1, 2015, with interest of 2.745 percent. 15,991

\$129,049 Installment Purchase Agreement for Emergency 911 Telephone System dated September 20, 2012, due in monthly installments of \$1,453, including interest of 3.287 percent through August 20, 2017. 36,411

\$ 195,425

Business-type ActivitiesGeneral Obligation Bonds

\$1,340,000 2012A General Obligation Limited Tax Refunding Bonds dated June 12, 2012, due in annual installments ranging from \$115,000 to \$165,000 through October 1, 2022, with interest of 2.0 percent. \$ 1,115,000

\$1,525,000 2012B General Obligation Building Authority Refunding Bonds dated September 20, 2012, due in annual installments ranging from \$250,000 to \$265,000 through November 1, 2018, with interest at 1.45 percent. 1,030,000

\$ 2,145,000

Macomb County Water Disposal District

\$383,067 2008 North Gratiot Interceptor Drainage District Bonds dated June 1, 2008, due in annual installments ranging from \$8,402 to \$20,577 through May 1, 2033, with interest ranging from 3.25 to 5.00 percent. \$ 314,649

\$155,701 2010B Oakland-Macomb Interceptor Drainage District Bonds dated April 1, 2010, due in annual installments ranging from \$4,415 to \$12,084 through April 1, 2030, with interest ranging from 1.15 to 5.90 percent. 129,327

\$3,766,448 2010A Macomb Interceptor Drainage District Bonds dated August 30, 2010, due in annual installments ranging from \$117,578 to \$221,764 through May 1, 2035, with interest ranging from 1.25 to 5.50 percent. 3,288,256

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE F: LONG-TERM DEBT - CONTINUED

Business-type Activities - Continued

Macomb County Water Disposal District - continued

\$35,618 2010 North Gratiot Drainage District Bonds dated May 11, 2010, due in annual installments ranging from \$682 to \$2,047 through May 1, 2035, with interest ranging from 1.00 to 6.35 percent.	\$ 30,516
\$605,990 2010A Oakland-Macomb Interceptor Drainage District Bonds dated February 1, 2010, due in annual installments ranging from \$23,611 to \$37,996 through April 1, 2031, with interest of 2.50 percent.	507,782
\$728,420 2011 Oakland-Macomb Interceptor Drainage District Bonds dated January 1, 2012, due in annual installments ranging from \$28,532 to \$45,508 through October 1, 2033, with interest of 2.50 percent.	699,889
\$1,389,850 2011 Macomb Interceptor Drainage District Bonds dated October 18, 2011, due in annual installments ranging from \$31,588 to \$112,813 through October 1, 2031, with interest of 5.00 percent.	1,279,291
\$1,589,514 2013A Oakland-Macomb Interceptor Drainage District Bonds dated July 1, 2013, due in estimated annual installments ranging from \$65,396 to \$95,287 through October 1, 2034, with interest of 2.00 percent.	1,589,514
\$232,405 2014A Oakland-Macomb Interceptor Drainage District Bonds dated October 1, 2014, due in annual installments ranging from \$8,994 to \$15,258 through October 1, 2034, with interest ranging from 2.00 to 3.125 percent.	232,405
\$464,881 2015A Oakland-Macomb Interceptor Drainage District Bonds dated April 1, 2015, due in annual installments ranging from \$18,070 to \$29,295 through April 1, 2036, with interest of 2.50 percent.	464,881
\$232,390 2015 SAW Oakland-Macomb Interceptor Drainage District Bonds dated April 1, 2015, due in estimated annual installments ranging from \$9,063 to \$14,524 through April 1, 2035, with interest of 2.50 percent.	232,390
\$232,390 2015 Public Oakland-Macomb Interceptor Drainage District Bonds dated April 1, 2015, due in estimated annual installments ranging from \$9,063 to \$15,338 through October 1, 2034, with interest ranging from 2.00 to 3.50 percent.	232,390
	<u>\$ 9,001,290</u>

Revenue Bond

\$7,398,000 2009 Clean Water Revolving Loan Fund, dated April 17, 2009, due in annual installments ranging from \$293,000 to \$460,000 through October 1, 2029, with interest of 2.50 percent.	<u>\$ 5,875,000</u>
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City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE F: LONG-TERM DEBT - CONTINUED

Business-type Activities - Continued

Lease Purchase Agreements

\$330,934 Lease Purchase Agreement for sewer vacuum equipment dated December 7, 2011, due in annual installments ranging from \$20,934 to \$45,000 through October 1, 2021, with interest of 2.97 percent.	\$ 255,000
\$76,164 Lease Purchase Agreement for a backhoe dated July 11, 2012, due in annual installments ranging from \$10,000 to \$12,000 through October 1, 2018, with interest of 3.25 percent.	46,000
\$637,036 Lease Purchase Agreement for Water Meters dated March 12, 2015, due in annual installments ranging from \$56,645 to \$71,259 through October 1, 2024, with interest of 2.49 percent.	<u>637,036</u>
	<u>\$ 938,036</u>

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused sick/vacation time. The dollar amounts of these vested rights including related payroll taxes, which have been recorded in the government-wide financial statements, amounted to \$1,019,680 at June 30, 2015.

The annual requirements to pay the debt principal and interest outstanding for the Bonds and Installment and Lease Purchase Agreements are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 1,352,499	\$ 167,218	\$ 1,128,405	\$ 474,550
2017	1,420,032	155,421	1,190,257	447,768
2018	1,337,894	115,362	1,228,371	420,153
2019	1,375,000	77,088	1,246,158	391,583
2020	1,410,000	40,056	1,013,135	363,850
2021-2025	875,000	10,937	5,457,330	1,406,597
2026-2030	-	-	4,427,151	727,555
2031-2035	-	-	2,239,224	176,404
2036	-	-	29,295	732
	<u>\$ 7,770,425</u>	<u>\$ 566,082</u>	<u>\$ 17,959,326</u>	<u>\$ 4,409,192</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE F: LONG-TERM DEBT - CONTINUED

Water and Sewer Obligations

The City of Fraser participates in the Oakland-Macomb Interceptor Drainage District (OMID) as well as the North Gratiot Interceptor Drainage District (NGID). These programs are financed by general obligation bonds issued by Macomb County where the City of Fraser is only responsible for a portion of these general obligation bonds. The City of Fraser has contracts with Macomb County for the cost of the construction of the water and sewer systems within its boundaries. The City of Fraser has pledged the full faith and credit of the City to the prompt payment of the City's share of the principal and interest payments on these contracts as they become due. From information received from Macomb County, the assets relating to those contracts have been recorded in the Water and Sewer Fund of the City to reflect the actual construction cost of the above mentioned systems. The contract principal portion owed by the City of Fraser has been recorded in the Water and Sewer Fund.

NOTE G: DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine (9) member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Fraser

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED

Benefits Provided

Benefits provided by the City's pension plan vary by division, as summarized in the following table:

	Police Deferred and Retired	Supervisor/ Management	Clerical/ Court	POLC	POAM	Dispatch	DPW
Open or closed to new hires	Closed	Open	Open	Open	Open	Open	Open
Benefit multiplier	Service x (1.00% times FAC<\$4,200, plus 1.50% times FAC>\$4,200)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)	2.50% Multiplier (75% max)	2.50% Multiplier (no max)	2.75% Multiplier (80% max)
Normal retirement age	60	60	60	55	55	60	60
Vesting	10 years	6 years	6 years	10 years	10 years	6 years	6 years
Early retirement (unreduced)	-	Age 50/25 years of service; Age 55/10 years of service	Age 50/25 years of service; Age 55/15 years of service	Age 50/25 years of service	Age 50/25 years of service	Age 50/25 years of service; Age 55/10 years of service	Age 50/25 years of service; Age 55/10 years of service
Early retirement (reduced)	Age 50/25 years of service; Age 55/15 years of service	-	-	-	-	-	-
Final average compensation	5 years	5 years	5 years	3 years	5 years	5 years	5 years
COLA for future retirees	-	-	-	-	2% (non- compound)	-	-
Employee contributions	3% under \$4,200; 5% over \$4,200	5%	7%	7%	7%	7%	7%

At the December 31, 2014, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	98
Inactive employees entitled to but not yet receiving benefits	18
Active employees	<u>66</u>
Total employees covered by MERS	<u><u>182</u></u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City has also established contribution rates to be paid by its covered employees. Such contribution rates vary by division.

Net Pension Liability

The net pension liability reported at June 30, 2015, was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The total pension liability was determined by an annual actuarial valuation as of that date.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUEDNet Pension Liability - continued

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2013	\$ 44,609,106	\$ 27,772,869	\$ 16,836,237
Service cost	896,348	-	896,348
Interest on total pension liability	3,636,330	-	3,636,330
Employer contributions	-	878,683	(878,683)
Employee contributions	-	149,899	(149,899)
Net investment income	-	348,982	(348,982)
Benefit payments, including employee refunds	(1,961,048)	(1,961,048)	-0-
Administrative expense	-	(19,181)	19,181
Net changes	<u>2,571,630</u>	<u>(602,665)</u>	<u>3,174,295</u>
Balances at December 31, 2014	<u>\$ 47,180,736</u>	<u>\$ 27,170,204</u>	<u>\$ 20,010,532</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$2,530,559. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,522,420	\$ -
Contributions subsequent to the measurement date*	<u>1,633,298</u>	<u>-</u>
Total	<u>\$ 3,155,718</u>	<u>\$ -0-</u>

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2016.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2016	\$ 380,605
2017	380,605
2018	380,605
2019	380,605

Actuarial Assumptions

The total pension liability in the December 31, 2014 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 3%-4%

Salary increases: 4.5% in the long-term (1%, 2%, and 3% for calendar years 2014, 2015, and 2016, respectively).

Investment rate of return: 8.0%, net of investment expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study in 2008.

Discount Rate

The discount rate used to measure the total pension liability is 8.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED

Projected Cash Flows - continued

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	57.50%	5.02%
Global Fixed Income	20.00%	2.18%
Real Assets	12.50%	4.23%
Diversifying Strategies	10.00%	6.56%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employer, calculated using the discount rates of 8.25%, as well as what the City's net pension liability would be using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability of the City	\$ 25,304,285	\$ 20,010,532	\$ 15,504,309

NOTE H: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City provides certain retiree healthcare and dental benefits to all full-time employees and their spouses upon retirement in accordance with labor contracts. The following are the GASB Statement No. 45 required disclosures.

During the year ended June 30, 2015, 97 retirees (which includes active employees, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits) were eligible to receive benefits. Expenditures for post-employment benefits are recognized when claims are paid.

The plan is a single-employer defined benefit plan administered by the City. The benefits are provided under collective bargaining agreements. Administrative costs are paid by the City through employer contributions. The plan does not issue a separate stand-alone financial statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Funding Policy

The collective bargaining agreements do not require contributions from employees. The City has no obligation to make contributions in advance of when the premiums are due for payment (i.e., may be financed on a “pay-as-you-go” basis). The only current contributions being made are to pay the actual current premiums of the retirees. The amount of the annual required contribution is reflected in the schedule that follows.

Funding Progress

For the year ended June 30, 2015, the City has determined an estimated cost of providing post-employment benefits through an actuarial valuation as of June 30, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to cover the amortization of any unfunded actuarial liabilities from the past, over a period not to exceed thirty (30) years.

The City’s computed contribution and actual funding is summarized as follows:

Annual required contribution (ARC)	\$ 5,466,892
Interest on net OPEB obligation	<u>545,276</u>
Annual OPEB cost (expense)	6,012,168
Amounts contributed:	
Payments of current premiums	<u>(1,679,764)</u>
Increase in net OPEB obligation	4,332,404
OPEB obligation - beginning of year	<u>18,175,869</u>
OPEB obligation - end of year	<u><u>\$ 22,508,273</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 5,424,148	30.4%	\$ 15,361,518
2014	4,653,906	39.5%	18,175,869
2015	6,012,168	27.9%	22,508,273

The funding progress of the plan as is as follows:

	<u>2006</u>	<u>2009</u>	<u>2012</u>
Actuarial value of assets	\$ 340,018	\$ 677,886	\$ 416,750
Actuarial accrued liability (AAL) (entry age)	49,708,098	58,822,957	68,263,560
Unfunded AAL (UAAL)	49,368,080	58,145,071	67,846,810
Funded ratio	0.7%	1.2%	0.6%
Annual covered payroll	\$ 6,020,985	\$ 5,966,282	\$ 4,955,687
UAAL as a percentage of covered payroll	819.9%	974.6%	1369.1%

This trend information was obtained from the most recently issued actuarial reports.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revisions as actual results are compared with past expectations and new estimates and assumptions are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation the entry age normal cost method was used. The actuarial assumptions include a 3.0 percent per year rate of investment return (net of administrative expenses, which is the expected long-term investment returns on plan assets, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate 3.0 percent after ten (10) years. Both rates include a 3.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level dollar on a closed basis. The remaining amortization period at June 30, 2015, was twenty-three (23) years.

NOTE I: RISK MANAGEMENT

The City participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy period exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The City has not been informed of any special assessments being required.

The City is exposed to various risks of loss for liability, property, inland marine, crime, automobile, law enforcement liability, public officials, excess liability, and employer liability for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE J: DETAILS OF FUND BALANCE CLASSIFICATIONS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five (5) classifications of fund balance under this standard.

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE J: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

The formal action that is required to be taken to establish a fund balance commitment is the adoption of a City ordinance.

For assigned fund balance, the City of Fraser has not approved a policy indicating who is authorized to assign amounts to a specific purpose, therefore the authority for assigning fund balance remains with City Council.

The City of Fraser has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first, therefore restricted resources will be used first, then unrestricted resources if they are needed.

NOTE K: CONSTRUCTION CODE ACTIVITY

In accordance with Michigan Public Act 245 of 1999, the City is required to maintain a separate accounting system that separately accumulates revenues and expenditures related to the building department function.

As required under provisions of the Act, the City adopted this accounting treatment effective January 1, 2000. The following is a summary of the activity for the year ended June 30, 2015:

REVENUES	
Permits	\$ 98,779
EXPENDITURES	
Salaries and fringe benefits	196,333
Supplies and other	<u>23,602</u>
TOTAL EXPENDITURES	<u>219,935</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(121,156)
PRIOR CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(478,003)</u>
CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	<u><u>\$ (599,159)</u></u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE L: CONTINGENT LIABILITIES

During the year ended June 30, 2002, the City received an administrative consent order from the State of Michigan Department of Environmental Quality for its alleged violation of the Water Resources Protection of the Natural Resources and Environmental Protection Act, 1994 P.A. 451. As a result of the consent order, the Department of Environmental Quality fined the City \$210,000. The City was required to pay \$20,000 annually from April 2002 through 2004, which has been made. The City was also required to pay the remaining \$150,000 by conducting three environmental projects to improve the existing storm and sanitary sewer system at various dates through December 31, 2006. The City completed one of these environmental projects for a total cost of approximately \$220,000 and the remaining projects are pending.

At times, the City has been named as a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE M: RESTATEMENT OF BEGINNING NET POSITION AND PRIOR PERIOD ADJUSTMENT

Beginning net position has been restated for governmental activities and business-type activities due to changes in accounting principles and correction of errors.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Water and Sewer Fund</u>
Beginning net position	\$ (2,614,020)	\$ 14,249,342	\$ 12,473,367
Deferred outflows of resources	790,815	87,868	87,868
Net pension liability	(15,152,613)	(1,683,624)	(1,683,624)
Long-term debt reclassification	1,230,000	(1,230,000)	(1,230,000)
State shared revenue adjustment	<u>214,509</u>	<u>-</u>	<u>-</u>
Restated beginning net position	<u><u>\$ (15,531,309)</u></u>	<u><u>\$ 11,423,586</u></u>	<u><u>\$ 9,647,611</u></u>

A prior period adjustment was also recorded in the General Fund to correct previously understated State Shared Revenue in the amount of \$214,509.

NOTE N: CHANGES IN ACCOUNTING PRINCIPLES

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented during the year. The statement requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE N: CHANGES IN ACCOUNTING PRINCIPLES - CONTINUED

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, was implemented during the year as it is required to be applied simultaneously with the provisions of GASB Statement No. 68. The statement addresses and issue regarding the application of the transition provisions of GASB Statement No. 68 and amends paragraph 137 of GASB Statement No. 68 and requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

NOTE O: UPCOMING ACCOUNTING PRONOUNCEMENTS

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The City is currently evaluating the impact this standard will have on the financial statements when adopted for the 2015-2016 fiscal year.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money weighted rates of return on plan investments. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2016-2017 fiscal year.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The statement requires governments providing other postemployment benefits (OPEB) to recognize their unfunded OPEB obligations as a liability for the first time, and to more comprehensibly and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2017-2018 fiscal year.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. The statement improves financial reporting through the disclosure of information about the nature and magnitude of tax abatements that are not consistently or comprehensively reported to the public at present. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the City's 2016-2017 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

City of Fraser

General Fund

BUDGETARY COMPARISON SCHEDULE (NON-GAAP BASIS)

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 8,733,478	\$ 8,748,978	\$ 8,612,058	\$ (136,920)
Licenses and permits				
Franchise fees	135,000	135,000	138,080	3,080
Other	186,750	186,750	223,373	36,623
Total license and permits	321,750	321,750	361,453	39,703
Intergovernmental				
Federal	192,241	192,241	114,649	(77,592)
State	1,376,215	1,376,215	1,379,465	3,250
District Court and Violations Bureau	883,250	883,250	683,088	(200,162)
Total intergovernmental	2,451,706	2,451,706	2,177,202	(274,504)
Charges for services	167,200	511,600	489,523	(22,077)
Fines and forfeitures	135,000	135,000	85,249	(49,751)
Interest and rents	140,500	153,000	181,126	28,126
Other				
Library	6,750	7,750	9,706	1,956
Miscellaneous	464,346	464,346	417,825	(46,521)
Total other	471,096	472,096	427,531	(44,565)
TOTAL REVENUES	12,420,730	12,794,130	12,334,142	(459,988)
EXPENDITURES				
Current				
General government				
City Council	78,975	78,975	67,483	11,492
City administration	208,808	208,808	203,227	5,581
City clerk	176,448	176,448	110,598	65,850
District Court	678,858	678,858	654,714	24,144
Finance	259,641	272,141	342,361	(70,220)
Assessor	141,234	141,234	134,975	6,259
Legal	55,500	55,500	72,177	(16,677)
Building and grounds	451,248	467,748	442,324	25,424
Total general government	2,050,712	2,079,712	2,027,859	51,853
Public safety	6,122,585	6,122,585	6,084,481	38,104

City of Fraser

General Fund

BUDGETARY COMPARISON SCHEDULE (NON-GAAP BASIS) - CONTINUED

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - CONTINUED				
Current - continued				
Public works				
Building inspections	\$ 235,704	\$ 235,704	\$ 220,996	\$ 14,708
Other	560,722	564,772	451,764	113,008
Total public works	796,426	800,476	672,760	127,716
Community and economic development				
Planning committee	18,891	18,891	19,252	(361)
Recreation and culture				
City parks and recreation	471,599	479,449	627,408	(147,959)
Historical commission	1,500	1,500	1,586	(86)
Library	346,775	347,775	341,556	6,219
Total recreation and culture	819,874	828,724	970,550	(141,826)
Other				
Insurance	175,000	175,000	185,650	(10,650)
Retiree health insurance contributions	1,600,000	1,600,000	1,533,957	66,043
Refunds and reimbursements	239,741	239,741	243,266	(3,525)
Total other	2,014,741	2,014,741	1,962,873	51,868
TOTAL EXPENDITURES	11,823,229	11,865,129	11,737,775	127,354
EXCESS OF REVENUES OVER EXPENDITURES				
	597,501	929,001	596,367	(332,634)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	365,799	350,799
Transfers out	(612,500)	(612,500)	(710,467)	(97,967)
TOTAL OTHER FINANCING SOURCES (USES)	(597,500)	(597,500)	(344,668)	252,832
Net change in fund balance (budgetary basis)	\$ 1	\$ 331,501	251,699	\$ (79,802)
Budgetary perspective differences			97,005	
Net change in fund balance (GAAP basis)			\$ 348,704	

City of Fraser

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Last Two Fiscal Years (Ultimately ten fiscal years will be displayed)

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service cost	\$ 896,348	\$ 931,721
Interest	3,636,330	4,169,985
Benefit payments, including refunds of member contributions	<u>(1,961,048)</u>	<u>(2,845,047)</u>
Net change in total pension liability	2,571,630	2,256,659
Total Pension Liability, beginning	<u>44,609,106</u>	<u>53,081,473</u>
Total Pension Liability, ending	<u>\$ 47,180,736</u>	<u>\$ 55,338,132</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 878,683	\$ 1,261,394
Contributions - employee	149,899	211,899
Net investment income	348,982	2,281,019
Benefit payments, including employee refunds	(1,961,048)	(2,845,047)
Administrative expenses	(19,181)	(49,193)
Other	<u>-</u>	<u>1,633,520</u>
Net change in plan fiduciary net position	(602,665)	2,493,592
Plan Fiduciary Net Position, beginning	<u>27,772,869</u>	<u>24,741,607</u>
Plan Fiduciary Net Position, ending	<u>\$ 27,170,204</u>	<u>\$ 27,235,199</u>
City's Net Pension Liability	<u>\$ 20,010,532</u>	<u>\$ 28,102,933</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58%	49%
Covered Employee Payroll	\$ 5,019,636	\$ 5,092,610
City's Net Pension Liability as a percentage of Covered Employee Payroll	399%	552%

Note: The City transitioned the pension plan from a single employer plan to an agent multiple-employer plan during the fiscal year ended June 30, 2015. As part of that transition, the beginning total pension liability, plan fiduciary net position, and net pension liability were remeasured and restated.

City of Fraser

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Two Fiscal Years (Ultimately ten fiscal years will be displayed)

	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 2,383,976	\$ 1,923,228
Contributions in relation to the actuarially determined contribution	<u>1,633,298</u>	<u>1,531,586</u>
Contribution deficiency (excess)	<u>\$ 750,678</u>	<u>\$ 391,642</u>
Covered Employee Payroll	\$ 5,019,636	\$ 5,092,610
Contributions as a percentage of covered employee payroll	33%	30%

City of Fraser

Other Post-Employment Benefits

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Year Ended June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll [(b-a)/c]
2006	\$ 340,018	\$ 49,708,098	\$ 49,368,080	0.7%	\$ 6,020,985	819.9%
2009	677,886	58,822,957	58,145,071	1.2%	5,966,282	974.6%
2012	416,750	68,263,560	67,846,810	0.6%	4,955,687	1369.1%

Schedule of Employer Contributions

Year Ended June 30,	Annual OPEB Cost	Annual Actual Contribution	Percent Contributed
2013	\$ 5,424,148	\$ 1,646,797	30.4%
2014	4,653,906	1,839,555	39.5%
2015	6,012,168	1,679,764	27.9%

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of June 30, 2012, the date of the latest actuarial valuation, is as follows:

Valuation date	June 30, 2012
Actuarial cost method	Individual Entry Age
Amortization method	Level Dollar
Remaining amortization period	23
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	3.00%
Projected salary increases	3.00%

City of Fraser

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2015

NOTE A: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

The City's budgeted expenditures for the General Fund have been shown at the functional classification level. The approved budgets of the City have been adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2015, the City incurred expenditures in the General Fund, Major Streets Fund, Local Streets Fund, Ambulance Fund, and Gambling Forfeiture Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
General government			
Finance	\$ 272,141	\$ 342,361	\$ 70,220
Legal	55,500	72,177	16,677
Community and economic development			
Planning committee	18,891	19,252	361
Recreation and culture			
City parks and recreation	479,449	627,408	147,959
Historical commission	1,500	1,586	86
Other			
Insurance	175,000	185,650	10,650
Refunds and reimbursements	239,741	243,266	3,525
Transfers out	612,500	710,467	97,967
Major Streets Fund	736,926	785,306	48,380
Local Streets Fund	419,753	527,082	107,329
Ambulance Fund	917,269	1,059,375	142,106
Gambling Forfeiture Fund	275,729	332,926	57,197

The amended budget for the Local Streets Fund reflected a deficit fund balance as of June 30, 2015. Budgeting for a fund deficit is also considered noncompliance with the Budget Act.

City of Fraser

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2015

NOTE B: BUDGET RECONCILIATION

The actual amounts in the budgetary comparison schedules (non-GAAP budgetary basis) are presented on the same basis of accounting used in preparing the adopted budget. In addition, the City of Fraser budgets the activities of the Garbage Collection Fund separately from the General Fund. For financial statement purposes and the GAAP-basis basic financial statements, however, the activities of the above mentioned fund are combined with the General Fund.

Net change in General Fund fund balance (budgetary basis)	\$ 251,699
Garbage Collection Fund	
Charges for services	79,718
Transfers in from other funds	710,467
Public works expenditures	<u>(693,180)</u>
Net change in General Fund fund balance (GAAP basis)	<u>\$ 348,704</u>

OTHER SUPPLEMENTARY INFORMATION

City of Fraser
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET
 June 30, 2015

	Special Revenue			
	Major Streets Fund	Local Streets Fund	Ambulance Fund	Gambling Forfeiture Fund
ASSETS				
Cash and cash equivalents	\$ 60,149	\$ -	\$ 367,534	\$ 862,341
Investments	-	-	-	107,257
Due from other governmental units	87,933	55,116	23,750	-
Prepays	1,856	-	11,555	-
TOTAL ASSETS	\$ 149,938	\$ 55,116	\$ 402,839	\$ 969,598
LIABILITIES				
Accounts payable	\$ 301	\$ 2,572	\$ 176	\$ 6,668
Accrued liabilities	-	-	6,801	-
Due to other governmental units	-	-	-	-
Due to other funds	-	-	365,799	-
TOTAL LIABILITIES	301	2,572	372,776	6,668
FUND BALANCES				
Nonspendable				
Prepays	1,856	-	11,555	-
Restricted				
Streets and highways	147,781	52,544	-	-
Public safety	-	-	-	962,930
Debt service	-	-	-	-
Assigned				
Health and welfare	-	-	18,508	-
Debt service	-	-	-	-
TOTAL FUND BALANCES	149,637	52,544	30,063	962,930
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,938	\$ 55,116	\$ 402,839	\$ 969,598

Funds	Debt Service Funds			
Drug Forfeiture Fund	General Obligation Fund	Motor Vehicle Highway Fund	Special Assessment Fund	Total
\$ 139,544	\$ 97,287	\$ -	\$ 31,291	\$ 1,558,146
230,344	-	-	-	337,601
-	817	-	-	167,616
-	-	-	-	13,411
<u>\$ 369,888</u>	<u>\$ 98,104</u>	<u>\$ -0-</u>	<u>\$ 31,291</u>	<u>\$ 2,076,774</u>
\$ 50	\$ -	\$ -	\$ -	\$ 9,767
791	-	-	-	7,592
-	-	-	2,233	2,233
102,370	-	-	-	468,169
103,211	-0-	-0-	2,233	487,761
-	-	-	-	13,411
-	-	-	-	200,325
266,677	-	-	-	1,229,607
-	98,104	-	-	98,104
-	-	-	-	18,508
-	-	-	29,058	29,058
266,677	98,104	-0-	29,058	1,589,013
<u>\$ 369,888</u>	<u>\$ 98,104</u>	<u>\$ -0-</u>	<u>\$ 31,291</u>	<u>\$ 2,076,774</u>

City of Fraser

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2015

	Special Revenue			
	Major Streets Fund	Local Streets Fund	Ambulance Fund	Gambling Forfeiture Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 436,890	\$ -
Intergovernmental				
Federal	-	-	-	86,869
State	548,587	305,333	-	-
Charges for services	-	-	320,148	-
Fines and forfeitures	-	-	-	507,717
Interest	-	-	-	1,198
Other	47,641	-	-	-
TOTAL REVENUES	596,228	305,333	757,038	595,784
EXPENDITURES				
Current				
Public safety	-	-	-	237,194
Public works	473,175	348,013	-	-
Health and welfare	-	-	693,576	-
Capital outlay	37,838	179,069	-	25,692
Debt service	-	-	-	-
TOTAL EXPENDITURES	511,013	527,082	693,576	262,886
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	85,215	(221,749)	63,462	332,898
OTHER FINANCING SOURCES (USES)				
Transfers in	-	274,293	-	-
Transfers out	(274,293)	-	(365,799)	(70,040)
TOTAL OTHER FINANCING SOURCES (USES)	(274,293)	274,293	(365,799)	(70,040)
NET CHANGE IN FUND BALANCES	(189,078)	52,544	(302,337)	262,858
Fund balances (deficit), beginning of year	338,715	-	332,400	700,072
Fund balances, end of year	\$ 149,637	\$ 52,544	\$ 30,063	\$ 962,930

Funds	Debt Service Funds			
Drug Forfeiture Fund	General Obligation Fund	Motor Vehicle Highway Fund	Special Assessment Fund	Total
\$ -	\$ 632,752	\$ -	\$ -	\$ 1,069,642
-	-	-	-	86,869
-	-	-	-	853,920
-	-	-	-	320,148
169,525	-	-	-	677,242
1,717	-	-	-	2,915
112	-	-	-	47,753
171,354	632,752	-0-	-0-	3,058,489
230,110	-	-	-	467,304
-	-	-	-	821,188
-	-	-	-	693,576
-	-	-	-	242,599
-	496,588	88,294	-	584,882
230,110	496,588	88,294	-0-	2,809,549
(58,756)	136,164	(88,294)	-0-	248,940
-	-	88,294	-	362,587
-	-	-	-	(710,132)
-0-	-0-	88,294	-0-	(347,545)
(58,756)	136,164	-0-	-0-	(98,605)
325,433	(38,060)	-	29,058	1,687,618
\$ 266,677	\$ 98,104	\$ -0-	\$ 29,058	\$ 1,589,013

City of Fraser

Nonmajor Special Revenue Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL

Year Ended June 30, 2015

	<u>Major Streets Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental - State	\$ 527,726	\$ 527,726	\$ 548,587	\$ 20,861
Interest	2,000	2,000	-	(2,000)
Other revenue	-	-	47,641	47,641
TOTAL REVENUES	529,726	529,726	596,228	66,502
EXPENDITURES				
Current				
Public works				
Salaries and fringe benefits	191,777	191,777	219,376	(27,599)
Materials and supplies	35,000	35,000	19,357	15,643
Repairs and maintenance	75,000	75,000	77,672	(2,672)
Equipment rental	75,000	75,000	75,000	-0-
Other	41,000	138,200	81,770	56,430
Capital outlay	59,949	59,949	37,838	22,111
TOTAL EXPENDITURES	477,726	574,926	511,013	63,913
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	52,000	(45,200)	85,215	130,415
OTHER FINANCING (USES)				
Transfers out	(52,000)	(162,000)	(274,293)	(112,293)
NET CHANGE IN FUND BALANCE	-0-	(207,200)	(189,078)	18,122
Fund balance, beginning of year	338,715	338,715	338,715	-0-
Fund balance, end of year	<u>\$ 338,715</u>	<u>\$ 131,515</u>	<u>\$ 149,637</u>	<u>\$ 18,122</u>

City of Fraser

Nonmajor Special Revenue Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL - CONTINUED

Year Ended June 30, 2015

	<u>Local Streets Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental - State	\$ 246,521	\$ 246,521	\$ 305,333	\$ 58,812
Interest	500	500	-	(500)
TOTAL REVENUES	247,021	247,021	305,333	58,312
EXPENDITURES				
Current				
Public works				
Salaries and fringe benefits	79,504	79,504	165,657	(86,153)
Materials and supplies	30,000	30,000	21,075	8,925
Repairs and maintenance	90,549	90,549	69,128	21,421
Equipment rental	75,000	75,000	75,000	-0-
Other	500	29,700	17,153	12,547
Capital outlay	5,000	115,000	179,069	(64,069)
TOTAL EXPENDITURES	280,553	419,753	527,082	(107,329)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(33,532)	(172,732)	(221,749)	(49,017)
OTHER FINANCING SOURCES				
Transfers in	52,000	162,000	274,293	112,293
NET CHANGE IN FUND BALANCE	18,468	(10,732)	52,544	63,276
Fund balance, beginning of year	-	-	-	-0-
Fund balance, end of year	\$ 18,468	\$ (10,732)	\$ 52,544	\$ 63,276

City of Fraser

Nonmajor Special Revenue Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL - CONTINUED

Year Ended June 30, 2015

	<u>Ambulance Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 439,769	\$ 439,769	\$ 436,890	\$ (2,879)
Charges for services	305,000	305,000	320,148	15,148
Other	500	500	-	(500)
	<u>745,269</u>	<u>745,269</u>	<u>757,038</u>	<u>11,769</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Health and welfare				
Salaries and fringe benefits	655,088	655,088	443,824	211,264
Materials and supplies	14,250	14,250	22,494	(8,244)
Equipment rental	26,520	26,520	26,520	-0-
Professional services	25,400	25,400	28,419	(3,019)
Other	-	172,000	172,319	(319)
Capital outlay	24,011	24,011	-	24,011
	<u>745,269</u>	<u>917,269</u>	<u>693,576</u>	<u>223,693</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-0-	(172,000)	63,462	235,462
OTHER FINANCING (USES)				
Transfers out	-	-	(365,799)	(365,799)
	<u>-</u>	<u>-</u>	<u>(365,799)</u>	<u>(365,799)</u>
NET CHANGE IN FUND BALANCE	-0-	(172,000)	(302,337)	(130,337)
Fund balance, beginning of year	<u>332,400</u>	<u>332,400</u>	<u>332,400</u>	<u>-0-</u>
Fund balance, end of year	<u>\$ 332,400</u>	<u>\$ 160,400</u>	<u>\$ 30,063</u>	<u>\$ (130,337)</u>

City of Fraser

Nonmajor Special Revenue Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL - CONTINUED

Year Ended June 30, 2015

Gambling Forfeiture Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental - Federal	\$ -	\$ -	\$ 86,869	\$ 86,869
Fines and forfeitures	55,000	55,000	507,717	452,717
Interest	5,000	5,000	1,198	(3,802)
Other	7,500	7,500	-	(7,500)
TOTAL REVENUES	67,500	67,500	595,784	528,284
EXPENDITURES				
Current				
Public safety				
Salaries and fringe benefits	3,768	3,768	-	3,768
Materials and supplies	91,420	91,420	206,367	(114,947)
Professional services	500	500	827	(327)
Other	5,000	35,000	30,000	5,000
Capital outlay	75,000	75,000	25,692	49,308
TOTAL EXPENDITURES	175,688	205,688	262,886	(57,198)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(108,188)	(138,188)	332,898	471,086
OTHER FINANCING (USES)				
Transfers out	(70,041)	(70,041)	(70,040)	1
NET CHANGE IN FUND BALANCE	(178,229)	(208,229)	262,858	471,087
Fund balance, beginning of year	700,072	700,072	700,072	-0-
Fund balance, end of year	<u>\$ 521,843</u>	<u>\$ 491,843</u>	<u>\$ 962,930</u>	<u>\$ 471,087</u>

City of Fraser

Nonmajor Special Revenue Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL - CONTINUED

Year Ended June 30, 2015

Drug Forfeiture Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 150,000	\$ 150,000	\$ 169,525	\$ 19,525
Interest	1,000	1,000	1,717	717
Other	250	250	112	(138)
TOTAL REVENUES	151,250	151,250	171,354	20,104
EXPENDITURES				
Current				
Public safety				
Salaries and fringe benefits	61,855	61,855	52,126	9,729
Materials and supplies	187,103	187,103	93,971	93,132
Repairs and maintenance	25,074	25,074	24,171	903
Professional services	15,000	15,000	59,842	(44,842)
TOTAL EXPENDITURES	289,032	289,032	230,110	58,922
NET CHANGE IN FUND BALANCE	(137,782)	(137,782)	(58,756)	79,026
Fund balance, beginning of year	325,433	325,433	325,433	-0-
Fund balance, end of year	\$ 187,651	\$ 187,651	\$ 266,677	\$ 79,026

City of Fraser

Internal Service Funds

COMBINING STATEMENT OF NET POSITION

June 30, 2015

	Motor Pool Fund	Health Care Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 277,970	\$ -	\$ 277,970
Accounts receivable	2,159	-	2,159
Due from other funds	76,105	-	76,105
Total current assets	356,234	-0-	356,234
Noncurrent assets			
Capital assets being depreciated, net	246,715	-	246,715
TOTAL ASSETS	602,949	-0-	602,949
LIABILITIES			
Current liabilities			
Accounts payable	136,476	-	136,476
Current portion of compensated absences	2,334	-	2,334
Current portion of long-term debt	17,026	-	17,026
TOTAL LIABILITIES	155,836	-0-	155,836
NET POSITION			
Net investment in capital assets	229,689	-	229,689
Unrestricted	217,424	-	217,424
TOTAL NET POSITION	\$ 447,113	\$ -0-	\$ 447,113

City of Fraser

Internal Service Funds

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2015

	Motor Pool Fund	Health Care Fund	Total
OPERATING REVENUES			
Charges for services	\$ -	\$ 1,859,515	\$ 1,859,515
Rentals	673,015	-	673,015
Other	8,636	-	8,636
TOTAL OPERATING REVENUES	681,651	1,859,515	2,541,166
OPERATING EXPENSES			
Salaries	30,214	-	30,214
Fringe benefits	23,281	-	23,281
Repairs and maintenance	537,054	-	537,054
Claims paid	-	1,859,515	1,859,515
Miscellaneous	2,825	-	2,825
Depreciation	68,513	-	68,513
TOTAL OPERATING EXPENSES	661,887	1,859,515	2,521,402
OPERATING INCOME	19,764	-0-	19,764
NONOPERATING REVENUES			
Interest and other revenue	15,673	-	15,673
NET INCOME BEFORE TRANSFERS	35,437	-0-	35,437
Transfers in	16,247	-	16,247
Transfers out	(34,501)	-	(34,501)
TRANSFERS	(18,254)	-0-	(18,254)
CHANGE IN NET POSITION	17,183	-0-	17,183
Net position, beginning of year	429,930	-0-	429,930
Net position, end of year	<u>\$ 447,113</u>	<u>\$ -0-</u>	<u>\$ 447,113</u>

City of Fraser

Internal Service Funds

COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2015

	Motor Pool Fund	Health Care Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 616,117	\$ 1,859,515	\$ 2,475,632
Cash paid to suppliers	(438,408)	(1,859,515)	(2,297,923)
Cash paid to employees	(32,501)	-	(32,501)
NET CASH PROVIDED BY OPERATING ACTIVITIES	145,208	-0-	145,208
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	16,247	-	16,247
Transfers out	(34,501)	-	(34,501)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(18,254)	-0-	(18,254)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital acquisitions	(130,800)	-	(130,800)
Payments on long-term borrowing	(16,247)	-	(16,247)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(147,047)	-0-	(147,047)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	15,673	-	15,673
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,420)	-0-	(4,420)
Cash and cash equivalents, beginning of year	282,390	-	282,390
Cash and cash equivalents, end of year	<u>\$ 277,970</u>	<u>\$ -0-</u>	<u>\$ 277,970</u>

City of Fraser

Internal Service Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

Year Ended June 30, 2015

	Motor Pool Fund	Health Care Fund	Total
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 19,764	\$ -	\$ 19,764
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	68,513	-	68,513
Decrease (increase) in:			
Receivables	8,071	-	8,071
Due from other funds	(73,605)	-	(73,605)
Prepays	100	-	100
Increase (decrease) in:			
Accounts payable	124,652	-	124,652
Accrued liabilities	(1,215)	-	(1,215)
Compensated absences	(1,072)	-	(1,072)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 145,208</u>	 <u>\$ -0-</u>	 <u>\$ 145,208</u>

City of Fraser

Fiduciary Funds

COMBINING STATEMENT OF NET POSITION

June 30, 2015

	Pension Trust Fund	Retiree Health Care Trust Fund	Total
ASSETS			
Cash and investments	\$ -	\$ -	\$ -0-
LIABILITIES	-	-	-0-
NET POSITION			
Held in trust for pension and other post-employment benefits	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

City of Fraser

Fiduciary Funds

COMBINING STATEMENT OF CHANGES IN NET POSITION

Year Ended June 30, 2015

	Pension Trust Fund	Retiree Health Care Trust Fund	Total
ADDITIONS			
Investment income			
Interest and dividends	\$ 108,746	\$ -	\$ 108,746
Net depreciation in fair value of investments	(496,675)	-	(496,675)
TOTAL ADDITIONS	(387,929)	-0-	(387,929)
DEDUCTIONS			
Benefit payments	18,575	7,938	26,513
Transfer to MERS	27,105,031	-	27,105,031
Administrative expenses	55,277	-	55,277
TOTAL DEDUCTIONS	27,178,883	7,938	27,186,821
CHANGE IN NET POSITION	(27,566,812)	(7,938)	(27,574,750)
Net position, beginning of year	27,566,812	7,938	27,574,750
Net position, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>



33671 Doreka
Fraser, Michigan 48026
Telephone: (586) 774-7600
Fax: (586) 774-6473
www.HMARK.com

November 19, 2015

Mr. Joseph Nichols, Mayor
and City Council
City of Fraser
33000 Garfield Road
Fraser, MI 48026

Dear Mr. Nichols and Council Members:

Healthmark Industries Co., Inc. ("the company") hereby informs the City of Fraser, Michigan ("the city"), of its intention to file an application for the establishment of a Plant Rehabilitation District, under the provisions of 198 PA 1974, at 18600 Malyln Street (Parcel Number 11-32-278-001) The PRD will be created for the benefit of Healthmark Industries in its desire to secure from the City of Fraser the approval of a Plant Rehabilitation Tax Exemption and subsequently, from the State of Michigan, the issuance of a Plant Rehabilitation Tax Exemption Certificate for real property investments.

Healthmark Industries is a family owned and operated health care products manufacturing and global supply company headquartered in Fraser, Michigan. Founded in 1969, the company now has three facilities in Fraser. It is the intention of the company to invest an estimated \$ 2,585,235 in real and personal property that will substantially increase productivity. Of that amount over \$2,085,235 will be in improvement to the existing real property. This investment will result in the retention of 0 jobs and the creation of approximately 25 new jobs over the next two years.

Following submission of the PRD application, the company looks forward to addressing, at public hearing, any questions that you and the residents of Fraser may have regarding this project. If you have questions or concerns in the interim, please contact me at 586-491-2002.

Sincerely,

Mark Basile

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date Received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

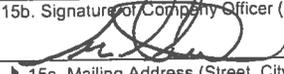
APPLICANT INFORMATION
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) Healthmark Industries Co., Inc.	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 33911	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 18560-18600 Malyn, Fraser, MI 48026	▶ 1d. City/Township/Village (indicate which) City of Fraser	▶ 1e. County Macomb
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment	▶ 3a. School District where facility is located Fraser	▶ 3b. School Code 50100
4. Amount of years requested for exemption (1-12 Years) 12 years		
5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed. Phase 2 Healthmark campus - renovation of existing facility (18600 Malyn - 43,681 sqft) for warehousing and production spaces. Construction of addition (16,480 sqft) for shipping, receiving & support offices. Products to be produced/warehoused/shipped are all related to sterilization and testing of hospital surgical scopes and equipment. Phase 2 - Facade renovation.		
6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ <u>2,085,235</u> Real Property Costs	
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ <u>500,000</u> Personal Property Costs	
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ <u>2,585,235</u> Total of Real & Personal Costs	
7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.		
	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>
Real Property Improvements ▶	<u>1/15/2016</u>	<u>1/14/2018</u> ▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	<u>06/01/2016</u>	<u>05/31/2018</u> ▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. 0	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 25	
11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.		
a. TV of Real Property (excluding land)	<u>\$489,000</u>	
b. TV of Personal Property (excluding inventory)	<u>\$0-</u>	
c. Total TV	<u>\$489,000</u>	
▶ 12a. Check the type of District the facility is located in: <input type="checkbox"/> Industrial Development District <input checked="" type="checkbox"/> Plant Rehabilitation District		
▶ 12b. Date district was established by local government unit (contact local unit) 1/14/2016	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name John Dondanville	13b. Telephone Number (248) 514-6543	13c. Fax Number (248) 340-8998	13d. E-mail Address johnd@D5groupLLC.com
14a. Name of Contact Person John Dondanville	14b. Telephone Number (248) 514-6543	14c. Fax Number (248) 340-8998	14d. E-mail Address johnd@D5groupLLC.com
▶ 15a. Name of Company Officer (No Authorized Agents) Mark D. Basile			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (586) 491-2113	15d. Date 11/19/2015
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 33671 Doreka, Fraser, MI 48026		15f. Telephone Number (586) 774-7600	15g. E-mail Address mdbasile@hmark.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	16c. LUCI Code
17. Name of Local Government Body	16d. School Code
▶ 18. Date of Resolution Approving/Denying this Application	

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

**CITY OF FRASER
APPLICATION FOR ESTABLISHMENT OF AN
INDUSTRIAL DEVELOPMENT DISTRICT
OR A PLANT REHABILITATION**

P.A. 198 of 1974 As Amended

Please file original and three (3) copies with the City Clerk's Office

1. **Applicant (Company Name)** BCP Limited, LLC (Healthmark Industries)
Address of Proposed Project 18560-18600 Malyn
(number & street) Fraser, MI 48026

Present Location BCP Limited, LLC (Healthmark Industries)
(number & street) 33671 Doreka
(City, State, Zip) Fraser, MI 48026

2. Legal description of Proposed District:

Part of Lots 24 and 25 and all of Lot 26, of CATALLO INDUSTRIAL PARK, according to the plat thereof as recorded in Liber 77 of Plats, pages 1, 2 and 3, Macomb County Records, described as: Beginning at the Northeast corner of said Lot 26; thence South 00 degrees 25 minutes 36 seconds West 244.51 feet along the East line of Lot 26; thence South 31 degrees 33 minutes 54 seconds West 64.21 feet along the Westerly line of the Grand Trunk Western Railroad; thence North 88 degrees 33 minutes 45 seconds West 224.98 feet along the South line of Lots 25 and 26; thence North 58 degrees 26 minutes 06 seconds West 155.42 feet; thence North 88 degrees 33 minutes 45 seconds West 72.69 feet; thence North 01 degree 26 minutes 15 seconds East 222.00 feet along the West line of Lot 24; thence South 88 degrees 33 minutes 45 seconds East 460.00 feet along the North line of Lots 24, 25 and 26 to the Point of Beginning. Tax Item No. 11-32-278-001

3. Do you own the property? Yes No

If no: Option _____
 Other _____

Purchase Agreement _____
 (attach copy)

4. Type of District Requested:

Industrial Development (IDD) Plant Rehabilitation (PRD)

5. Description of Proposed Project including product proposed to be manufactured, size and general description of Project:

Phase 2 Healthmark campus - renovation of existing facility (18560-600 Malyn - 43,645 sqft) for
production and warehousing space. Construction of 16,480 sqft addition connecting the 18600
Malyn and 34260 James J Pompo existing buildings. Addition will be primarily shipping/receiving.
Products to be produced are all related to sterilization and testing of hospital surgical scopes and
equipment. Facade renovation.

6. Give an estimated cost of the following components for the proposed project:

Land Improvements (excluding land)	<u>\$185,000</u>
Building Improvements	<u>\$1,900,235</u>
Machinery & Equipment	<u>\$400,000</u>
Furniture & Fixtures	<u>\$100,000</u>

If request for district establishment is granted, itemized cost figures will be required when application for Industrial Facilities Exemption Certificate is filed.

7. Time schedule for start and completion of construction and equipment installation:

BUILDING

Start Date: January, 2016
Completion Date: July, 2017

EQUIPMENT INSTALLATION

Start Date: May, 2016
Completion Date: July, 2017

8. Will Machinery & Equipment be: Owned or Leased by applicant?
Will Machinery & Equipment be: Owned or Leased by applicant?

If either item above will be leased, applicant must be responsible for taxes in order to apply for Exemption Certificate. A complete copy of leases will be required when application for Industrial Facilities Exemption Certificate is filed.

9. How many employees do you currently have? 76
and how many employees will you have when this project is completed? 116 (2 years)

10. When project is completed what number of employees will be:

Management/Professional	<u>10</u>	Un-Skilled	<u>20</u>
Skilled	<u>10</u>	Office	<u>56</u>
Semi-Skilled	<u>10</u>	TOTAL ESTIMATED PAYROLL \$	<u>7,000,000</u>

Will this project cause a relocation of facilities from another Michigan government unit to this community? Yes No

If yes, a certified copy of a resolution passed by that governmental unit consenting to the relocation will be required when the application for Industrial Facilities Exemption Certificate is filed.

12. If this request is for a Plant Rehabilitation District, please complete the following:

Current Year S.E.V. of Personal Property \$0
Current Year S.E.V. of Real Property \$489,000
(excluding land)

PRINTED NAME & TITLE OF COMPANY OFFICER: Mark Basile, President

SIGNATURE OF OFFICER: 

DATE: 11/19/2015

\$650
AN APPLICATION FILING FEE OF \$500 (NON-REFUNDABLE)
MUST BE INCLUDED WITH THIS APPLICATION

RETURN APPLICATION TO:

CITY OF FRASER
CITY CLERK'S OFFICE
33000 GARFIELD ROAD
FRASER, MI 48026

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION
AFFIDAVIT OF FEES**

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the Local Unit and Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm that no payment of any kind, whether they be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198 that exemption certificates have the effect of abating all ad valorem property taxes levied by taxing units with the unit of local government which approves the certificate.

We do swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application."

City/Township/Village of: Fraser

Signed: _____

Print Name: _____

Title: _____

Dated: _____

Applicant: Healthmark Industries, Inc.

Signed: 

Print Name: Mark D. Basile

Title: President

Dated: 4/14/15

Healthmark Industries, Inc.
Statement Attached To And Made Part Of
Form 1012
Application For Industrial Facilities Exemption Certificate

**-AFFIDAVIT-
DATE OF PROJECT COMMENCEMENT**

I, Mark D. Basile, President of Healthmark Industries, Inc., do hereby certify that the commencement of the installation of the real property described in this application occurred on 1/14/16.


SIGNATURE

1/14/16
DATE

President
TITLE

**IFT LETTER OF AGREEMENT
Per P.A. 334 of 1993**

**INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
LETTER OF AGREEMENT:**

This agreement between (Company) Healthmark Industries, Inc. and the City of Fraser is for the requirements of P.A. 198, as amended, P.A. 334, Section 22. In consideration of approval of this exemption certificate, the (company) Healthmark Industries, Inc. understands that through its investment of (money) \$2,585,235.00 and the City of Fraser, by its investment of the IFT, are mutually investing and benefiting from this economic development project, and, furthermore, agree to the following:

N.A.

This agreement is assignable and transferable by either party with advance written consent. The agreement may only be altered upon mutual consent of both parties.

City of Fraser

Date



Applicant Signature

Date

Healthmark Industries

LEGAL DESCRIPTION

18560/18600 Malyn
Fraser, MI 48026

Industrial Facilities Tax Exemption Application

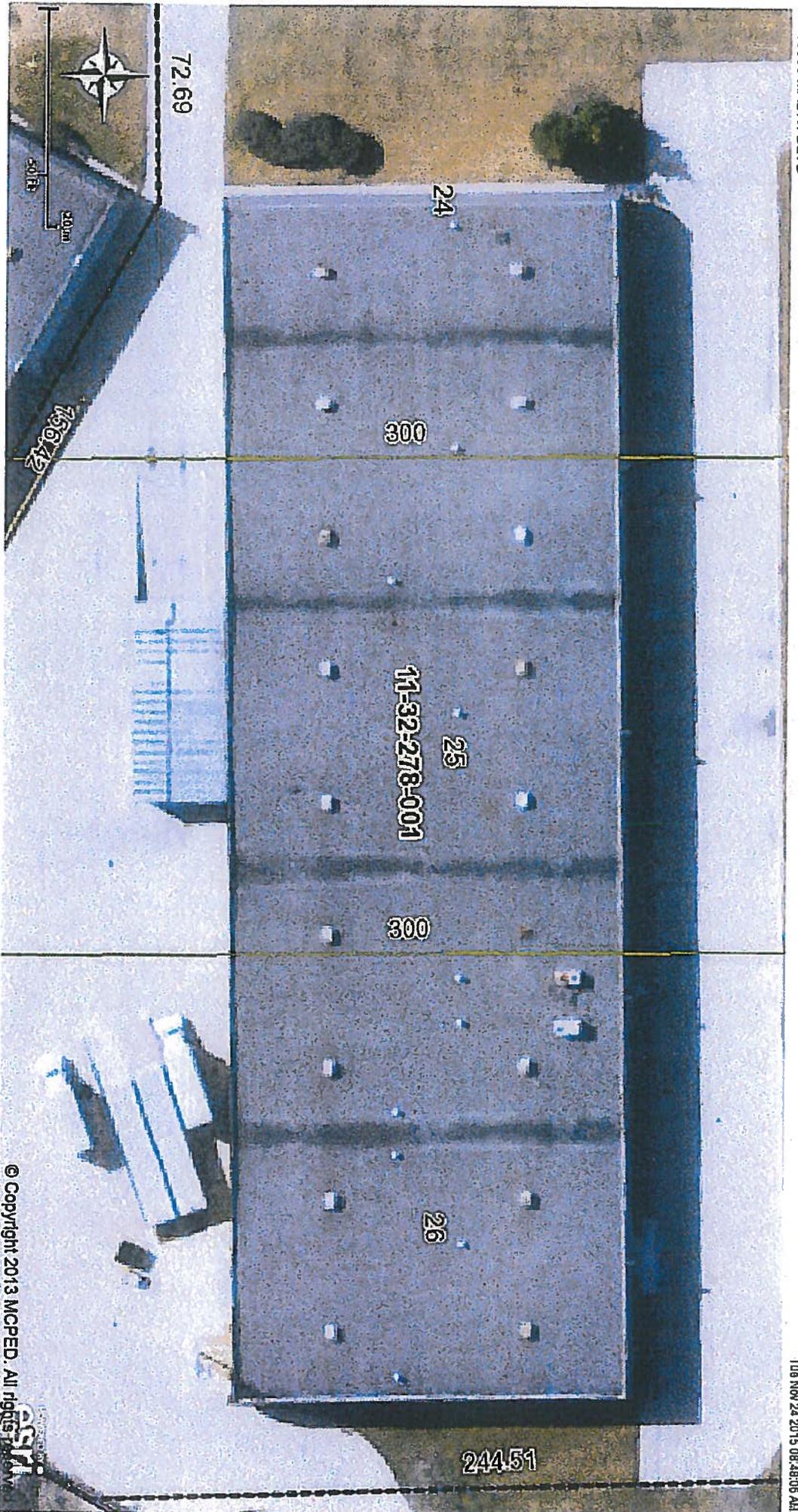
Parcel Identification Number: 11-32-278-001

Legal Description:

CATALLO INDUSTRIAL PARK PART OF LOTS 24 & 25 & ALL OF LOT 26 DESC AS
BEG AT NE COR LOT 26; TH S0°25'36"W 244.51 FT; TH S31°33'54"W 64.19 FT; TH
N88°33'45"W 224.98 FT; TH N58° 26'06"W 155.42 FT; TH N88°33'- 45"W 72.69 FT; TH
N01°26'15"E 222.0 FT; TH S88°33'45"E 460.0 FT TO POB. CITY OF FRASER

Macomb County GIS

18560 MALVERN BLVD



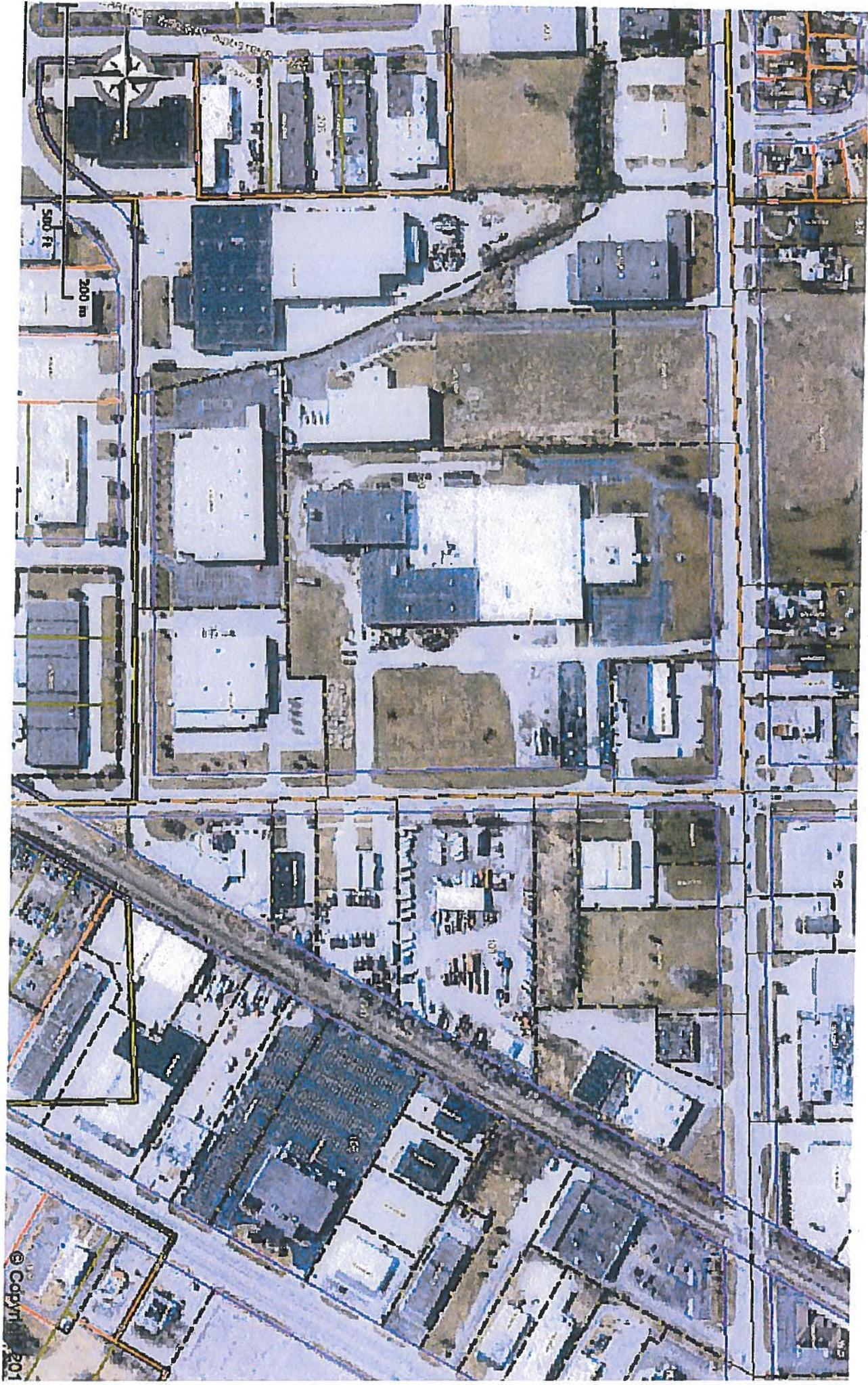
Tue Nov 24 2015 08:48:06 AM

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Macomb County GIS

18560 MALVERN BLVD



CITY OF FRASER
33000 GARFIELD RD
FRASER, MI 48026

Receipt: 309525 Entry Date: 11/19/2015
Post Date: 11/20/2015
Cashier: KELLY
Received Of: HEALTHMARK INDUSTRIES

(586) 293-3100

33671 DOREKA DRIVE
FRASER MI 48026

Description/Notes

IFT
33671 DOREKA DRIVE
FRASER, MI 48026

The sum of: 650.00

	GL Account #	DEBIT	CREDIT
IFT IFT APPLICATIONS	101-000-001.000	650.00	
	101-000-605.000		650.00
		Total	650.00
TENDERED:	CHECKS	34714	650.00

HEALTHMARK INDUSTRIES CO.
33671 DOREKA DRIVE
FRASER, MI 48026
PH. (800) 521-6224

FIFTH THIRD BANK
74-545-724

DATE: 11/19/2015 AMOUNT: \$650.00

34714

PAY Six Hundred Fifty Dollars And 00 Cents

TO THE ORDER OF CITY OF FRASER
FINANCE DEPARTMENT
33000 GARFIELD ROAD
FRASER MI 48026-0010


AUTHORIZED SIGNATURE

⑈034714⑈ ⑆022405455⑆ 7964493064⑈

Signed: Kelly An Wallcut

**APPLICATION
INDUSTRIAL FACILITIES (PLANT REHABILITATION)
EXEMPTION CERTIFICATE
ATTACHMENT - SECTION 6A**

**ATTACHMENT TO 6A - COST OF BUILDING
BUILDERS ESTIMATE**

**Healthmark Industries, Inc./BCP Limited, LLC
18600 Malyn
Fraser, MI 48026**

COST OF LAND IMPROVEMENTS	Estimated	
	Installation Date	Cost
Demolition & Site Work		\$100,000
Site Utilities		\$15,000
Site Concrete		\$40,000
Landscaping		\$30,000
TOTAL COST		\$185,000

COST OF BUILDING	Estimated	
	Installation Date	Cost
Concrete		\$173,880
Steel		\$168,320
Masonry		\$197,500
Precast		\$15,000
Roofing		\$117,400
Metal Siding		\$111,960
Metal Studs/DW		\$25,000
Flooring		\$66,000
Acoustical		\$6,510
Fire Protection		\$44,720
Plumbing		\$39,000
Electrical		\$45,356
Generator		\$25,000
HVAC Distrib.		\$100,000
Dock Equipment		\$100,000
Doors/Frames		\$20,000
Strip Doors		\$10,000
Int. Windows		\$6,000
Ext. Windows		\$77,000
Hardware		\$8,000
Toilet Partitions		\$1,500
Toilet Acces.		\$800
Lockers		\$15,000
Millwork		\$4,500
Dishwasher		\$300
Window Trtmts		\$1,000
Fire Ext.		\$1,250
Paint		\$124,500
Final Cleaning		\$9,550

**APPLICATION
INDUSTRIAL FACILITIES (PLANT REHABILITATION)
EXEMPTION CERTIFICATE
ATTACHMENT - SECTION 6A**

**ATTACHMENT TO 6A - COST OF BUILDING
BUILDERS ESTIMATE**

Healthmark Industries, Inc./BCP Limited, LLC
18600 Malyn
Fraser, MI 48026

Contingency	\$83,255
G.C.'s	\$132,643
GC Fee	\$169,290
TOTAL COST	\$1,900,235

\$2,085,235

GRAND TOTAL: REAL PROPERTY - \$2,085,235



City of Fraser

Assessing Office

33000 Garfield, Fraser, MI 48026

Phone: (586) 293-3104

Fax: (586) 293-4717

Statement of Obsolescence 18560/18600 Malyn, Fraser, MI 11-32-278-001

The subject property is a light industrial building with separate office space that includes a two story area and a separate mezzanine storage in the shop area. Built in 1980 this 43,200 square foot building has been vacant or under occupied for some time.

Obsolescence is evident in the lack of modern electrical, plumbing features, and in the physical and functional utility as noted in the poor condition of the walls, ceiling materials, and flooring. Inadequate restrooms require complete renovation as well as additional facilities.

In the opinion of the assessor, this property suffers in excess of 50% obsolescence.



Gary R. Blash, Assessor

City of Fraser

Date: 3/13/15



City of Fraser

Building & Code Enforcement Department

MEMORANDUM

DATE: DECEMBER 21, 2015
TO: RICH HABERMAN, CITY MANAGER
FROM: RANDY A. WARUNEK, BUILDING OFFICIAL
RE: PLANNING COMMISSION RECOMMENDATION TO COUNCIL FOR DENIAL

Please include the action taken by the Planning Commission on an upcoming meeting of Fraser Council. At the October 7, 2015 meeting, the Planning Commission made the recommendation to city council to deny the requested approval of the proposed Zoning Ordinance revision “to adopt an Ordinance Amending and Revising the Fraser Code of Ordinances, Chapter 32 “Zoning” adding under Section 32-134(1), Subparagraph “J”, Permitting the Indoor Sale of Classic Automobiles, Providing for Definition, Regulations, Repealer, Severability, Penalties and Effective Date. The vote was 5 Ayes and 2 Nays for denial, carrying their motion.

I have included the minutes from that meeting (please see Item 7(a)) and the proposed Ordinance. I have also included the minutes from the original “Special Land Use” request meeting from October 16, 2013 for the business this change affects.

The final decision rests with Council, but they should be aware of more information than the board’s recommendation for denial. Since approval of the concerned use in October 2013, the Building and Code Enforcement Department has received no complaints or code enforcement issues regarding the Classic Car Showroom at the corner of 14 Mile and Utica. My questioning of the Public Safety Department has also found no issues or complaints received for this site.

This ordinance would allow for interior sales of their product, maintaining the restriction of no outdoor sales, display, parking or storage of these items. Taking the product out of the equation, this would be similar to any commercial retail indoor use. I state this because, in all my years in the Building Department, this site has had trouble sustaining a successful business occupant because of its characteristics. There is an extreme lack of parking and its location of two street-front building sides, tight to the sidewalks, make it undesirable for many businesses. To be successful, most businesses need volume, and this

site has prevented that by not attracting customers due to inadequate parking and traffic flow. The product associated with the existing business presents a need for very few patrons at a time, thereby removing the parking problem. Prior to this business, most inquiries regarding this site have ended up with people changing their minds, no matter what price the property was selling for. The Building Department is happy to have a successful tenant here and remove another long-standing vacancy from the city.

MEMORANDUM TO COUNCIL ON AGENDA ITEMS FROM THE CITY MANAGER

Rezoning Property SE Corner Utica/14 Mile Rd:

In addition to the points made by Randy Warunek in his memo to me, I want to add what I believe to be a very important philosophical point I have had for more than 20 years with respect to land use regulations and it has been an important part of my management of the communities in which I have served. It was an important point we used in Clawson which led to a revival in the downtown during my tenure there. My point here is that while government has broad authority for land use regulations we need to remember that in doing that regulation we are limiting the property rights of private property owners. As such, we should have solid health and safety or economic reasons to deny a request by property owners for changes of use of their property. In this case I strongly disagree with the Planning Commission's recommendation and strongly agree with Mr. Warunek's assessment of this situation. This property was vacant, and had been for some time, prior to my arrival in June of 2010. Due to limited parking this property would typically be doomed to continue as a vacant parcel. The current use has allowed this property to become a viable income producing piece of Commercial property which also enhances its taxable value to the City. The request is simple, to allow the owner the right to sell that which he displays in this facility. That simple action does not increase his demand for City services nor does it have an impact on the neighboring property owners. As such, my recommendation is for the Council to ignore the Planning Commission's recommendation, which you can do under Michigan Land Use Regulations, and approve the change of zone as requested. Thank you.

Council Rules and Policy:

Monday the Mayor, Mayor Pro Tem, Acting Mayor and I met to develop the agenda. In order to provide the Council with a recommendation on these items there was a consensus among them which resulted in the recommended rule changes included in your packet for Use of Electronic Devices and for the filling of a Council Vacancy.

The Policy covering Electronic Equipment and Internet Policy is an expansion of a policy developed for Employees. I am requesting the Council adopt this policy not only for the employees but to cover elected officials who use City provided electronic equipment and City provided Internet services. Thank you for your consideration.

Closed Session:

For the record, my employment agreement expires on January 31, 2016. I am requesting that the Council extend this agreement as I still feel there is work that I would like to get done and it appears to coincide with what I perceive to be Council objectives as well. The closed session will allow us to discuss this matter in a bit more detail and if the Council is in agreement to this request that action can be taken in the remaining part of the open session. Thank you for your consideration of this request.

DRAFT MINUTES

**Minutes
Fraser City Council - Regular Meeting
Thursday, December 10th, 2015 - 7:00 P.M**

A Regular 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 Nichols and Council Members Blanke, Carnagie, Foster, Hemelberg, Lesich and Schornak
Absent: None
Also Present: Richard Haberman, City Manager
Kelly Dolland, City Clerk
Jack Dolan, City Attorney

- 1. **Call Meeting to Order** - Mayor Nichols called the regular meeting to order at **7:00** p.m.
- 2. **Pledge of Allegiance**

OPENING PRAYER: Pastor Kevin Harbin Christ Methodist Church

- 3. **Approval of Agenda**

Member Lesich moved, seconded by Member Blanke, TO AMEND THE AGENDA TO REMOVE 7h. FROM CONSENT AGENDA AND PLACE IT AS 8d. UNDER REQUESTS FOR COUNCIL ACTION.

The motion carried unanimously

Member Lesich moved, seconded by Member Schornak, TO REQUEST COUNCIL TO DISCUSS AND CONSIDER TECHNOLOGY USAGE POLICY FOR COUNCIL MEMBERS, AS WELL AS INCLUDE THE ADMENDMENT OF FRASER CITY COUNCIL RULES TO LIMIT COUNCIL USE OF MESSAGING, TEXTING, and E-MAIL AND OTHER FORMS OF ELECTRONIC COMMUNICATION DURING PUBLIC MEETINGS.

Mayor asked for a roll call vote:

Blanke - yes Lesich - yes
Carnagie - yes Nichols - no
Foster – yes Schornak - yes
Hemelberg – no

Member Blanke moved, seconded by Member Lesich, TO AMEND THE AGENDA TO REMOVE 7d. FROM CONSENT AGENDA AND PLACE IT AS 8f. UNDER REQUESTS FOR COUNCIL ACTION

Member Carnagie moved, seconded by Member Lesich, TO APPROVE THE AGENDA AS AMENDED.

The motion carried unanimously

- 4. **Citizen Participation on Agenda Item** - None
- 5. **Presentations** - None
- 6. **Public Hearing** - None
- 7. **Consent Agenda**

Member Lesich moved, seconded by Member Carnagie, TO APPROVE THE CONSENT AGENDA ITEMS AS AMENDED.

- a. Approval of Minutes of the Regular Council Meeting of November 12, 2015.
- b. Approval of Minutes of the Special Council Meeting of November 16, 2015.
- c. Approval of the 2016 Fraser City Council Meeting dates.
- e. Receive and file the minutes of the September 14, 2015 meeting of the Library Board.
- f. Receive and file minutes of the October 6, 2015 meeting of the Historical Commission.
- g. Request Council appoint Joan Lowes to the Library Board, term to expire on 6-30-2020

The motion carried unanimously

8. Requests For Council Action

a) Request Council consider an ordinance regulating the sale, delivery and transfer of certain types of animals as defined regulating the location for the sale, delivery and transfer, providing for disclosure of certificate of origins providing exemptions, including provisions for existing pet shops and providing for penalties, repealer, severability and effective date.

Mr. Dolan spoke of the prospective ordinance.

Pam Sordyl, Puppy Mill Awareness thanked the Council for considering the ordinance.

Member Schornak spoke on the topic.

Member Foster spoke on the topic.

Member Hemelberg moved, seconded by Member Foster, TO APPROVE THE REQUEST COUNCIL CONSIDER AN ORDINANCE REGULATING THE SALE, DELIVERY AND TRANSFER OF CERTAIN TYPES OF ANIMALS AS DEFINED REGULATING THE LOCATION FOR THE SALE, DELIVERY AND TRANSFER, PROVIDING FOR DISCLOSURE OF CERTIFICATE OF ORIGINS PROVIDING EXEMPTIONS, INCLUDING PROVISIONS FOR EXISTING PET SHOPS AND PROVIDING FOR REPEALERS, SEVERABILITY AND EFFECTIVE DATE.

The motion carried unanimously

b) Request the Council discuss proposed ordinance of the Regulation of Oil and Gas Drilling and refer ordinance to the Planning Commission as recommended by the City Attorney.

Mr. Dolan spoke of drilling operations and requested council action to forward action to the Planning Commission.

Member Lesich referenced Rochester Hills zoning ordinance.

Resident Marie Cilluffo spoke on the topic.

Resident Paul Cilluffo spoke on the topic.

Member Hemelberg moved, seconded by Member Carnagie, TO APPROVE THE REQUEST COUNCIL REFER ORDINACE OF THE REGULATION OF OIL AND GAS DRILLING TO THE PLANNING COMMISSION AS RECOMMENDED BY THE CITY ATTORNEY.

The motion carried unanimously

c) Request the Council discuss and advise the Administration regarding proposed ordinance(s) regarding the growing of medical marijuana in so-called "grow houses."

Mr. Haberman spoke of City of Fraser Commercially zoned Grow Houses in the City of Fraser, State of Michigan laws, and recommendations to the Planning Commission.

Mr. Dolan stated seeking Councils action on the action of a 90 day moratorium; it would prohibit growing houses, dispensaries, etc. It would not prohibit anything that is currently lawful.

Member Carnagie suggested to extend the 90 day moratorium. ~ Mr. Dolan stated can always extend moratorium.

Director Rouhib stated the City of Fraser must have an ordinance in place before the city would allow commercial grow houses. The city ordinance should also consider rental residential properties, retail establishments of eatables and consumables.

Mr. Dolan stated will address whatever is lawfully permitted.

Director Rouhib stated the City of Fraser could see revenues in regard to licenses.

Resident Cari Heini suggested considering 'no drive thru dispensaries.

Resident Paul Cilluffo spoke on the topic, and mentioned a rental inspection ordinance.

Member Carnagie moved, seconded by Member Hemelberg, TO APPROVE THE REQUEST ADVISE THE ADMINISTRATION ADOPT AN 180 DAY MORATORIUM REGARDING THE GROWING OF MEDICAL MARIJUANA IN SO-CALLED 'GROW HOUSES'.

The motion carried unanimously

Minutes
Fraser City Council - Regular Meeting
Thursday, December 10th, 2015 - 7:00 P.M
Page 3

d). Request Council approve resolution assigning of the current water contract with DWSD to the Great Lakes Water Authority (GLWA).

Member Lesich requested the item to be removed from consent agenda and open for discussion amount council.

Mr. Haberman stated the City of Fraser would be at a higher risk if they were to stay with the City of Detroit than if the City of Fraser would transfer the water contracts to the Great Lakes Water Authority. All Macomb County cities have transferred their water contract to Great Lake Water Authority.

Member Schornak spoke on the topic.

Member Lesich spoke on the topic.

Resident Paul Cilluffo spoke on the topic.

Member Lesich moved, seconded by Member Schornak, TO REQUEST COUNCIL TO APPROVE THE RESOLUTION ASSIGNING THE CURRENT WATER CONTRACT WITH DETROIT WATER AND SEWER DEPARTMENT TO GREAT LAKES WATER AUTHORITY.

The motion carried unanimously

e). To request Council to discuss an consider technology usage policy for Council members, as well as include the amendment of Fraser City Council rules to limit Council use of messaging, testing, e-mail and other forms of electronic communication during public meetings.

Member Lesich expressed his concern regarding policies and rules regarding shared information of council members and third party members during a council meeting. Request City Manager and City Attorney to create a policy and council rule to address technology usage policy as well as electronic messaging. Two separate concerns.

Member Blanke spoke on the topic.

Member Carnagie spoke on the topic.

Member Lesich spoke on the topic.

Member Schornak spoke on the topic.

Mayor Nichols spoke on the topic.

Member Blanke spoke on this topic.

Mr. Haberman spoke of common policies of city equipment.

Resident Janet Calabrese spoke on this topic.

Resident Paul Cilluffo spoke on this topic.

Resident Cari Heini spoke of this topic.

Resident Ray Wojciechowski spoke on this topic.

Resident Susan Wieland spoke on this topic.

Member Lesich moved, seconded by Member Schornak, TO REQUEST COUNCIL TO DIRECT CITY MANAGER AND CITY ATTORNEY TO PREPARE A TECHNOLOGY USAGE POLICY CONSISTANCE WITH OTHER CITY EMPLOYEE POLICIES FOR TECHNOLOGY USE BY COUNCIL MEMBERS. THIS WOULD INCLUDE THE LIBAILITES AND RESPONSIBILITY ISSUES AND CITY USE TO BE DISCUSSED AT THE JANUARY 2016 COUNCIL MEETING. AND TO DIRECT CITY MANAGER AND CITY ATTORNEY TO PREPARE A COUNCIL RULE TO LIMIT ELECTRONIC COMMUNICATION BY COUNCIL MEMEBERS DURING A PUBLIC MEETING TO BE DISCUSSED AT THE JANUARY 2016 COUNCIL MEETING.

The motion carried unanimously

f). Approval of bills for the month of November in the amount of \$1,703,330.88.

Member Blanke questioned the monthly billing of the City of Fraser.

Mr. Haberman stated Council's roll is to adopt the budget, limit the spending of the City Manager, this establishes a check and balance, there is an annual audit, as well as a list of bills given to council to review on a monthly basis. Council can view any bills of the City.

Member Schornak requested more detail, whole accounting, stated she has an accounting background and was taken back with the report presented to council.

Member Lesich moved, seconded by Member Hemelberg, TO APPROVE THE BILLS FOR THE MONTH OF NOVEMBER IN THE AMOUNT OF \$1,703,330.88.

The motion carried unanimously

MINUTES
FRASER CITY COUNCIL - REGULAR MEETING
THURSDAY, DECEMBER 10TH, 2015 - 7:00 P.M
PAGE 4

9. Report of City Administration/Pending Items

- Mr. Haberman spoke of the Fraser Public Library Downton Abbey Fundraiser.
- Fraser First has applied for a \$100,000 DNR Grant for the Boundless Park.

10. Report of Mayor and City Council/New Business

Councilmember Lesich stated Christmas in Fraser was a success as well as an opening on the Fraser Recreation Commission.

Councilmember Blanke wished Peace on Earth and a Merry Christmas.

Councilmember Foster wished all a Merry Christmas as well as the Fraser Lions Club Breakfast with Santa; all proceeds go to the Hope Center in Fraser.

Member Schornak congratulated Joan Lowes, spoke of leaf pickup, the speed limit on Kelly Rd, and spoke of her involvement with the Fraser Good fellows and mentioned the Boundless Park Valentine's Day Dance Fundraiser. Merry Christmas.

Acting Mayor Hemelberg, spoke of the speed limit on Kelly Rd, and County Commissioner Kathy Tocco and Fred Miller Pancake Breakfast at the Eric Church in Roseville MI.

Mayor Pro-tem Carnagie spoke of the code enforcement regarding the old Dairy Queen building on Groesbeck. Also thanked the City of Fraser Public Safety Department for 'Shop with a Hero' Christmas sponsored program, members of the staff shopped with 32 Fraser kids. He also mentioned the passing of past Fraser employee Ron Wolber.

Mayor Nichols thanks the City and its residents also thanked the owner of Vic's Coney Island his generosity on Thanksgiving Day.

11. Citizen Participation

Resident Nancy Burube spoke on various topics.

17107 Gretel resident spoke of current water bills.

Resident Cari Heini spoke of this topic.

Pam Sordyl, thanked the Mayor and Council and City Attorney.

Toulouse resident spoke of the poor quality of the sound system.

12. Adjournment

Member Accavitti moved, seconded by Member Foster, to ADJOURN THE REGULAR COUNCIL MEETING OF DECEMBER 10TH, 2015 AT 10:07 P.M.

The motion unanimously

Respectfully submitted,

Kelly Dolland, City Clerk

Joe Nichols, Mayor

/kd

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
Bank PNC GENERAL CHECKING						
12/04/2015	PNC	119759	39PROB	39TH DISTRICT COURT - ROSEVILLE	OVERSIGHT FEES	480.00
12/04/2015	PNC	119760	A-1PAR	A-1 PARKING LOT MAINTENANCE, INC	RE-STRIPING MASONIC POOL LOT RE-STRIPING/FRASER DEPOT LOT RESTRIPING/CITY HALL RESTRIPING-LIBRARY	415.00 195.00 520.00 255.00 <u>1,385.00</u>
12/04/2015	PNC	119761	ANDDAV	ANDARY, DAVIS, ANDARY PC	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119762	BELEQU	BELL EQUIPMENT COMPANY	REPLACE CLUTCH ASSEMBLY/LEAF COLLECTOR	5,372.15
12/04/2015	PNC	119763	BESBUY	BEST BUY BUSINESS ADVANTAGE ACCT	SUPPLIES/BLDG	59.99
12/04/2015	PNC	119764	BEZELA	ELAINE BEZAS	INDIGENT ATTORNEY FEES	275.00
12/04/2015	PNC	119765	CANTOR	CANU TORRICE LAW PLLC	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119766	CARE	CARE WORKLIFE SOLUTIONS	SERVICES 1-1-16/3-31-16	335.00
12/04/2015	PNC	119767	CARE	VOID		
12/04/2015	PNC	119768	CINFIR	CINTAS FIRST AID & SAFETY	SUPPLIES/DPW SUPPLIES/CITY HALL	28.05 43.85 <u>71.90</u>
12/04/2015	PNC	119769	CLIMAC	CLINTON-MACOMB PUBLIC LIBRARY	CD/DVD REPAIR/LIBRARY	16.50
12/04/2015	PNC	119770	COJJEF	LAW OFFICES OF JEFFREY A COJOCAR PC	INDIGENT ATTORNEY FEES INDIGENT ATTORNEY FEES	175.00 150.00 <u>325.00</u>
12/04/2015	PNC	119771	CONENG	CONSUMERS ENERGY	GAS #202 HIDDEN PINE GAS/#120 HIDDEN PINE GAS/#111 HIDDEN PINE GAS/#103 HIDDEN PINE GAS#114 HIDDEN PINE GAS NOVEMBER 2015 GAS NOVEMBER 2015 GAS NOVEMBER 2015 GAS NOVEMBER 2015 NOVEMBER 2015 GAS NOVEMBER 2015 GAS GAS/#202 HIDDEN PINE GAS NOV. 2015 GAS/NOV 2015	6.85 25.40 15.80 15.80 21.05 1,080.89 211.92 329.14 98.58 200.48 84.16 21.37 44.50 216.44 <u>2,372.38</u>
12/04/2015	PNC	119772	CONENG	VOID		
12/04/2015	PNC	119773	CRUISE	CRUISERS	CAMERA/PS	524.80
12/04/2015	PNC	119774	CZECYN	CYNTHIA R. CZECH	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119775	DANNIC	LAW OFFICE OF NICKOLAS DANIELS	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119776	DEMCO	DEMCO	BOOK PROCESSING SUPPLIES/LIBRARY	209.06
12/04/2015	PNC	119777	DTEENG	DETROIT ENERGY	ELECTRIC BILLS DEC 2015	12,395.89
12/04/2015	PNC	119778	DTESTR	DETROIT ENERGY STREET LIGHTS	ORNAMENTAL LIGHTING TRAFFIC SIGNAL LIGHTS OVERHEAD LIGHTING	8,815.32 106.24 9,790.60 <u>18,712.16</u>
12/04/2015	PNC	119779	DETWAT	DETROIT WATER & SEWERAGE DEPT	CITY WATER	93,833.53

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CHECK REGISTER FOR CITY OF FRASER
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Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
12/04/2015	PNC	119780	9999BB	DION HORNEY	BOND RELEASE	100.00
12/04/2015	PNC	119781	DOTTIM	DOTY LAW	INDIGENT ATTORNEY FEES	75.00
12/04/2015	PNC	119782	FINCUI	FINESSE CUISINE CATERING, LTD.	TREE LIGHTING ICE SCULPTURES	1,500.00
12/04/2015	PNC	119783	FISGAR	FISCHER, GARON, HOYUMPA, RANCILIO	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119784	FRALAW	FRASER LAWN CENTER, INC	STENS TUBE/DPW	12.54
12/04/2015	PNC	119785	FREDAN	DANA FREERS	INDIGENT ATTORNEY FEES	150.00
					INDIGENT ATTORNEY FEES	225.00
						<u>375.00</u>
12/04/2015	PNC	119786	GALKAT	KATHLEEN G. GALEN	INDIGENT ATTORNEY FEES	150.00
12/04/2015	PNC	119787	999REC	GEORGE MILLER	REFUND FOR TWO VAN CARDS	30.00
12/04/2015	PNC	119788	GILDON	DONALD GILLAIN PC	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119789	GREPES	GREAT LAKES PEST CONTROL CO. INC	MONTHLY PEST CONTROL/LIBRARY	50.00
					MONTHLY PEST CONTROL/ACTIVITY CENTER	50.00
					MONTHLY PEST CONTROL/DPW	50.00
					MONTHLY PEST CONTROL/CITY HALL	75.00
						<u>225.00</u>
12/04/2015	PNC	119790	HALFIR	HALT FIRE	MOBILE REPAIR/FIRE DEPT.	502.25
12/04/2015	PNC	119791	HDSWW	HD SUPPLY WATERWORKS, LTD	WATER DEPT SUPPLIES	2,043.31
12/04/2015	PNC	119792	INGRAM	INGRAM LIBRARY SERVICES	BOOKS/LIBRARY	222.10
					BOOKS/LIBRARY	376.77
					BOOKS/LIBRARY	272.80
						<u>871.67</u>
12/04/2015	PNC	119793	K/EELE	K/E ELECTRIC SUPPLY CORP.	LIGHTING/SENIOR CENTER	119.16
12/04/2015	PNC	119794	999REC	KELLY WORMER	REFUND FOR BANQUET ROOM/REC	100.00
12/04/2015	PNC	119795	KILMIC	MICHEAL B. KILPATRICK	INDIGENT ATTORNEY FEES	75.00
12/04/2015	PNC	119796	KRADAN	DANA KRAUSE	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119797	LAKLEG	LAKESIDE LEGAL GROUP	INDIGENT ATTORNEY FEES	225.00
12/04/2015	PNC	119798	LESTIR	LESLIE TIRE	FIRES/PS	842.48
12/04/2015	PNC	119799	MCACP	MACOMB CO. ASSOC. CHIEFS OF POLICE	ANNUAL DUES FOR 2016	45.00
12/04/2015	PNC	119800	MCFIN	MACOMB COUNTY FINANCE DEPARTMENT	VIDEO CHARGES/PS	220.00
					ELECTION AND CANVASSING 11/3/15	83.09
						<u>303.09</u>
12/04/2015	PNC	119801	9999BB	MARIO CISNEROS	BOND RELEASE	100.00
12/04/2015	PNC	119802	MIDEQ	STATE OF MICHIGAN-DEQ	RENEWAL OF DRINKING WATER TREATMENT CERT	95.00
					RENEWAL OF DRINKING WATER TREATMENT OPER	95.00
						<u>190.00</u>
12/04/2015	PNC	119803	MACEO	MI ASSOCIATION OF	CODE ENFORCEMENT MEETING/BUDCHUK	25.00
12/04/2015	PNC	119804	MACEO	MI ASSOCIATION OF	CODE ENFORCEMENT OFFICIALS MEETING/KAPUS	25.00
12/04/2015	PNC	119805	MML	MICHIGAN MUNICIPAL LEAGUE	PT/PS CLASSIFIED AD	74.00
12/04/2015	PNC	119806	NANJAC	JACQUELINE G. NANNI	INDIGENT ATTORNEY FEES	275.00
					INDIGENT ATTORNEY FEES	175.00
						<u>450.00</u>
12/04/2015	PNC	119807	OCC	OAKLAND COMMUNITY COLLEGE	ADVANCED PS/TRAINING	760.00
12/04/2015	PNC	119808	OFFMAX	OFFICEMAX INCORPORATED	SUPPLIES/DPW	8.30
12/04/2015	PNC	119809	PBRESE	PITNEY BOWES RESERVE ACCOUNT	POSTAGE	5,127.19
12/04/2015	PNC	119810	PLAJOS	JOSEPH J. PLawecki	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119811	PRISYS	PRINTING SYSTEMS, INC	ABSCENT VOTERS BALLOT ENVELOPES/CLERK	271.09

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12/04/2015	PNC	119812	PUTALI	ALICIA M. PUTMAN	INDIGENT ATTORNEY FEES	175.00
12/04/2015	PNC	119813	RECPET	RECREATION PETTY CASH	RECREATION PETTY CASH	227.13
12/04/2015	PNC	119814	RICLEN	RICHMOND LENOX EMS	BLS FOR HCP RENEWAL TRAINING/PS	7.50
12/04/2015	PNC	119815	ROCENT	ROCKET ENTERPRISE INC	FLAGS FOR CITY BUILDINGS	398.80
12/04/2015	PNC	119816	999LIB	ROSEVILLE PUBLIC LIBRARY	LOST BOOK PAYABLE TO ROSEVILLE LIBRARY	7.99
12/04/2015	PNC	119817	ROSCOA	ROSS COATED FABRICS, INC.	SHRINK WRAP SALT DOME/DPW	442.39
					SHRINK WRAP TAPE SALT DOME/DPW	7.50
						449.89
12/04/2015	PNC	119818	RUERAY	RAYMOND V. RUEMENAPP	INDIGENT ATTORNEY FEES	75.00
12/04/2015	PNC	119819	SAFKLE	SAFETY-KLEEN SYSTEMS, INC	SUPPLIES/DPW	380.94
12/04/2015	PNC	119820	999REC	SANTAS TINY SECRET	SANTA AND MRS. CLAUS VISIT ANNUAL TREE L	150.00
12/04/2015	PNC	119821	SCHBRI	BRIAN J. SCHAF	INDIGENT ATTORNEY FEES	250.00
					INDIGENT ATTORNEY FEES	200.00
					INDIGENT ATTORNEY FEES	175.00
						625.00
12/04/2015	PNC	119822	SHR-IT	SHRED-IT USA	SHREDDING CITY HALL	61.25
12/04/2015	PNC	119823	SIGFOR	SIGNATURE FORD, L-M	3 FORD POLICE INTERECPTOR UTILITY AWD/PS	81,384.00
12/04/2015	PNC	119824	SMART	SMART	OCTOBER 2015 PARTS VEHICLE 31038	3.65
12/04/2015	PNC	119825	SPEEDC	SPEED CLEAN SERVICE	CLEANING/SENIOR CENTER	187.50
12/04/2015	PNC	119826	SPEOIL	SPENCER OIL COMPANY	UNLEADED FUEL	2,867.77
					DIESEL FUEL	993.21
						3,860.98
12/04/2015	PNC	119827	SLC	SLC PROPRIETARY FUND	ANNUAL MAINTENANCE AND CONTENT FEES	3,960.00
12/04/2015	PNC	119828	SUPDEN	SUPPLY DEN	SUPPLIES/FIRE DEPARTMENT	130.18
12/04/2015	PNC	119829	TAGTIN	TAG TINTZ & GRAPHX LLC	MCKINELY PARK SIGNS	375.00
12/04/2015	PNC	119830	TRIINS	TRIDENT INSURANCE SERVICES	DEDUCTIBLE INVOICE/FALSE ARREST	1,653.60
12/04/2015	PNC	119831	WOWCAB	WOW INTERNET-CABLE-PHONE	CABLE CHARGES/LIBRARY	43.61
					CABLE CHARGES/MGR	48.67
						92.28
12/10/2015	PNC	119893	999FIN	EMET W. BADGER	REFUND OVERPAYMENT 14-05-477-070	60.69
12/10/2015	PNC	119894	999FIN	JAMES CIESLINSKI & BRIANNE HOFFMAN	REFUND OVERPAYMENT 14-06-204-001	72.07
12/10/2015	PNC	119895	999FIN	KEITH AND CYNTHIA REDMOND	REFUND OVERPAYMENT 14-05-426-030	75.42
12/11/2015	PNC	119832	39PROB	39TH DISTRICT COURT - ROSEVILLE	OVERSIGHT FEES-REPORTING PROBATION	970.00
					NON REPORTING PROBATION FEES	200.00
						1,170.00
12/11/2015	PNC	119833	ABSSTO	ABS STORAGE PRODUCTS	LIBERTY LIGHT BAR/PS	1,989.00
					ELECTRICAL LIGHT SHORTAGE REPAIR/PS	565.00
					ELECTRICAL SHORTAGE OF RELAYS/PS	550.00
					REPAIR VIDEO SYSTEM AND REAR TAIL LIGHT/	575.00
						3,679.00
12/11/2015	PNC	119834	ABSWAT	ABSOPURE WATER COMPANY	ABSOPURE DISPENSER 5 GAL/BOTTLE DEPOSIT/	13.90
12/11/2015	PNC	119835	AEW	ANDERSON, ECKSTEIN & WESTRICK, INC	0190-0363-0 SAW GRANT	4,693.80
					PROJECT 0190-0243-0 NPDES PHASE II PERMI	875.50
					PROJECT 0190-0307-0/FRASER GENERAL - DPW	712.20
					HEALTHMARK/PEREG PHASE II ADDT PLAN REV	599.00

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
					PROJECT 0190-0359-0 SOUTHEAST AREA WATER	1,380.80
					PROJECT # 0190-0346-0/AUTOMATED WATER ME	437.70
					PROJECT 0190-0329-0/MCKINLEY PARK BOUNDL	341.40
						<u>9,040.40</u>
12/11/2015	PNC	119836	AFLAC	AFLAC	EMPLOYEE PAID INSURANCE	1,294.40
12/11/2015	PNC	119837	AMEFIN	AMERICA'S FINEST	ENVELOPES/ASSESSING	132.00
12/11/2015	PNC	119838	AMEMES	AMERICAN MESSAGING	LOCKBOX PAYMENT/DPW	19.63
12/11/2015	PNC	119839	ASSSER	ASSESSMENT ADMINISTRATION SERVICES	ASSESSOR SERVICES - DEC 2015	8,000.00
12/11/2015	PNC	119840	SBC	AT&T	FINANCE PHONE CHARGES	32.14
12/11/2015	PNC	119841	9999BB	AUDIO SENTRY CORP	BOND RELEASE	100.00
12/11/2015	PNC	119842	AUDIO	AUDIO SENTRY CORPORATION	FRASER LIFT STATION	190.00
12/11/2015	PNC	119843	AUTMOT	AUTO MOTIVE ENHANCERS, INC	PS/VAN#329/REPAIR	6,459.16
12/11/2015	PNC	119844	BESBUY	BEST BUY BUSINESS ADVANTAGE ACCT	COMPUTER SUPPLIES	161.90
12/11/2015	PNC	119845	BLAPRI	BLAKEMAN PRINTING CO. INC	INVITATIONS FOR LIBRARY FUNDRAISER	20.00
12/11/2015	PNC	119846	BUFWHE	BUFF WHELAN CHEVROLET INC	REPAIR/2010 GMC ACADIA	70.00
12/11/2015	PNC	119847	CE&APR	C E & A PROFESSIONAL SERVICES, INC	RANDOM DOT DRUG TESTING	352.92
12/11/2015	PNC	119848	CARQUE	CARQUEST AUTO PARTS	BATTERIES/DPW	365.49
12/11/2015	PNC	119849	CINTAS	CINTAS CORPORATION #354	JANITORIAL SUPPLIES/DPW	510.00
					JANITORIAL SUPPLIES/DPW	1,171.37
					JANITORIAL SUPPLIES/LIBRARY	111.92
					JANITORIAL SUPPLIES/SENIOR HOUSING	112.24
					JANITORIAL SUPPLIES/CITY HALL	274.25
					JANITORIAL SUPPLIES/SR. CENTER	161.53
						<u>2,341.31</u>
12/11/2015	PNC	119850	CLIRIV	CLINTON RIVER WATERSHED COUNCIL	2016 GOVERNMENT MEMBERSHIP	1,000.00
12/11/2015	PNC	119851	COMCAS	COMCAST	CABLE CHARGES DPW	82.50
					CABLE CHARGES FINANCE	102.85
						<u>185.35</u>
12/11/2015	PNC	119852	CONPRI	CONCEPT PRINTING SYSTEMS, INC	ENVELOPES/DC	223.00
					BOND RELEASER BOOKS/DC 16100-17199	339.79
					BOND RECEIPT BOOKS/DC 47031-47130	339.79
						<u>902.58</u>
12/11/2015	PNC	119853	CROJAS	JASMIN CROMWELL	INSTRUCTOR FEE CHAIR YOGA/REC	504.00
					INSTRUCTOR FEE YOGA/RECREATION	594.00
						<u>1,098.00</u>
12/11/2015	PNC	119854	ERASER	J.C. EHRlich CO.	PEST CONTROL SENIOR HOUSING	55.00
12/11/2015	PNC	119855	GAMCRA	GAME CRAZY INC.	ROBOTICS AND VIDEO DESIGN CLASS INSRUCTO	715.00
12/11/2015	PNC	119856	HOMDEP	HOME DEPOT CREDIT SERVICES	SUPPLIES/DPW	155.88
12/11/2015	PNC	119857	INGRAM	INGRAM LIBRARY SERVICES	BOOKS/LIBRARY	176.58
					BOOKS/LIBRARY	832.05
					CREDIT/LIBRARY	(26.89)
						<u>981.74</u>
12/11/2015	PNC	119858	999REC	JENNIFER KRYNSKI	REFUND/REC PROGRAM	65.00
12/11/2015	PNC	119859	999LIB	JENNIFER SCICLUNA	REFUND LOST BOOK/LIBRARY	10.95
12/11/2015	PNC	119860	JOHNNT	JOHNSON THERMOL TEMP INC	REPAIR DEFECTIVE INDUCER MOTOR SENIOR CE	637.50
12/11/2015	PNC	119861	KIRHUT	KIRK, HUTH, LANGE & BADALAMENTI PLC	PROFESSIONAL SERVICES	581.25
12/11/2015	PNC	119862	KONICA	KONICA MINOLTA BUSINESS SOLUTIONS	MONTHLY SERVICE FEE NOV 2015	7.84
12/11/2015	PNC	119863	LEBRO	LEBRO CHEMICAL COMPANY	ICE MELTER/DPW	758.75

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12/11/2015	PNC	119864	LESTIR	LESLIE TIRE	TIRES/PS CHARGERS	1,560.00
12/11/2015	PNC	119865	FRALIB	LIBRARY PETTY CASH	LIBRARY PETTY CASH	20.45
12/11/2015	PNC	119866	LOWES	LOWE'S BUSINESS ACCT/GEMB	SUPPLIES/DPW	47.48
					SUPPLIES/DPW	22.68
						<u>70.16</u>
12/11/2015	PNC	119867	MCFIN	MACOMB COUNTY FINANCE DEPARTMENT	PAPER ORDER DECEMBER 2015	672.24
					OCT 2015 RADIO INSTALL/PS	451.01
					POLLUTANT SURCHARGE	91.11
						<u>1,214.36</u>
12/11/2015	PNC	119868	MCPWK	MACOMB COUNTY TREASURER	SEWER CHARGES NOVEMBER 2015	205,086.37
12/11/2015	PNC	119869	MCTRCT	MACOMB COUNTY TREASURER	COUNTY LIBRARY FEE-NOV. 2015	123.00
12/11/2015	PNC	119870	MIRCT	STATE OF MICHIGAN TREASURER	CRIME VICTIM FUND/JUROR COMP. REIMB/DEPT	20,656.26
12/11/2015	PNC	119871	MINMIX	MINI MIX, INC	CONCRETE/31234 EASTWIND	692.50
12/11/2015	PNC	119872	MISDIG	MISS DIG SYSTEM, INC	MEMBERSHIP FEES/MAINTENANCE FEES FOR DAT	972.58
12/11/2015	PNC	119873	NORLAB	NORLAB, INC	LIQUID POWEDER TRACING DYE/WATER DEPT	222.00
12/11/2015	PNC	119874	OCC	OAKLAND COMMUNITY COLLEGE	ADVANCED POLICE TRAINING TUITION/PS	300.00
12/11/2015	PNC	119875	OFFMAX	OFFICEMAX INCORPORATED	OFFICE SUPPLIES	120.68
					OFFICE SUPPLIES/DC	3.13
					OFFICE SUPPLIES/DC	18.70
					CREDIT/LIBRARY	(60.77)
						<u>81.74</u>
12/11/2015	PNC	119876	PLAMOR	PLANTE MORAN	PROFESSIONAL SERVICES NOVEMBER 2015	7,941.25
12/11/2015	PNC	119877	RAYELE	RAY ELECTRIC	LIGHTING SUPPLIES/CITY HALL	223.92
					LIGHTING SUPPLIES/LIBRARY	45.19
					LIGHTING/CITY HALL	313.49
						<u>582.60</u>
12/11/2015	PNC	119878	999REC	REBECCA NASH	REUND/REC PROGRAM	65.00
12/11/2015	PNC	119879	RECPET	RECREATION PETTY CASH	PETTY CASH RECREATION	232.60
12/11/2015	PNC	119880	RIZZO	RIZZO SERVICES	REFUSE/RECYCLE/COMPOST NOV 2015	64,164.33
12/11/2015	PNC	119881	ROYNAM	ROYAL OAK NAME PLATE CO.	CITY COUNCIL NAMEPLATES	35.50
12/11/2015	PNC	119882	999FIN	SCHOTTS PROPERTIES, INC. 8091-02	REFUND OVERPAYMENT 11-31-479-015	5,364.79
12/11/2015	PNC	119883	999REC	SCOTT MEEKS	REFUND/REC PROGRAM	65.00
12/11/2015	PNC	119884	SPEEDC	SPEED CLEAN SERVICE	CLEAN CT FLOORS	375.00
12/11/2015	PNC	119885	STAIND	STATE INDUSTRIAL PRODUCTS	SUPPLIES/DPW	539.69
12/11/2015	PNC	119886	SUPDEN	SUPPLY DEN	JANITORIAL SUPPLIES/DPW	128.98
12/11/2015	PNC	119887	TEAFIN	TEAM FINANCIAL GROUP, INC	SUPPLIES/LIBRARY COPIER	238.46
12/11/2015	PNC	119888	UNIMAN	UNIQUE MANAGEMENT SERVICES, INC	LARGE BALANCE PLACMENTS/LIBRARY	62.65
					SMALL BALANCE PLACEMENTS/LIBRARY	14.75
						<u>77.40</u>
12/11/2015	PNC	119889	VERIZON	VERIZON	PHONE CHARGES OCT-NOV 2015	11.27
12/11/2015	PNC	119890	WHITLO	WHITLOCK BUSINESS SYSTEMS	POSTAGE WATER BILLS	2,127.08
					WATER BILL MAILING	844.81
						<u>2,971.89</u>
12/11/2015	PNC	119891	WINPOL	WINDER POLICE EQUIPMENT	BADGE/PS	89.30
12/11/2015	PNC	119892	WOLFRE	WOLVERINE FREIGHTLINER-EASTSIDE	STEERING REPAIR/TRUCK 5/DPW	582.07

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12/12/2015	PNC	100 (E)	TAX-STATED	MACOMB COUNTY STATE EDUCATION TAX	STATE EDUCATION - DISB # 5 PENALTIES - DISB # 5	23,603.07 880.63 <hr/> 24,483.70
12/12/2015	PNC	101 (E)	TAX-COUNTY	MACOMB COUNTY	COUNTY - DISB # 5 PENALTIES - DISB # 5 COUNTY - IFT - DISB # 5 PENALTIES - DISB # 5 COUNTY - DISB # 5 PENALTIES - DISB # 5	17,258.03 685.76 432.26 17.29 12,136.86 441.74 <hr/> 30,971.94
12/12/2015	PNC	102 (E)	TAX-SCHOOL	FRASER PUBLIC SCHOOLS	FPS - DISB # 5 PENALTIES - DISB # 5 FPS DEBT - DISB # 5 PENALTIES - DISB # 5 SCHOOL DEBT - DISB # 5 PENALTIES - DISB # 5	45,929.91 1,815.33 45,039.99 1,727.54 662.33 26.49 <hr/> 95,201.59
12/12/2015	PNC	103 (E)	TAX-MISD	MACOMB INTERMEDIATE SCHOOL DISTRICT	MISD - DISB # 5 PENALTIES - DISB # 5 MISD IFT - DISB # 5 PENALTIES - DISB # 5	18,935.90 726.33 278.46 11.14 <hr/> 19,951.83
12/12/2015	PNC	104 (E)	TAX-MCC	MACOMB COMMUNITY COLLEGE	MCC - DISB # 5 PENALTIES - DISB # 5 MCC - IFT - DISB # 5 PENALTIES - DISB # 5 MCC DEBT - DISB # 5 PENALTIES - DISB # 5 MCC DEBT - IFT - DISB # 5 PENALTIES - DISB # 5	9,144.17 350.74 134.47 5.38 701.10 26.91 10.31 0.41 <hr/> 10,373.49
12/12/2015	PNC	105 (E)	TAX-COUNTY	MACOMB COUNTY	COUNTY - UNDISTRIBUTED TAXES - DISB # 5 HCMA - UNDISTRIBUTED TAXES - DISB # 5 SMART - UNDISTRIBUTED TAXES - DISB # 5 VETERANS - UNDISTRIBUTED TAXES -DISB # 5 ART - UNDISTRIBUTED TAXES - DISB # 5 ZOO - UNDISTRIBUTED TAXES - DISB # 5	332.55 14,493.67 67,558.05 2,697.35 13,507.40 6,751.03 <hr/> 105,340.05
12/16/2015	PNC	106 (E)	ENTERP	ENTERPRISE FM TRUST	ENTERPRISE FLEET MANAGEMENT R & M PARTS-DPW	11,487.62 1,407.94 <hr/> 12,895.56
12/18/2015	PNC	119896	21STCEN	21ST CENTURY MEDIA - MICHIGAN	PS DISPATCHER AD MACOMB DAILY	1,119.00
12/18/2015	PNC	119897	39PROB	39TH DISTRICT COURT - ROSEVILLE	OVERSIGHT FEES - REPORTING PROBATION	615.00
12/18/2015	PNC	119898	39THRS	39TH DISTRICT COURT ROSEVILLE	MISC DUE TO ROSEVILLE ALCOHOL ED. PROGRA	225.00
12/18/2015	PNC	119899	A-1PAR	A-1 PARKING LOT MAINTENANCE, INC	RESTRIPING/SENIOR CENTER	394.00
12/18/2015	PNC	119900	ABRGAF	ABRAHAM & GAFFNEY, P.C.	PROGRESS BILLING FOR AUDIT FIELDWORK FO	12,000.00

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
12/18/2015	PNC	119901	ACCMED	ACCUMED BILLING, INC	EMS/FIRE SERVICE FEE OCTOBER 2015	2,045.33
					EMS/FIRE SERVICE FEE/NOVEMBER 2015	2,568.53
						<u>4,613.86</u>
12/18/2015	PNC	119902	AEW	ANDERSON, ECKSTEIN & WESTRICK, INC	PPRJECT#0190-0324-0 HMSI PROJECT PERF. C	1,285.00
					PROJECT# 0190-0342-0 2014 SRF PROJECT PL	809.20
					PROJECT #0191-0366-0 201 ROAD PROGRAM-AS	2,720.00
					PROJECT 0190-0356-0 2015 ROAD PRO-ASPHAL	435.80
					PROJECT# 0190-0354-0 2015 ROAD PROGRAM-J	162.00
					PROJECT #0190-0355-0 2015 ROAD PROG-CONC	751.30
						<u>6,163.30</u>
12/18/2015	PNC	119903	AIRGAS	AIRGAS USA, LLC	LG ACETYLENE/LG HELIUM/LARGE OXYGEN RENT	106.10
					LG ACETYLENE/LG ARGON/LG OXYGEN	142.40
					LG. HELIUM/SM PROPANE	57.65
						<u>306.15</u>
12/18/2015	PNC	119904	AMEFIN	AMERICA'S FINEST	GENERAL OPERATING ACCOUNT CHECKS	486.00
12/18/2015	PNC	119905	ANDOVE	ANDERSON OVERHEAD DOOR CO	REPAIRS TO REAR OVEREAD DOOR/DPW	298.00
12/18/2015	PNC	119906	APOEQU	APOLLO FIRE EQUIPMENT	GEAR BAG/PS	62.99
12/18/2015	PNC	119907	ARGHAZ	ARGUS-HAZCO	REPAIR FIRE DEPARTMENT MASK	115.00
12/18/2015	PNC	119908	ARROW	ARROW INTERNATIONAL, INC	NEEDLES/PS	557.74
12/18/2015	PNC	119909	SBC	AT&T	PHONE CHARGES/DPW	119.85
					PHONE CHARGES/PS	100.68
						<u>220.53</u>
12/18/2015	PNC	119910	AT&TCAP	AT&T CAPITAL SERVICES, INC.	E-911 POSITRON VIPER SOLUTION WITH ALL A	1,452.81
12/18/2015	PNC	119911	AUTMOT	AUTO MOTIVE ENHANCERS, INC	2012 CHEVY G4500 REPAIR/FIRE DEPT.	420.16
					OIL CHANGE/2014 FORD F-150	36.81
					OIL CHANGE/2014 FORD-TAURUS	36.81
						<u>493.78</u>
12/18/2015	PNC	119912	BESBUY	BEST BUY BUSINESS ADVANTAGE ACCT	SUPPLIES/DPW	59.96
12/18/2015	PNC	119913	BC600	BLUE CROSS/BLUE SHIELD OF MICHIGAN	BC/BS 1-1-16/2-1-16 RETIREES	15,286.48
					BC/BS 1-1-16/2-1-16 BILLING	36,507.60
						<u>51,794.08</u>
12/18/2015	PNC	119914	C&GNEW	C & G NEWSPAPERS	INVITATION TO BID 2016 SRF SANITARY SEWE	63.00
12/18/2015	PNC	119915	C & S AUT	C & S AUTO REPAIR	MOTORCYCLE WINTERIZATION/PS	1,022.00
12/18/2015	PNC	119916	COPSPL	C.O.P.S. HEALTH TRUST PLAN	VISION INSURANCE JANUARY 2016	189.00
12/18/2015	PNC	119917	CADASP	CADILLAC ASPHALT, LLC	UPM	140.30
					UPM	208.15
					UPM	162.15
						<u>510.60</u>
12/18/2015	PNC	119918	999REC	CHRISTOPHER BRIGGS	REFUND PROGRAM CANCELLATION/REC	65.00
12/18/2015	PNC	119919	CINTAS	CINTAS CORPORATION #354	JANITORIAL SUPPLIES/DPW	98.00
					JANITORIAL SUPPLIES/DPW	1,138.93
					JANITORIAL SUPPLIES/LIBRARY	79.48
					JANITORIAL SUPPLIES/SENIOR HOUSING	79.80

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
					JANITORIAL SUPPLIES/CITY HALL	241.81
					JANITORIAL SUPPLIES/SR. CENTER	129.09
					JANITORIAL SUPPLIES/DPW	1,138.93
						<u>2,906.04</u>
12/18/2015	PNC	119920	CINFIR	CINTAS FIRST AID & SAFETY	SUPPLIES/DPW	52.84
12/18/2015	PNC	119921	999REC	CLINTON SHRUM	PROGRAM REFUND/RECREATION	65.00
12/18/2015	PNC	119922	COMPLA	COMMUNITY PLANNING & MANAGEMENT, PC	PROF PLANNING SERVICES NOV 2015/A&L CONS	1,500.00
12/18/2015	PNC	119923	COSTCO	CAPITAL ONE COMMERCIAL	SUPPLIES/BLDG	39.99
					CAKE/COUNCIL SWEARING IN CEREMONY	18.99
					8/6FT TABLES	319.92
						<u>378.90</u>
12/18/2015	PNC	119924	DTEENG	DETROIT ENERGY	ELECTRIC SENIOR CENTER	825.93
					ELECTRIC SERVICE/SENIOR HOUSING	19.80
						<u>845.73</u>
12/18/2015	PNC	119925	DPWSON	DPW & SON, LLC	WATER TAP INSTALL	2,400.00
12/18/2015	PNC	119926	FIRCHO	FIRST CHOICE SERVICES	COFFEE SUPPLIES/DPW	97.95
12/18/2015	PNC	119927	FRAUBO	FRASER AUTO BODY, INC	REPLACE RT. DOOR MIRROR/PS CHARGER	114.85
12/18/2015	PNC	119928	FRALAW	FRASER LAWN CENTER, INC	PARTS/DPW	38.50
12/18/2015	PNC	119929	FRAPUB	FRASER PUBLIC SCHOOLS-CAFETERIA FUN	COOKIES/TREE LIGHTING 2015	91.00
12/18/2015	PNC	119930	FRAWAT	CITY OF FRASER	10-20-15/11-17-15 WATER BILLS	1,671.46
12/18/2015	PNC	119931	999REC	GLORIA BUFFA	REFUND/RECREATION	13.00
12/18/2015	PNC	119932	GUNMET	GUNNERS METERS & PARTS, INC	WATER DEPT SUPPLIES	1,275.00
12/18/2015	PNC	119933	HALFIR	HALT FIRE	REPAIR FIRE SERVICE TRUCK 1	1,016.69
12/18/2015	PNC	119934	MISC	HBA	HBA MEETING ON NEW RESIDENTIAL CODE	25.00
12/18/2015	PNC	119935	HENFOR	HENRY FORD HEALTH SYSTEM	HENRY FORD HEALTH SYSTEM PHYSICIAN SERIV	170.00
12/18/2015	PNC	119936	ELLJOH	JOHN C. ELLIS	HEALTH CARE REIMBURSEMENT	225.00
12/18/2015	PNC	119937	JOHNS	JOHN'S LUMBER	LUMBER/DPW	106.75
12/18/2015	PNC	119938	JOHNTT	JOHNSON THERMOL TEMP INC	SENIOR HOUSING APT#324 SERVICE CALL	350.50
12/18/2015	PNC	119939	KINMAR	MARK KING	HEALTH CARE REIMBURSEMENT	225.00
12/18/2015	PNC	119940	KONICA	KONICA MINOLTA BUSINESS SOLUTIONS	MONTHLY SERVICE FEE DC	48.63
12/18/2015	PNC	119941	KVMDOO	KVM DOOR SYSTEMS, INC	REPAIR DOOR/FIRE DEPARTMENT	245.70
12/18/2015	PNC	119942	9999BB	LARRY DUBAY	BUILDING BOND RELEASE	100.00
12/18/2015	PNC	119943	LEGSHI	LEGALSHIELD	EMPLOYEE PAID LEGAL FEE	102.60
12/18/2015	PNC	119944	LESTIR	LESLIE TIRE	TIRES/PS CHARGER	440.00
					TIRES/AMB. A-1/FIRE DEPT	487.00
						<u>927.00</u>
12/18/2015	PNC	119945	999REC	LKA ENTERPRISES, LLC	PAINTING WITH A TWIST PROGRAM FOR SENIOR	350.00
12/18/2015	PNC	119946	MCFIN	MACOMB COUNTY FINANCE DEPARTMENT	NOV 2015 VIDEO CHARGES/PS	110.00
12/18/2015	PNC	119947	MACMEC	MACOMB MECHANICAL, INC	WATER METER REPAIR	623.00
12/18/2015	PNC	119948	999REC	MARY CRAWFORD	REFUND PROGRAM CANCELLATION/REC	30.00
12/18/2015	PNC	119949	999REC	MARYANN SAVOY	REFUND PROGRAM CANCELLATION/REC	30.00
12/18/2015	PNC	119950	MERS	MERS	REMAINING BALANCE JULY-OCT 2015	2,628.00
					REMAINING BALANCE JULY-OCT 2015	2,628.00
					REMAINING BALANCE JULY - OCT 2016	2,628.00
					REMAINING BALANCE JULY-OCT 2015	2,628.00
					NOVEMBER 2015 EMPLOYEE RETIREMENT	218,182.00
						<u>228,694.00</u>
12/18/2015	PNC	119951	MICPUM	MICHIGAN PUMPKIN	21 BALES OF STRAW/DPW	84.00
12/18/2015	PNC	119952	MIDAUT	MIDDLETON AUTO PARTS	TIRE DISPOSAL	75.00
12/18/2015	PNC	119953	MILWOR	MILLWORK	KITCHEN AND BATH LAMINATE TOPS/SENIOR AP	790.00

CHECK REGISTER FOR CITY OF FRASER
 CHECK DATE FROM 12/01/2015 - 12/31/2015

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
12/23/2015	PNC	119985	BANVAC	BANK'S VACUUM - SHELBY TWP	VACUUM/LIBRARY	199.99
					VACCUM BAGS	26.97
					VACCUM-SENIOR CENTER	199.99
					VACUUM - CITY HALL	199.99
						<u>626.94</u>
12/23/2015	PNC	119986	BOUTRE	BOUND TREE MEDICAL	SUPPLIES/PS	479.75
					SUPPLIES/PS	264.80
						<u>744.55</u>
12/23/2015	PNC	119987	BOWTAN	TANYA R. BOWERS	INDIGENT ATTORNEY FEES	175.00
12/23/2015	PNC	119988	CELLEN	LEN CELLETTI	PROF. SERVICE COURT SECURITY DUTIES	405.00
12/23/2015	PNC	119989	CONPRI	CONCEPT PRINTING SYSTEMS, INC	TRAFFIC DOCKET ENVELOPES/DC	480.50
12/23/2015	PNC	119990	CONJAM	JAMES P. CONRAD	INDIGENT ATTORNEY FEES	125.00
12/23/2015	PNC	119991	CONENG	CONSUMERS ENERGY	GAS DEC 2015	479.61
					GAS DEC 2015	554.49
					GAS DEC 2015	455.50
					GAS DEC 2015	17.01
					GAS DEC 2015	8.92
					GAS DEC 2015	25.79
					GAS DEC 2015	16.39
						<u>1,557.71</u>
12/23/2015	PNC	119992	COOPAT	PATRICIA M. COOPER	INDIGENT ATTORNEY FEES	175.00
12/23/2015	PNC	119993	CRUISE	CRUISERS	LIGHTS FOR DPW TRUCK	363.99
12/23/2015	PNC	119994	DELDEN	DELTA DENTAL OF MICHIGAN	DENTAL BENEFITS 1-1-16/1-31-16	12,203.84
12/23/2015	PNC	119995	DELDEN	VOID		
12/23/2015	PNC	119996	FRACIN	CINDY FRAKES-ZIEGER	TEACHING FEE/REC	120.00
12/23/2015	PNC	119997	GILDON	DONALD GILLAIN PC	INDIGENT ATTORNEY FEES	175.00
12/23/2015	PNC	119998	GLAMAR	MARK J GLAZER	MEDIATION MEETING	625.00
12/23/2015	PNC	119999	GORJOH	JOHN F. GORNIAC	INDIGENT ATTORNEY FEES	225.00
12/23/2015	PNC	120000	GRAMAN	GRAND MANAGEMENT USA	GRANT MANAGEMENT CLASS/PS	595.00
12/23/2015	PNC	120001	HLYJUL	JULIE A HLYWA	INDIGENT ATTORNEY FEES	175.00
12/23/2015	PNC	120002	INGRAM	INGRAM LIBRARY SERVICES	BOOKS/LIBRARY	120.87
					BOOKS/LIBRARY	16.47
					CREDIT LIBRARY	(44.99)
						<u>92.35</u>
12/23/2015	PNC	120003	JANGAR	GARY D. JANADIA	INDIGENT ATTORNEY FEES	75.00
12/23/2015	PNC	120004	KINMEL	MELISSA M. KING, P.C.	PROFESSIONAL SERVICE/MAGISTRATE & ADMIN	1,200.00
12/23/2015	PNC	120005	LUCMAN	LUCIDO & MANZELLA PC	INDIGENT ATTORNEY FEES	175.00
					INDIGENT ATTORNEY FEES	275.00
						<u>450.00</u>
12/23/2015	PNC	120006	MCFIN	MACOMB COUNTY FINANCE DEPARTMENT	NOVE 2015 RADIO INSTALL/PS	401.53
12/23/2015	PNC	120007	MCPWK	MACOMB COUNTY TREASURER	IWC CHARGES NOV 2015	7,672.50
12/23/2015	PNC	120008	MAXTOW	MAXX TOWING & TRANSPORT	REIMBURSEMENT FROM MOTOR CITY AUCTION	2,425.00
12/23/2015	PNC	120009	METMAR	MARK S. METRY PLC	INDIGENT ATTORNEY FEES	175.00
12/23/2015	PNC	120010	MIDEQ	STATE OF MICHIGAN-DEQ	WATER SAMPLE	175.00
12/23/2015	PNC	120011	MORDAV	DAVID MORREALE	INDIGENT ATTORNEY FEES	225.00
12/23/2015	PNC	120012	RECI	RECI	INSPECTORS MEETING 1-7-15/N. SCHAEFER	10.00
12/23/2015	PNC	120013	RECI	RECI	JAN 2016 ELECTRICAL EDUCATION MEETING/N.	25.00
12/23/2015	PNC	120014	RECPET	RECREATION PETTY CASH	PETTY CASH/REC	472.11
12/23/2015	PNC	120015	REINDE	REINDEL TRUE VALUE	NOVEMBER BILLING	2,266.12
12/23/2015	PNC	120016	999REC	SCHOTTS MARKET	SENIOR CHRISTMAS PARTY	703.61

V

CHECK REGISTER FOR CITY OF FRASER
CHECK DATE FROM 12/01/2015 - 12/31/2015

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
12/23/2015	PNC	120017	SHRCOR	SHREDCORP	SHREDDING SERVICE/DC	40.00
					SHREDDING/REC	30.00
					SHREDDING/PS	50.00
						<u>120.00</u>
12/23/2015	PNC	120018	TAYGEN	GENEVIEVE L. TAYLOR, PLLC	INDIGENT ATTOREY FEES	200.00
12/23/2015	PNC	120019	WCICON	WCI CONTRACTORS, INC	MCKINLEY PARK BARRIER FREE IMPROVEMENTS	59,142.23
						<u><u>59,142.23</u></u>

PNC TOTALS:

Total of 268 Checks:

1,452,691.91

Less 4 Void Checks:

150.00

Total of 264 Disbursements:

1,452,541.91

Fraser Parks & Recreation Commission
Minutes of the Regular Meeting
Tuesday, December 1st 2015
Fraser Municipal Building

Vania gave updates on the grants that the Booster Club is in the running for, and they should be receiving the results in the next few weeks. Vania also announced that McKinley Park will remain open for use to the public throughout the winter, and the only thing that will not be usable will be the pavilion and the bathrooms. Signs have been ordered by the DPW and hopefully they will be up soon.

8. New Business

A. Christmas in Fraser

Christina Woods, Parks and Recreation Director

Christina discussed plans for how it will be organized and the schedule of events for the night. She is very thankful for the staff at the Fraser Activity Center for getting everything ready and it should be a great event. There will be singers, the Fraser Band, a Hay Ride, and Cookies with Hot Chocolate. Donations were a really big help this year and there will be a full sized ice sculpture.

9. Report from Buddies Representative

Buddies Representative Shannon was not present at the meeting.

10. Citizen Participation

The senior trip to the Ford House was a hit, and the Activity Center does a great job offering all these unique events to seniors.

Laura Lesich wants the DPW to take a look at park equipment and make sure that it is safe, Christina said that she will look into it, however there isn't a position at the DPW specifically for inspection.

11. Report from Recreation Director

Christina Woods, Parks and Recreation Director

She also commented on how popular building rentals at the Fraser Activity Center have been lately, and also discussed upcoming programs such as the Basketball Clinic for Grades K-3, as well as the Little Elves Party on December 19th. Fraser Rec will be sending 7 basketball teams into action in the Warren league, and the first Bowling session has been completed!

12. Commission Members with Concerns

Vice Chairperson Stein asked about the indoor playground at the Center and how it has been going, Christina said that there were 7 kids playing last week and she thinks that it will only become more popular over time when the weather gets colder.

Fraser Parks & Recreation Commission
Minutes of the Regular Meeting
Tuesday, December 1st 2015
Fraser Municipal Building

A regular meeting of the Fraser Parks and Recreation Commission was conducted on the above date at the Fraser Municipal Building, located at 33000 Garfield Road, Fraser, and County of Macomb, Michigan.

Present: Chairperson Linda Stonebreaker, Vice Chairperson Sherry Stein; Commissioners Chris Meller, Jerry Brown, Gloria Buffa

Absent: Secretary Sarah Kelley

Also Present: Christina Woods, Recreation Director
Kyle Leshner, Recording Secretary

1. Call Meeting to Order

Chairperson Stonebreaker called the meeting to order at 7:03 PM.

2. Pledge of Allegiance

3. Approval of Agenda

VICE CHAIRPERSON STEIN MOVED, SECONDED BY COMMISSIONER MELLER TO APPROVE THE RECREATION COMMISSION REGULAR MEETING AGENDA FOR DECEMBER 1ST 2015.

Motion carried unanimously.

4. Approval of Minutes

COMMISSIONER MELLER MOVED, SECONDED BY CHAIRPERSON STONEBREAKER TO APPROVE THE MINUTES OF THE RECREATION COMMISSION REGULAR MEETING OF NOVEMBER 10TH 2015.

Motion carried unanimously.

5. Old Business

Christina Woods, Parks and Recreation Director

At this time, there was no old business to discuss. Chairperson Stonebreaker asked Christina about the application process to fill Recreation Commission seats, and Christina stated that there was currently one applicant for the position.

6. Recreation Master Plan 2017-2021 Ideas and Discussion

Christina Woods, Parks and Recreation Director

Christina summarized the timeline of events for the next few months which includes an April 2017 deadline, a discussion of ideas on formulating the survey in February 2016 meeting, and surveys will be distributed in March 2016. Commissioner Meller added that Somerset is in desperate need of some repairing and replacing.

7. Updates on McKinley Barrier Free Park

Vania Apps, McKinley Barrier Free Park

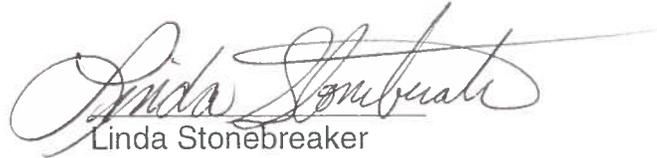
Fraser Parks & Recreation Commission
Minutes of the Regular Meeting
Tuesday, December 1st 2015
Fraser Municipal Building

Adjournment

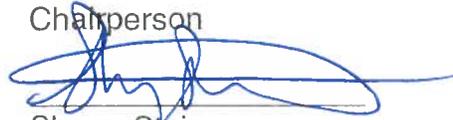
CHAIRPERSON STONEBREAKER MOVED, SECONDED BY CHAIRPERSON
STEIN TO ADJOURN THE RECREATION COMMISSION MEETING OF
DECEMBER 1ST, 2015 AT 7:32 PM.

Motion carried unanimously.

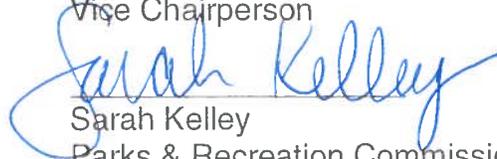
Respectfully Submitted,



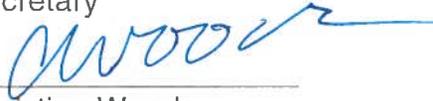
Linda Stonebreaker
Parks & Recreation Commission
Chairperson



Sherry Stein
Parks & Recreation Commission
Vice Chairperson



Sarah Kelley
Parks & Recreation Commission
Secretary



Christina Woods
Parks & Recreation Director

MEMORANDUM

TO: Richard Haberman, Fraser City Manager
Fraser City Council Members
From: City of Fraser Recreation Commission
Date: January 5, 2016

RE: Recommendation for the Recreation Commission Seats

At the January 5, 2016 Recreation Commission Meeting the board voted to recommend Sarah Kelley and David Winowicki to fill the 2 Recreation Commission seats term ending December 31, 2018 and Laura Lesich to fill the Recreation Commission seat term ending December 31, 2016, for City Council approval

/cw

APPLICATION FOR APPOINTMENT TO
CITY BOARDS & COMMISSIONS

RECEIVED
CITY MANAGER'S OFFICE
NOV 12 2009

APPLICATION MAY BE SUBJECT TO PUBLIC VIEW



Initials _____ Time _____

City of Fraser
33000 Garfield Road
Fraser, Michigan

LAST NAME		FIRST NAME		MIDDLE INITIAL	
BuFFA		Gloria		M	
ADDRESS (number & street)					
31186 Elodie Dr.					
CITY	STATE	ZIP CODE	HOME PHONE	CELL PHONE	
FRASER	MI	48026	586-	293-7953	
NAME OF BOARD/COMMISSION APPLYING FOR					
PARK and Recreation					
REASON FOR INTEREST IN THIS BOARD (please list activities & special qualifications)					
Re-APPLICATION TO CONTINUE SAME COMMISSION CAPACITY AS PRESENT!					
EDUCATION (please list schools, diplomas, degrees, professional certificates, etc.)					
GRADUATE, FRASER HIGH SCH. CERTIFIED HEALTH UNIT COORDINATOR OF Bon Secour & Beaumont HOSPITAL					
CURRENT EMPLOYMENT					
COMPANY NAME			YOUR TITLE/POSITION		
FRASER ACTIVITY CENTER: PARK and Recreation			Commissioner		
COMPANY ADDRESS (number & street)					
34935 Hidden Pine Dr.					
CITY	STATE	ZIP CODE	OFFICE PHONE	PAGER	
FRASER	MI	48026			
PLEASE LIST YOUR RESPONSIBILITIES					
ATTENDS monthly Schedule, PARK & Recreation meetings; ASSIST WITH ACTIVITY; PARK CLEANING Easter Egg Hunt; Tee Dance Chaperone;					

PLEASE ATTACH YOUR RESUME TO THIS APPLICATION

GLORIA BUFFA

31186 Elodie Drive
Fraser, MI 48026
586-293-7753

AlidaMarie@comcast.net

Hard-working, self-motivated, organized individual with excellent communication and customer service skills, as well as the ability to learn with an attention to detail.

ACADEMICS

<u>Fraser High School</u> • High School Diploma	Graduation class of 1969
<u>Lakeshore High School Night Classes</u> • Medical Terminology Classes	1980
<u>Bon Secour Hospital Certification Program</u> • Health Unit Coordinator	Certified in 1990
<u>Bon Secour/Beaumont Hospital</u> • Ongoing Computer Data Entry Classes	2000 - 2012

MEMBERSHIPS

Liturgical Lecture (25 years) -----Saint Athanasius Church
Eucharistic Minister (25 years) -----Saint Athanasius Church
Parish Council Member (2007-2012) -----Saint Athanasius Church

To include

PROFESSIONAL EXPERIENCE

Saint Malachy Parish

Health Unit Coordinator: Bon Secour/Beaumont Hospital	1984 - 2012
---	-------------

Responsibilities:

- Maintains board at local communications center in regard to nursing assignments and admission/transfer/discharge information.
- Communicates effectively with all members of the healthcare team.
 - Works with care team, physicians, patients, visitors and other disciplines in a spirit of teamwork, professionalism and goal attainment.
 - Answers the unit telephone, pages members of the care team, faxes information to other departments as needed.
 - Familiar with role in emergency situations, for example, fire, bomb threat "Code 99".
- Assembles charts for new patients. Breakdown of charts at discharge, and determines need for chart fillers.
 - Completes paperwork for inter/intra unit transfers.
 - Obtain/copy information for patient transfers out of the building.
 - Notifies care coordinator of admissions, concerning transfers.
 - Posts reports from unit based printers and rounds to other departments.
 - Organizes a patient's request for Spiritual Care.
- Enters patient data in the computer system.
 - Diet verification activities.
 - Transcription of physician orders.
 - Maintains accurate and legible HUC profile files.

**APPLICATION FOR APPOINTMENT TO
CITY BOARDS & COMMISSIONS**

APPLICATION MAY BE SUBJECT TO PUBLIC VIEW



City of Fraser
33000 Garfield Road
Fraser, Michigan

LAST NAME		FIRST NAME		MIDDLE INITIAL	
Kelley		Sarah		K	
ADDRESS (number & street)					
16664 Erin					
CITY	STATE	ZIP CODE	HOME PHONE	CELL PHONE	
Fraser	MI	48026		586-339-8033	
NAME OF BOARD/COMMISSION APPLYING FOR					
Parks & Recreation					
REASON FOR INTEREST IN THIS BOARD (please list activities & special qualifications)					
P&R Commission for past 2 yrs. Secretary for 1+yr. I believe being a part of the Commission is not only a good influence for my family, but also for our community.					
EDUCATION (please list schools, diplomas, degrees, professional certificates, etc.)					
Fraser Public Schools K-12 graduated in 2002 Ongoing - Wayne County Community College District Nursing Program.					
CURRENT EMPLOYMENT					
COMPANY NAME			YOUR TITLE/POSITION		
Texas Roadhouse			Server		
COMPANY ADDRESS (number & street)					
20201 13 mile Rd					
CITY	STATE	ZIP CODE	OFFICE PHONE	PAGER	
Roseville	MI	48066		586-294-0838	
PLEASE LIST YOUR RESPONSIBILITIES					
Serve guests! Refill drinks take orders, Clean tables. Only work two shifts a month due to school & mommy hood.					

PLEASE ATTACH YOUR RESUME TO THIS APPLICATION

**APPLICATION FOR APPOINTMENT TO
CITY BOARDS & COMMISSIONS**

APPLICATION MAY BE SUBJECT TO PUBLIC VIEW

RECEIVED
CITY MANAGER'S OFFICE
DEC 18 REC'D



City of Fraser
33000 Garfield Road
Fraser, Michigan
Initials _____ Time _____

LAST NAME		FIRST NAME		MIDDLE INITIAL	
Lesich		Laura		L	
ADDRESS (number & street)					
15201 Fairview Drive					
CITY	STATE	ZIP CODE	HOME PHONE	CELL PHONE	
Fraser	MI	48026	(586) 293-6553	(586) 994-5104	
NAME OF BOARD/COMMISSION APPLYING FOR					
Parks & Recreation Commission seat ending 12/31/2016 (1 yr)					
REASON FOR INTEREST IN THIS BOARD (please list activities & special qualifications)					
Have been attending the Parks & Recreation meetings for several years and provide helpful suggestions for the commission to consider. Enjoy supporting Fraser activities especially surrounding the Parks. Active member of the Fraser First Booster Club and their efforts to build the McKinley Barrier Free Park.					
EDUCATION (please list schools, diplomas, degrees, professional certificates, etc.)					
University of Detroit, Detroit, MI: Bachelor of Science, Computer Science: 1987 Mocomb County Community College, Warren, MI: Associate of Arts, General Studies: 1981 Fraser High School, Fraser, MI: HS Diploma: 1975					
CURRENT EMPLOYMENT					
COMPANY NAME			YOUR TITLE/POSITION		
AT&T			Retired		
COMPANY ADDRESS (number & street)					
CITY	STATE	ZIP CODE	OFFICE PHONE	PAGER	
				(586) 994-5104	
PLEASE LIST YOUR RESPONSIBILITIES					
Last position: Senior Manager: Incentive Design (see Resume)					

PLEASE ATTACH YOUR RESUME TO THIS APPLICATION

Laura L. Lesich
15201 Fairview Drive
Fraser, MI 48026 USA
Home: 586-293-6553
Cell: 586-994-5104
Email: lzlesich@gmail.com

Objective: Utilize my skills and expertise to contribute to the Fraser Parks and Recreation Commission to ensure solid recommendations are considered by the City Council.

Skills/Experience: Key strengths includes: Operates as a team player, demonstrates adaptability and resilience, exhibits leadership in taking ownership to achieve results by working with the team in accomplishing the deliverables. Extensive knowledge in MS Office applications, Word, Excel and PowerPoint.

Employment History:

02/2014 – Present: Retired

- Been involved in the Fraser First Booster Club planning and implementing projects and events. Average 10 hours volunteer work a month.
- Active at my daughter's school, International Academy of Macomb (IAM), managed the Spirit Wear orders 3-4 times a year which required selecting wearables students and parents were interested in, preparing order form, negotiating with the supplier on prices and deliverables, ensuring accuracy in payments, final invoice amounts, analyzing purchases to share with the Parent Community Club. Volunteer at events at the school, running concession stand for the powder puff game, selling items at school conferences, pass out snacks during Exam week, etc.

05/1979-01/2014: AT&T, SBC, Ameritech, Michigan Bell: Southfield, MI USA

- 02/2000-01/2014: Senior Manager: Incentive Programs for Consumer Marketing at the National Level. Responsible for designing, modeling, determining data requirements, implementing and processing Incentive Plans and overlays/contests for non-management and management employees (10,000 +). Responsible and managed \$17M Incentive Budget ensuring programs were designed and allocated within the budget reported to the Finance Department.
- 01/1988-01/2000: Manager:
 - Assisted Senior Manager in department Incentive programs while the company was Ameritech & SBC. Created and implemented initiatives to improve performances throughout the region as they related to the corporate goals and competitive strategies.
 - Responsible for the designed, development, production and dissemination of the Consumer Sales Tracking System.
 - Interfaced with IT and contract programmers in the development of report formats.
- 05/1979-01/1988: Senior Commercial Clerk:
 - Assisted supervisor with sales reporting, planning and analysis, computer operations-technical assistance to the timeshare system.
 - Assured correct Job Function Codes were used for expense reporting throughout Michigan service center.
 - Responsible for assisting the District Manager in the Residence Five Year Budget Plan.

Education:

University of Detroit, Detroit, MI USA: Bachelor of Science, Computer Science: 1987

Macomb County Community College, Warren, MI USA: Associate of Arts, General Studies: 1981

RECEIVED
CITY MANAGER'S OFFICE

APR 24 1960

Initials _____ Time _____

David Winowiecki
Application for Recreation Commission

**APPLICATION FOR APPOINTMENT TO
CITY BOARDS & COMMISSIONS**

APPLICATION MAY BE SUBJECT TO PUBLIC VIEW



City of Fraser
33000 Garfield Road
Fraser, Michigan

LAST NAME		FIRST NAME		MIDDLE INITIAL	
Winowiecki, David M.					
ADDRESS (number & street)					
32487 Woody					
CITY	STATE	ZIP CODE	HOME PHONE	CELL PHONE	
Fraser	MI	48026	294-3480	596-5392	
NAME OF BOARD/COMMISSION APPLYING FOR					
Recreation Commission Member					
REASON FOR INTEREST IN THIS BOARD (please list activities & special qualifications)					
Help preserve valuable City assets and programs that will attract more families to our community. FHS Athletic Boosters Volunteer (12 years), including President (4 years), Inducted to the FHS Athletic Hall of Fame, Families Against Narcotics Volunteer (7 years), including Advisory Board member (5 years), Executive Director (1 year), Rising Stars Academy Foundation Board Member (current), Lifetime Career experience in Property Management including multi-family housing, senior housing and commercial property, currently managing \$15M budget					
EDUCATION (please list schools, diplomas, degrees, professional certificates, etc.)					
Franklin High School, Livonia Michigan Institute of Real Estate Management Certifications: Marketing and Management of Residential Property, Managing Real Estate as an Investment, Problem Solving and Decision Making for the Property Manager, Ethics in Real Estate Management					
CURRENT EMPLOYMENT					
COMPANY NAME			YOUR TITLE/POSITION		
Art Van Furniture			Director of Property Mgmt		
COMPANY ADDRESS (number & street)					
6500 14 Mile Road					
CITY	STATE	ZIP CODE	OFFICE PHONE	PAGER	
Warren	MI	48092	983-2117		
PLEASE LIST YOUR RESPONSIBILITIES					
35 years of comprehensive property management of commercial and residential buildings					

PLEASE ATTACH YOUR RESUME TO THIS APPLICATION

David Winowiecki

32487 Woody Road
Fraser, MI 48026
586.294.3480 Home
586.596.5392 Cell

Experience **Art Van Furniture, Warren, MI** **1999 – Present**

Director of Facilities Management, April 2015 to Present

Responsible for the total portfolio with regard to infrastructure maintenance as well as the overall cosmetic appearance of more than 90 Furniture and Bedding Stores and over 1.2 million square feet of Distribution Centers.

- Directly supervise Facilities/Property Management Technicians (serving 4 states), Property Management Administrator, Purchasing Supervisor, and the Corporate Housekeeping Team
- Created and continue to develop the department by establishing maintenance standards and policies that add Brand Value for the ultimate guest experience and asset preservation.
- Consistently ending each year under budget for the entire portfolio
- Through implementation of energy saving programs in both lighting and HVAC, collected over \$500,000 in rebates from utility providers as well as saving 1.4 million dollars in energy usage over a two year period

Manager of Property Management Department, April 2011 – April 2015

Oversee the development, and implementation of Preventive Maintenance programs as well as Capital Expenditure and Cycle Replacement programs for 90+ properties and infrastructures throughout the organization. Develop a high performance team that provides additional support to internal teams in an effort to increase Sales Growth, Profitability, and Brand Value.

- For two consecutive years finished 5% under budget each year while increasing portfolio size
- For two consecutive years reduced capital expenditures by 3.5% each year
- By developing and implementing an LED lighting conversion plan, reduced electrical consumption by 40% across the chain (in excess of \$2M annually)
- Applied for and received energy efficiency rebates in excess of \$300K
- Negotiate contracts with 30+ Vendors and Contractors for best value and highest quality
- Developed, implemented, and continuously improved measures of KPI's for team
- Reorganized staffing levels to improve productivity and reduce hours
- Supervise 12 maintenance, administrative and support staff employees
- Developed and implemented new Signature Maintenance landscaping plan for consistency across the chain
- Cross-trained entire staff thereby increasing strength of team, productivity and covering temporary staffing gaps

Facilities Coordinator, November 2008 – April 2011

In addition to responsibilities from 1999 – 2007:

Oversee and Coordinate Maintenance, Remodeling, and Preservation of 30+ furniture retail stores

- Developed and implemented electronic Work Order system resulting in better response time
- Assisted in coordination of special events and 50th Anniversary Galas
- Involved in the budget reporting process
- Supervised 8 direct employees and 20+ Vendors/Contractors

Organizational Development Specialist, April 2007 – November 2008

- Developed and implemented Employee Engagement Surveys
- Created and implemented Team Building exercises
- Facilitated and conducted Leadership Academies
- Recruited retailers to participate in Art Van AdVantages program
- Revamped, condensed and launched New Hire Orientation Program

Facilities Coordinator, July 1999 – April 2007

Responsible for the overall infrastructure of 25 Art Van properties

- Perform periodic property inspections for compliance to company standards
- Draft specifications for roof replacement, exterior painting, interior/exterior maintenance, HVAC, utilities, lawn maintenance, asphalt and concrete repairs/replacement, electrical/plumbing repairs and maintenance
- Develop and implement preventative maintenance programs for physical appearance of showrooms, warehouse and mechanical equipment
- Negotiate contracts for low cost/best value

David Winowiecki

32487 Woody Road

Fraser, MI 48026

586.294.3480 Home

586.596.5392 Cell

- Manage and inspect projects from inception to completion
- Developed and implemented central purchasing program for janitorial supplies, interior and exterior maintenance materials/supplies to reduce costs
- Developed, negotiated and implemented food vending program at all locations, improving vending income from <\$30K to >\$100K annually
- Pursued and collected property damage recoveries of \$50K, utility rebates of \$5K

Edward Rose & Sons, Farmington, MI

1997 – 1999

Property Manager

Real Estate Property Manager Responsible for Multi-Family Rental Housing

- Managed multi-family housing (2,400+ units), responsible for complete physical operations as well as financial performance
- Effectively increased productivity of development while decreasing staff levels
- Increased occupancy levels to better than 95%
- Supervised 70+ employees including Managers, Leasing Agents, Groundskeepers, Maintenance

Art Van Furniture, Warren, MI

1994 – 1997

Clearance Center Manager

Responsible for Marketing and Sales strategies of a 'Store Within a Store'

- Increased Sales on average of \$38K per month
- Increased Profit Margin by average of 10%
- Increased volume of Add-Ons sold by 50%
- Promoted from Sales, Management Trainee, Assistant Sales Manager to Clearance Center Manager

FIFC Mortgage & MCA Mortgage

1992 – 1994

Loan Officer

Originated residential mortgages and follow-up through closing

Amurcon Corporation, Southfield, MI

1989 – 1992

Area Director

Real Estate Property Manager for Commercial, Condominiums, Multi Family (Market Rate), and Multi-Family Government Subsidized Housing

- Managed eight developments, multi-family and commercial
- Successfully negotiated commercial leases
- Maintained high ratio of managing properties under budget
- Supervised 54 employees including Managers, Leasing Agents, Groundskeepers, Maintenance
- Served on the Safety Committee and Employee of the Month committee

Wingate Management Corporation, Southfield, MI

1978 – 1989

Property Manager

Began as a Maintenance Technician, receiving several promotions and position changes to eventually become a Property Manager, responsible for Commercial, Condominium, Multi Family (Market Rate), and Multi Family Government Subsidized housing

- Managed multi-family housing, condominiums, retail and commercial space
- Maintained high ratio of managing properties at or under budget
- Supervised 22 employees including Managers, Leasing Agents, Groundskeepers, Maintenance
- Earned progressive promotions from entry level Maintenance to Property Manager

David Winowiecki

32487 Woody Road

Fraser, MI 48026

586.294.3480 Home

586.596.5392 Cell

Education

Franklin High School, Livonia, MI

Institute of Real Estate Management

Certifications:

- Marketing and Management of Residential Property
- Managing Real Estate as an Investment
- Problem Solving and Decision Making for the Property Manager
- Ethics in Real Estate Management

Civic Service

Current Board Member Rising Stars Academy Foundation

Families Against Narcotics

Board member, public speaker and active volunteer since inception January 2008, Advisory Board 2008 then Executive Director until September 2014

Fraser Athletic Booster Club

Active from 2000 – 2011 in various roles as Volunteer, Concession Chair, and President (2006 - 2011)
Inductee Fraser Athletic Hall of Fame

References available upon request.

MOTION MADE BY: _____

MOTION SECONDED BY: _____

TO ADOPT AN ORDINANCE AMENDING AND REVISING IN THE CODE OF ORDINANCES CHAPTER 32 ZONING ADDING UNDER SECTION 32-134(1) SUBPARAGRAPH J PERMITTING THE INDOOR STORAGE AND INDOOR SALE OF CLASSIC AUTOMOBILES, PROVIDING FOR DEFINITION, REGULATIONS, REPEALER, SEVERABILITY, PENALTIES AND EFFECTIVE DATE.

**CITY OF FRASER
MACOMB COUNTY, MICHIGAN**

ORDINANCE NO. _____

THE CITY OF FRASER ORDAINS:

Section 1. Purpose.

The City of Fraser Code of Ordinances, Zoning Ordinance, is amended and revised to provide for the storage and sale indoors only, of classic cars as an exclusive use of a completely enclosed building within the community business zoning district in order to preserve, protect and promote public health, safety and welfare, to promote and preserve the safe occupancy and property values of surrounding parcels, to provide for orderly and safe pedestrian and vehicular traffic upon both private parcels and surrounding public rights of way and to preserve and protect the character and nature of surrounding development and other uses within the community business district.

Section 2. Section 32-134 of the Code of Ordinances of the City of Fraser Zoning Ordinance is hereby amended adding under Section 32-134(1) Permitted Uses, Section J to read as follows:

- J. The indoor storage and indoor sale only, of classic cars which are defined to mean motor vehicles subject to registration as historic vehicles in the State of Michigan through the Secretary of State and other passenger automobiles whose production numbers for any make, model and year were less than 15,000, are permitted provided such storage and sale are the exclusive use of the subject premises and occur within a completely enclosed building. No display, parking, or storage externally of any such vehicles or other outdoor storage shall occur.

Section 3. Repealer. All ordinances or parts of ordinances in conflict herewith are repealed only to the extent necessary to give this ordinance full force and affect.

Section 4. Severability. If any article, section, subsection, sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of remaining portions of this ordinance, it being the intent of the city that this ordinance shall be fully severable.

Section 4. Effective Date. This zoning ordinance shall become effective upon publication following adoption, not early than ten (10) days after enactment.

Section 5. Penalty. Any violation of this ordinance shall be subject to the general penalty for violation of the Code provisions as a misdemeanor.

ORDINANCE ADOPTED.

AYES:

NAYS:

ABSENT:

To Adopt an Ordinance Amending and Revising in the Code Of Ordinances Chapter 32 Zoning adding under Section 32-134(1) Subparagraph J Permitting the Indoor Storage and Indoor Sale of Classic Automobiles, Providing for Definition, Regulations, Repealer, Severability, Penalties and Effective Date

COUNCIL RULE TO FILL COUNCIL VACANCY

Section 5.4 of the Charter of the City of Fraser states a vacancy on the City Council shall be filled by appointment by the Council, of a person possessing the qualifications for the office. The process for this appointment will be to contact the next highest vote getter from the previous election to see if he/she is interested in filling the vacancy. If not the same process will be followed for the next highest vote getter and so on. If all persons are not interested in filling the vacancy the same process will be used for the election of the next previous election and so on until the vacancy is filled.

CITY OF FRASER
PROPOSED CITY COUNCIL RULE
ELECTRONIC AND TELEPHONE COMMUNICATION

The following is proposed under VII Council Decorum as new rule 7.13

7.13 Electronic and Telephone Communication during Session.

- (a) While council is in session, councilpersons shall not send or review electronic communications relating to city business from other council members, ~~staff, or the public at large.~~
- (b) While council is in session, councilpersons are permitted to receive, review, and respond to electronic communication which involves matters other than city business and is of an emergency nature.
- (c) Councilpersons shall not use their phones to engage in conversation while council meetings are in session except for non-city business of an emergency nature.
- (d) Councilpersons may receive and respond to phone calls or electronic communication that relate to their full time or part time employment and are of an emergency nature requiring immediate response.
- (e) Cell phones and other electronic devices shall be set with tones that alert of an incoming message and are not disruptive to council discussion.
- (f) Electronic communication shall include by illustration and not limitation, email, text message, instant message, website or blog posting, or other transmission or retrieval through the use of an electronic device.

**City of Fraser, MI
Policy and Procedure**

NUMBER: PP- 6	<u> </u> Administrative
DATE: January 4, 2016	<u> X </u> Approved by Council
ISSUED BY: City Manager	
SUBJECT: Electronic Equipment and Internet Policy	

PURPOSE

Electronic mail, Internet and telecommunication access are resources made available to City Council and employees to communicate with each other, other governmental entities, companies and individuals for the benefit of the City for specific purposes related to service or employment as a City employee.

ELECTRONIC EQUIPMENT USAGE POLICY

All computers and electronic devices are the property of the City of Fraser. These devices are for the use in the conduct of City business only and are not for personal use. Downloading and installing any computer software or its removal, not approved by the Department is prohibited. The use of outside software of any type is prohibited unless approved by the City Manager or his designee. Members will not alter, add or remove any peripheral equipment to any of the City's equipment. This includes, but is not limited to the computers or City network or any other issues electronics.

ELECTRONIC COMMUNICATION POLICY

The City of Fraser Electronic Mail System (email) is designed to facilitate City business communication among employees and other business associates for messages or memoranda. Since no computer system is completely secure, users must recognize the email system may not be the best way to transmit sensitive materials, such as personnel decisions, legal opinions, financial data as examples, and other similar information that may be more appropriately communicated by written memorandum or personal conversation.

The email system is City property and intended for City business. The system is not to be used for employee personal use or to support or advocate non City-related business or purposes. All data and other electronic messages within this system are the property for the City of Fraser. As such, email messages are public records and may be subject to the right-to-know laws and subject to scrutiny by appropriate city personnel.

In addition, the City, through its managers and supervisors, has the right to review the contents of employee's email communications. Employees have no right to privacy with respect to these communications. Employees may not intentionally intercept,

eavesdrop, record, read, alter, or receive other persons' email messages without proper authorization.

The City Council is provided with a username and password so Council members may conduct City business using the City email system. Any scrutiny of these communications is limited to FOIA requests and will only be done by the City Manager acting under the direction of the City Attorney.

The City of Fraser purchases, owns and administers the necessary hardware, software and licenses to provide access to email and Internet services. Employees may not rent, copy or loan the software or its documentation. The City has invested much time and money to secure its electronic systems from intrusion and harmful viruses. Therefore employees may not provide or use alternative software to access the system. Employees will be held responsible for any damages caused by using unauthorized software or software that may introduce viruses into the City system. Department heads are responsible for the implementation and adherence of this policy within their departments.

A. General Information on Passwords

While users may have a confidential password, users should be aware that this does not mean that the system is for personal confidential communication, nor does it suggest that email is the property right of the employee. The use of the email system is for City Business. Passwords should be periodically changed to ensure security of the email system. Users should not share their passwords with anyone else, other than as their managers may require.

B. Prohibited Uses

When sending email messages, appropriateness and good judgment shall be used.

The following are examples of email uses that are prohibited:

- Communications that in any way may be construed by others as disruptive, offensive, abusive, or threatening;
- Communications of sexually explicit images or messages;
- Communications that contain ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on race, national origin, sex, age, disability or religious beliefs;
- Solicitation for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations; and
- Any other use that may compromise the integrity of the City and its business in any way.

C. Retention of Email

Generally, email messages are intended to be temporary communications that are non-vital and may be discarded routinely. However, depending on the content of the email message, it may be considered a more formal record and should be retained pursuant to the State of Michigan Records Management Services Guidelines. As such, these email messages are similar to printed communication and should be written with the same care. Each Department head is responsible for establishing and maintaining department retention schedules in accordance with the City of Fraser Electronic Mail Retention and Disposal Policy for the information communicated through the email system.

Employees should be aware that when they have deleted a message from their workstation mailbox it may not have been deleted from the central email system. The message may be residing in the recipient's mailbox or forwarded to other recipients. Furthermore, the message may be stored on the computer's back-up system for an indefinite period. Note that email has been classified as "public" documents, subject to FOIA. Keep that in mind when you create or store email.

Employees should handle email messages in accordance with the Electronic Mail Retention and Disposal Policy after reading. An accumulation of files will degrade system performance and response times. The MIS system will automatically delete all messages after 60 days, unless archived by the user. Contact City Manager if you are unsure as to how to archive messages.

This email policy applies to all employees, contractors, part-time employees, volunteers, and other individuals who are provided access to the City's email system. Third parties should only be provided access to the email system as necessary for their business purpose with the City and only if they abide by all applicable rules.

D. Effect of Employee Termination on Email Access

Employees who leave employment with the City have no right to the contents of their email messages and are not allowed access to the email system.

E. Internet Policy

The Internet provides the City with significant access and dissemination of information to individuals outside of the City. The use of the Internet system for access and dissemination of information is intended to serve City Business. Like all email messages, Internet messages are capable of being forwarded without the express permission of the original author. Email messages are also routinely passed through routers before they reach their final destination. A message is "touched" many times before it gets to its recipient, and the message author

should be aware of this. Therefore, users must use caution in the transmission and dissemination of messages outside of the City, and must comply with all state and federal laws.

Just as employees have no right of privacy with respect to the content of their email communications; employees do not have any right of privacy with respect to their Internet use. The City reserves the right to review or monitor all employees' Internet use, including sites viewed and viewing time.

The viewing of pornographic or sexually oriented sites is strictly prohibited and may be the basis for disciplinary action.

F. Other Electronic Communications

The use of city-owned cell phones for text messaging is strictly prohibited. The City does not maintain or record voice mail communications.

G. Penalties

The misuse of the Internet or email privileges will be considered sufficient cause for discipline in accordance with the Personnel Policy and/or union contracts and/or other applicable rules or laws. In addition, violations of this policy or misuse of the email system may be referred for criminal prosecution.

Disciplinary action will generally be as follows:

- A verbal warning will follow a first infraction.
- A written warning will follow a second infraction.
- Suspension or termination may follow further violations.
- Depending on the nature of the violation, the City reserves its right to suspend or terminate an employee without the necessity of a previous warning.

C:\Documents and Settings\Linda\My Documents\Policy and Procedure\PP-7 Internet Policy - DRAFT.doc

AGREEMENT TO ELECTRONIC EQUIPMENT AND INTERNET POLICY
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The City will require employees to read and signify acceptance of the terms of this policy by signing the following agreement before making electronic systems available.

I have read and agree to the specifics as stated in the attached Electronic Equipment And Internet Policy, which includes the following:

- Use of the Internet and email systems is intended for the furthering of the business of this municipality;
- I may not intentionally intercept, eavesdrop, record, read, alter, or receive other persons' email messages without proper authorization;
- I may not use the email system for solicitation of funds, political messages or obscene or harassing messages;
- The Internet and Email systems are the property of the City of Fraser and may be accessed for review and monitoring by supervisors and the City Manager;
- Email will be retained according to the City of Fraser Electronic Mail Retention and Disposal Policy.
- I have read and understand the content and will abide with the terms of this policy.

Name: _____

Date: _____

The City will require employees to read and signify acceptance of the terms of this policy by signing the following agreement before making electronic systems available.