

**Minutes**  
**Fraser City Council Special Budget Meeting**  
**Monday, May 23rd, 2016 @ 7:00pm**

A Budget Workshop 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  
Tim Tomlinson, City Attorney

1. **Call Meeting to Order** - Mayor Nichols called the Special meeting to order at **7:00pm**.
2. **Pledge of Allegiance**
3. **Approval of Agenda**

Member Hemelberg moved, seconded by Member Schornak to SWITCH ORDER OF LINE ITEM 5 AND 4.

The motion carried unanimously

Member Blanke moved, seconded Member Foster to ALLOW CITIZEN PARTICIPATION BEFORE BUDGET ADOPTION. SWITCH ORDER OF LINE 6 TO 5.

The motion carried unanimously

Member Carnagie moved, seconded by Mayor Nichols to APPROVE AGENDA AS AMENDED.

The motion carried unanimously

**4. Request Council approve the following Budget Adjustments to the FY 2015-2016 Budget**

Mr. Haberman spoke of the process of budget adjustments; this process is generally done at the end of the fiscal year to prepare for the audit. An example was provided from his predator's budget adjustments.

Member Foster asked Ms. Jaganjac, the Finance Director why adjustments are brought to council for approval as they are amended. ~ Mr. Haberman stated this is past practice and completed at years end. At years end the numbers are clearer.

Member Foster stated Member Carnagie had requested the adjustments be made available at a more timely fashion and nothing happened, wanted to point that out.

Member Schornak asked to have the adjustments to the budget done monthly.

Member Schornak moved, seconded by Member Lesich to AMEND AGENDA TO INCLUDE COUNCIL RECEIVE QUARTERLY ADJUSTMENTS AS THEY ARE PRESENTED AND AS THEY OCCUR.

The motion carried unanimously

Member Schornak moved, seconded by Mayor Nichols to REQUIRE THE DEMAND COUNCIL RECEIVES QUARTERLY ADJUSTMENTS AS THEY ARE PRESENTED AND AS THEY OCCUR.

The motion carried unanimously

**Minutes**  
**Fraser City Council Special Budget Meeting**  
**Monday, May 23rd, 2016 @ 7:00pm**  
**2**

Member Schornak was upset and expressed her concern of special pays.

Member Lesich questioned Boundless Park donations and the budget line item for donation monies.

Member Carnegie questioned bank service fees; Ms. Jaganjac stated working of condensing fees, should close out at \$20,000, about \$6,000 less than last year as well as streamlining payroll.

Member Hemelberg questioned Maxx Towing line item to keep track of expenditures and revenues, previously it was combining. Revenue would be auction proceeds.

Conversation ensued regarding towing.

Member Lesich moved, seconded by Member Foster to AMEND AGENDA TO REQUEST FINANCE DIRECTOR TO PROVIDE MONTHLY FINANCIAL REPORTS TO COUNCIL.

The motion carried unanimously

Member Lesich moved, seconded by Member Foster to REQUIRE THE FINANCE DIRECTOR TO PROVIDE MONTHLY FINANCIAL REPORTS TO THE CITY MANAGER AND COUNCIL AS SOON AS THE BOOKS ARE CLOSED.

The motion carried unanimously

Member Foster spoke of the numbers.

Conversation ensued regarding the donations made to the Boundless Park, and where the monies are located.

Member Foster questioned the Finance Department deposit of the donations.

Member Blanke asked for a narrative for each line item, for the fiscal year budget a narrative would help for each line item from each department head.

Member Blanke moved, seconded by Member Foster to AMEND AGENDA TO PROVIDE A BRIEF NARRATIVE ATTACHED TO THE ANNUAL BUDGET FIGURES.

The motion carried unanimously

Member Blanke moved, seconded by Mayor Nichols to HAVE DEPARTMENT HEADS PROVIDE COUNCIL A BRIEF NARRATIVE ATTACHED TO THE ANNUAL BUDGET FIGURES AND BUDGET AMENDMENTS.

The motion carried unanimously

Member Schornak suggested the City should not cover an NSF check, must change the line item in the Fee Schedule.

Mr. Tomlinson spoke of public participation during the Special Council Budget Meeting.

Member Lesich moved, seconded by Member Blanke to ADOPT THE PROPOSED BUDGET AMENDMENTS FOR THE FISCAL YEAR 2015-2016 AS PRESENTED.

Resident Gary Laine spoke on the topic.

The motion carried unanimously

**5. Citizen Participation**

Resident Susan Wheeland spoke of the budget.

**Minutes**  
**Fraser City Council Special Budget Meeting**  
**Monday, May 23rd, 2016 @ 7:00pm**

3

**6. BUDGET ADOPTION**

a. Discussion of Fiscal Year 2016-2017 Budget.

Mr. Tomlinson spoke of the Mayor's Fraser Budget 2016 Suggested List of Proposals; regarding the ability of an 'at-will' employee tied to an automatic termination notice. As long as we are in compliance with the terms of the contract, example some contracts have a minimum 90 day notice period prior to losing employment, it's within the Council's powers to request the terms of those contracts to be negotiated, reopened for negotiation and if not agreed upon, council has within its rights to issue termination notices. There is nothing illegal about it; you have the permission to do so.

Member Foster stands 100% behind the Mayor's Budget Suggested List of Proposals.

Mr. Haberman spoke of a January 2<sup>nd</sup>, 2008 Memo provided to Council from Mr. Bremer regarding the need to focus on long term statistics for the City of Fraser.

Conversation ensued regarding tax collection before June 30<sup>th</sup>, the city shutting down, emails from the treasurer's office and drop dead dates to send out tax bills.

Member Foster stated she is not confident what she is being asked to vote on, she is not confident on the numbers. She requested a vote of the people.

Member Schornak stated we can put something on the ballot in November for a tax increase, we cannot bleed out funds.

Member Hemelberg stated the Recreation Director was once a part time position; it can be a part time position again.

Mayor Nichols stated if the citizens want the services they can vote for it in November. Mayor Nichols stated he is giving you a proposal with no mil increase. He also stated to bring in a forensic audit if you really want to know where the numbers are.

Mr. Tomlinson spoke of PA33; vote of the people for special assessment, millage for a specific department, will go to the winter taxes.

Member Foster stated again she is not confident with the numbers and requested a forensic audit.

Recess 9:46, Returned 10:02pm

Member Blanke spoke of the success of the City of Fraser Recreation Department.

Member Foster spoke of the gambling fund, city services and the need of an audit.

Member Lesich spoke of the IT budget, server storage fee, and professional service fee.

Member Carnagie stated if the millage did not pass in November, we need to develop a plan for budget adjustments.

Mr. Haberman suggested that Mr. Harrington with Plant Moran review both budgets and give his opinion.

Member Hemelberg stated there has been many onetime fixes, he said he will vote no again and will not raise any taxes.

Mayor Nichols stated he would trust the residents to vote for a millage, he will not vote for a 2.8 mil increase without a vote of the people.

Member Foster stated she does not have faith in the numbers.

Member Hemelberg stated if the residents want the library and recreation services, take it out of the gambling fund.

**Minutes**  
**Fraser City Council Special Budget Meeting**  
**Monday, May 23rd, 2016 @ 7:00pm**  
**4**

b. Adoption of Fiscal Year 2016-2017 Budget.

Member Hemelberg moved, seconded by Mayor Nichols to APPROVE THE REVISED BUDGET AS PRESENTED BY THE CITY MANAGER NOTING A ZERO MILLAGE INCREASE.

Resident Janet Calabrese spoke on the topic.

Resident Gary Laine spoke on the topic.

Resident Mike Westien spoke on the topic.

Member Hemelberg withdrew his motion.

Member Hemelberg moved, seconded by Mayor Nichols to APPROVE THE REVISED BUDGET TO INCLUDE THE USE OF \$65,000 FROM GAMBLING FUND TO SUPPORT THE LIBRARY AND RECREATION DEPARTMENT.

Roll Call Vote:

Blanke	no
Carnegie	no
Foster	yes
Hemelberg	yes
Lesich	no
Nichols	yes
Schornak	no

Motion fails 4 no, 3 yes

Resident Anna Cameron spoke on the topic.

Member Foster stated she is not comfortable with the numbers.

Lorena McDowell stated with this approval it will not be enough to run the library.

Conversation ensued regarding bringing a millage increase to vote.

Resident Laura Lesich spoke on the topic.

Business owner Ken Immler spoke on the topic.

Resident Gary Laine spoke on the topic.

**7. ADJOURNMENT**

Member Lesich moved, seconded by Member Foster to ADJOURN THE BUDGET WORKSHOP COUNCIL MEETING OF MAY 23rd, 2016 @ 11:49pm.

The motion carried unanimously,

Respectfully submitted,

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Kelly Dolland, City Clerk

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Joe Nichols, Mayor

/kd