

CITY OF FENTON COUNCIL WORK SESSION PROCEEDINGS
Tuesday, September 8, 2015
City Hall Conference Room
301 South LeRoy Street
7:30 PM

Mayor Sue Osborn called the meeting to order at 7:32 PM.

Present: Bland, Grossmeyer, Jacob, King, Lockwood, McDermott, Osborn.
Absent: None.
Others Present: Lynn Markland, City Manager; Mike Burns, Assistant City Manager; Cindy Shane, Treasurer and Mike Reilly, Building and Zoning Administrator.

CITIZENS COMMENTS – Cherie Smith asked to speak on the Franklin D. Adams Park agenda item.

ACTUARIAL VALUATION OF RETIREE HEALTH CARE PLAN

Shana Neeson of Gabriel Roeder Smith & Company (GRS) presented the findings of the OPEB Actuarial Valuation (as of December 31, 2013) to Council. She reviewed the OPEB program currently in place, the role of the Actuary and what information is considered when performing the valuation.

Neeson stated OPEB costs are becoming more significant due to an aging population and increases in the cost of health care and stated historically, OPEB programs were not pre-funded and are reflected on financial statements using the pay-as-you go approach. The valuation estimates the amount of money that needs to be set aside now to pay for benefits later.

Neeson gave a brief overview of the funding options available stating while costs are typically less in the beginning utilizing the pay-as-you go funding method, costs tend to escalate as health care costs increases and the retiree population matures. Prefunding might have higher costs earlier on, but will become less in later years as earlier contributions have been invested and are earning interest.

Osborn asked what the number of projected retirements within the next five years is and how many retirees comprise the future normal costs shown on the chart on page 10. Neeson responded she does not have the number of retirees available tonight but will forward that information on and commented the future normal costs are based on the current number of active employees as of the valuation date.

King asked if the City has funding available to continue paying for benefits. Neeson responded there are no assets set aside to pay for OPEB since the City uses a pay-as-you go method and pays for premiums and claims as they are incurred.

Shane clarified pension costs are prefunded, which is a lot less burden on the City once someone retires. Health care costs were not prefunded and are paid as they come due. She commented the majority of expenses are health care costs for retirees under 65 as the City carries a full medical insurance policy until they turn 65 and then switches to a less expensive Medicare supplement policy.

Osborn asked if providing retiree health care is part of the union contracts. Markland responded no, it is provided by Council resolution.

Osborn stated she would like Council to read through the Valuation, forward any questions to the Treasurer and then review more in-depth at the October work session. She would like to know how other cities handle health care costs for their retirees under the age of 65.

Council discussed the concept of pre-funding OPEB and if it is a practice that could be implemented to save money in the long run. One issue mentioned is funds are not currently budgeted to pre-fund OPEB, so cuts would have to be made elsewhere in the budget to switch from a pay-as-you-go method to prefunding.

Item will be placed on the next work session agenda for further review and discussion.

ZONING ORDINANCE CHANGES

Reilly stated at the August 27, 2015 Planning Commission meeting, the Commission recommended changes to the sign regulations and outdoor seating sections of the Zoning Ordinance. The changes include:

- Wording that allows a changeable message sign to be 1/3 of the total allowable area of the sign, which will allow sign owners to decrease the overall size of the sign without being penalized with a smaller message portion of that sign.
- Electronic message signs will be allowed to change every 30 seconds. Industry and safety studies have shown this duration will allow the average motorist to only read one message and does not become a traffic concern.
- Add wording to allow multi-colored signs with documentation that the sign cannot produce motion displays (TV screens) – sign manufacturers have lobbied for this change as single color signs are becoming obsolete.
- Regarding outdoor seating for restaurants and cafes, changed wording to allow for administrative approval instead of a formal Planning Commission review.

Markland asked what districts changeable messages signs are allowed in. Reilly responded they're allowed in the General and Central Business districts.

Discussion ensued regarding the issues with various signs around town, including flashing and scrolling signs. Reilly stated he checks on signs to make sure they are in compliance and will start issuing citations if necessary.

Council discussed what the options are for restricting the number and types of signs in a given area. Reilly responded he doesn't think the number can be restricted, but thinks guidelines could be put into place that indicate electronic message signs are only allowed so many feet apart. Administration will look into what regulations can legally be put into place, how other communities regulate signs and then will discuss these items with the Planning Commission and report back to Council at a later date.

The amendments that address administrative approval for outdoor seating at restaurants and cafes will be brought forward to the next Council meeting for consideration.

INDUSTRIAL PARK NAME CHANGE

Burns commented there has been previous discussions about changing the name of the Fenton US-23 Industrial Park to the Fenton Business and Technology Park. At the request of the LDFA Board, surveys were sent to forty-nine CEOs/Business owners in the Park. One of the survey questions was regarding the proposed name change. Eleven responses were received, six in support of the name change, two not in favor of the change and three interested in other options for naming the park.

Burns stated this was discussed at the July LDFA meeting. The Board is supportive of the name change and he indicated the Mayor was to speak with Nick Popa regarding the change since he created the Industrial Park. He commented signs for the Industrial Park are currently being constructed and the sooner a decision is made, the signs can be completed and installed.

Lockwood commented since the Park is a certified industrial park through the State of Michigan, does the word 'industrial' have to be in the park name. Burns responded he does not know but will find out.

Markland responded changing the name of the park will more accurately reflect the nature of the businesses in the park.

Mayor Osborn commented she has not talked to Nick Popa but will do so this week.

FRANKLIN D. ADAMS PARK

King commented there is \$8,430 available in her son's fund through the Community Foundation and a lot of maintenance and improvements are needed at Franklin D. Adams Park. She stated trees and bushes are overgrown and the park sign is in need of repair. She, along with June Adams, want to utilize money from the Community Foundation to convert the basketball court to a full size court and make other improvements to the park. She spoke to Sandra Murphy from the Community Foundation regarding a grant and was informed it would have to be submitted by City Administration, along with a recommendation from the Parks & Recreation Board. She stated the City does not have the funds to complete all of the improvements needed at the park and feels the money in her son's fund and those available from June Adams could help fund these projects.

Bland commented the \$8,430 should be enough to remedy the problems with the bushes and trees at the park and asked if the City would be reimbursed if they spent the money on these things. King responded it would have to be done via a grant through the Community Foundation.

Council discussed the grant process. Lockwood commented all grants are approved by a Board. The City has submitted a grant in the past for this park and a grant was approved, but not for the amount requested. She stated there will be another grant request coming forward for a playscape by The Pump House.

King stated areas other than the southern part of the City need to be looked at for grant opportunities. Lockwood commented a grant can be submitted, but the decision of who is awarded a grant is up to the Community Foundation Board.

McDermott commented the Parks Board received a proposal last year for upgrades to the basketball court and a grant was submitted to the Community Foundation. The amount submitted for the grant was over \$10,000 and the Foundation awarded a grant of \$2,000. The money was returned to the Foundation because it was not enough to complete the work and the Parks Board has not submitted another request since that time.

Cherie Smith, 200 Union Street, commented she submitted information regarding a grant in February to City Administration. The amount of funds requested was approximately \$17,000 and covered items such as converting the basketball court to a full court, landscaping and purchasing picnic tables and benches. Included with the information she submitted was demographic information of the area surrounding the park, including areas in Fenton Township.

Osborn stated if the information submitted by Cherie Smith has not been addressed by the Parks and Recreation Board that is the next step to take. McDermott responded he will bring this issue up at tomorrow's Parks Board meeting.

SIZE OF SOLID WASTE AND RECYCLING CARTS

Osborn commented she thinks sixty five gallon carts should be provided to begin with and then residents can choose to go to a larger cart if needed.

Bland commented this has been discussed many times in the past and Gary Hicks of Republic Services made a recommendation to start with ninety-five gallon carts and feels he is the expert and sees no reason to not follow his recommendation.

Lockwood commented Gary Hicks indicated in previous conversations the reasoning for starting with a larger cart is that it has been his experience if smaller ones are provided initially, people will not call for a larger one at a later date and will just overflow the smaller cart.

Grossmeyer commented he thinks most people know what size carts they need and would like to know the reasoning behind having to wait ninety days to request a different size.

Jacob commented when he explains the new program to residents, most are in favor of it but the one thing people still have concerns with is the size of the carts.

King referred to the survey done by the DPW last week that indicated most areas in the City did not put out large volumes of trash and thinks if this had been done earlier on, a decision might have been made to start with the smaller containers. Lockwood clarified the survey was based only on one week and is not a twelve month survey.

Grossmeyer commented he is in favor of the sixty-five gallon carts because there is a ninety day waiting period, which would fall in the winter months to get a different size. McDermott suggested asking if the waiting period could be shortened to thirty or sixty days.

Osborn asked if the carts have been ordered and asked what the reasoning is for waiting ninety days to swap out carts. She expressed concerns that City ordinances will not allow the carts to be stored in front of homes or garages and wondered how the larger carts would fit into the community given the size of residential lots.

Gary Hicks of Republic Services responded (via telephone) carts have not yet been ordered and the waiting period is implemented because capital needs to be secured to replace whatever carts are exchanged. He implemented the ninety day waiting period because there are people who will right away want a smaller cart and then ask for the larger one back at a later date. The City of Davison is the first municipality where he implemented the waiting period and out of 128 homes (256 carts) that initially wanted a smaller cart, only 18 carts were delivered after ninety days.

Osborn asked if the City chooses to start the program with the sixty-five gallon carts, will residents have the option of getting either a larger or smaller cart at a later date. Hicks responded the small, thirty-five gallon carts are only for two selected areas within the City and would not be an option in other areas of the City.

Lockwood verified that Mr. Hicks recommendation is to start with the larger ninety-five gallon carts and allow the option of downsizing at a later date. Mr. Hicks responded his recommendation is always to start with the larger carts and feels this is especially true for the recycle carts as recycling will be moving from a weekly to every other week collection.

After discussion, the Mayor asked for a consensus from Council as to what size carts to deliver to implement the new solid waste and recycling program. Bland, Lockwood and McDermott were in favor of ninety-five gallon carts. Grossmeyer, Jacob, King and Osborn were in favor of sixty-five gallon carts. Lockwood commented she thinks ninety-five gallon carts would still be required for recycling and there isn't an option for a smaller cart. Mr. Hicks confirmed a sixty-five gallon cart is available for recycling.

King commented it needs to be discussed whether to require water shut-offs in order to stop billing for solid waste and recycling for individuals who are out of town for thirty or more

days in a row or if the system will remain similar to what is in place now and everyone pays year round. She thinks if water shut-off is not required, there will be individuals who will misuse the system.

Council discussed the different options available for suspending trash service. Markland commented the City submits a number to Republic Services every month and if someone is out of town for more than thirty days, the City can report a lower number and not be charged for those households. Consensus was to allow trash service to be suspended if an individual is out of town for more than thirty days and provides the City with a beginning and ending date of when the service will be suspended.

COUNCIL MEMBER COMMENTS

Lockwood commented there will be no Beautification Commission meeting tomorrow and commented Jinglefest meetings begin this week.

McDermott reminded all Applefest is in two weeks.

CALL TO THE AUDIENCE - Doug Tebo, 409 Bent Oak, commented he is not in favor of the new solid waste and recycling program, but is glad to see the smaller carts will be provided during the implementation.

Meeting was adjourned at 9:34 P.M.

Mayor Sue Osborn

City Clerk, Renee Wilson

Date approved: September 28, 2015