

**CITY OF FENTON COUNCIL PROCEEDINGS  
WORK SESSION  
Monday, August 7, 2006  
City Hall Conference Room  
301 South Leroy Street**

Mayor Sue Osborn called the meeting to order at 7:30 PM.

Present: Hammond, King, Moffitt, North, Osborn.  
Absent: Angeluski and Rauch were excused.  
Others Present: Christopher Wren, Assistant City Manager; Cynthia Shane, City Treasurer; Paul Stauder, financial consultant.

**CITIZEN COMMENTS** - None.

**UTILITY RATES**

Wren explained that the information distributed in the Friday Memo contains new water rates, which also reflect the County's increase as well. Osborn questioned what cities still need to improve their plants. Wren stated that there are many other municipalities that are looking to increase. Osborn questioned if Grand Blanc has a millage to pay for water improvements. Shane explained how the comparative table was developed and how to read it. Wren explained that there are lots of differences in size and population between municipalities.

North questioned if there was any way to raise the tap fees to offset some of the increased water cost. Stauder explained that the tap fees have an increase built into the fee structure and the fee structure is regulated by Council. Stauder further explained that the fee is associated with the cost of providing the use of the system. Hammond stated that the Council should look into modifying these rates.

Wren explained that the new proposed water rate increase is to add a \$10 ready to use fee, which would give the City the ability to reduce the rate from \$4.10 per thousand gallons to \$4.00 per thousand gallons. The increases passed on by Genesee County are not negotiable. Stauder further explained that adding the ready to serve fee will not change revenue amounts, however it will significantly impact the ability to stabilize revenue needed for operation.

Osborn asked what the proposed rates would be if the Council approved the DWRP project and Wren answered that the bids would be on the next Council agenda. Shane explained that the extra costs from the County will be incurred as of August 1, 2006.

North stated that the Council needs to adjust the tap fees. King questioned if any more information was obtained about the costs for chemicals and Wren stated that he was still in the process of gaining pricing. King stated that the Council needed this information to make an informed decision at the Council meeting and Wren stated that he did not anticipate that the chemical costs would be a significant savings. Osborn suggested getting rid of delivery charges or contracting out the delivery. Wren stated that it would be more beneficial to investigate why consumption is down. Osborn questioned if the Council should consider selling water, as Hammond had suggested previously, in order to recoup some of the expense. Osborn asked if the City could cover the increases from the County and Shane stated that they could not. Osborn asked Shane to find out if Grand Blanc has a millage to support their water system and Shane stated that she would follow up.

Moffitt stated that the residents could not afford these increases so he feels the Council should delay the improvements project. Hammond stated that the City will still have to raise rates regardless of the project, just to cover their costs. North asked if the ready to serve charge could be eliminated someday and Stauder answered her affirmatively and added that the Council could adjust the rates anytime.

Marilyn Wendt, of 606 Shoreline Drive, expressed that retirees would not be able to afford the rate increases.

Jim Graham, of 819 West Shiawassee, thanked the Council for trying to work out a different solution than a water rate increase. Graham also proposed a graduated scale increase. Stauder stated that using this type of scale could cause legal issue because there has to be some justification as to why a higher rate is charged to an individual for the same utility and service because there has to be an equal process for everyone. Graham also suggested dividing the public into brackets and charging flat rate fees. Graham stated his support for Hammond's idea of selling water. Graham also had some questions pertaining to the Plant's capacity for water and Wren stated that the Plant is not operating at its maximum, but it was cheaper to build it to that capacity than to have to build onto it later. Graham also inquired if improvements to Adelaide Street are an addition to the pending DWRP project. Wren stated that Adelaide is slated to be improved in 2008.

Tom Murphy, of 469 Andover Woods, suggested progressive rate increases or convert the cost into a millage.

King expressed her concern about selling water due to the fact that the City's industrial park is not built out yet. King stated that the idea of progressive brackets for water rates should be investigated in more detail before next week. Osborn added that there is no guarantee that the \$3.44 sewer charge from the County will not be increased either.

\*\*\*\*\*A five minute recess was taken at this time.\*\*\*\*\*

## **SOUTHERN LAKES PLANNING INITIATIVE**

Mayor David Lossing, of the City of Linden, addressed the Fenton City Council about the concept of the Southern Lakes Planning Initiative and the benefits it could offer the local communities, such as sharing money for resources and services, infrastructure, public safety, parks, and engineering. Erin Purdu discussed the benefits of creating a seamless community, opportunities for collaborative discussion, and political alliances to improve resources.

King questioned the level of liability that the individual municipalities would face and Purdue stated that this joint planning effort simply provides an extra layer of planning which actually makes the individuals more defensible. However, every entity is responsible for itself and the members of the entire body can't be sued.

Sarah McDonell discussed the composite master plan of the area, showing more definition for residential areas and developing a more recreation friendly community by connecting the local municipalities. McDonell also stated that traffic congestion is a concern and should be discussed on a regional level, and in fact, more coordination with M-DOT is one of the top goals of the steering committee for the initiative.

When King questioned how many people sit on the Board, McDonald answered that there would be twelve members and King felt there should be an odd number, as well as more residential involvement in this process. Lossing explained that this body only makes recommendations and is not a governing body, however he agreed that residential support is critical to this process. Murphy expressed that the goal of the body is to compromise, not secede

to a majority vote on any topic. McDonell stated that at this point, they are just looking for support because in the end, adoption of the concept may never occur. McDonell stated that the committee has received funding in total of \$46,000 at this point from fourteen separate entities. She anticipates that each City would have to contribute \$3-4,000 or equivalent services over the next three years. Lossing stated that it is their intent to raise 90% of the funding through contributions.

Hammond questioned why Mundy Township is still involved with this project, even though Fenton Township has opted out, being that Mundy Township no longer shares any borders with the rest of the communities. Lossing stated that they are still in dialogue with Fenton Township, hoping that they will reconsider their decision because this plan cannot come to fruition without their involvement.

King questioned who was being paid through this grant. Lossing answered that Sara McDonell, Leyla Sanker, and Erin Perdu, were all being paid for their services as consultants for the project, however, the University of Michigan, is taking the lead on seeking more grant money. Perdu mentioned that the cost to the municipalities will probably end up being lower than what has been projected.

King stated that there can be problems with shared services for police, fire, water, and sewer and she doesn't see how this project could benefit the City of Fenton.

Wren inquired if competition for development would arise among the municipalities due to increased revenue cuts. North added that Fenton already belongs to the Genesee County Alliance for these types of services. Murphy stated that there were no answers to these questions at this time because they are not that far along in the process yet. Perdu added that the information gathered for this project alone is very valuable, if nothing else.

Osborn questioned if legal costs could be reduced due to developer law suits and Perdu explained that the Regional Plan Overlay provides an extra layer of protection against unwanted development, however, the developer could still take his or her issues to court.

Lossing stated that the residents of Genesee County want to see regional planning and he agrees that land use can be a difficult topic to discuss. Lossing asked the City to adopt the resolution of support for the project and subsequently appoint a Council representative and a representative from the Planning Commission to continue discussion because there are many more steps to come.

## **OTHER**

King stated that the City should look into contracting out the work to be done by the Deputy Assessor instead of filling the position, in order to save money. King also inquired if it was necessary for the Fire Department to have their own secretary instead of having the firefighters share those responsibilities. Hammond stated that the position was budgeted for and Wren added that she works approximately twenty hours per week and is needed during the daytime. Osborn stated that healthcare costs are the biggest concern to the City and Wren stated that the City is working on negotiating language in the union contracts in order to enable the City to reduce healthcare costs, but not coverage.

North stated that she was contacted by residents on Mary Court about the flooding incident and was told that they were not treated appropriately by a City employee who dealt with them. North was also informed that these types of floods have been occurring for thirty years. Wren explained that the Lift Station lost power due to the storm and unfortunately that particular station is one of the last ones on that route in the City, so there is a tremendous amount of flow at that point. Wren further explained that he had not heard of this employee incident until this

evening, so the administration was unaware of this problem. Moffitt stated that the employee should be dealt with immediately and severely. North questioned if the City could be held liable because they keep paying the same insurance claims in the same area. Wren explained that the lift station in that area is part of a big project that is coming in 2007, so the City would not be held liable because they are making an effort to improve the situation. Osborn stated that she wanted to discuss this with Senyko and Wren added that the employee should have explained the claim process to the homeowner. North stated that this is a health issue for these people that needs to be alleviated. King stated that the employee needs to be addressed about this situation.

**CALL TO AUDIENCE** - None.

Meeting adjourned at 10:10 PM.

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Mayor Sue Osborn

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Deputy City Clerk, Jennifer Wills