

OWOSSO CITY COUNCIL

MAY 14, 2014

6:00 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

PLEDGE OF ALLEGIANCE: MAYOR BENJAMIN R. FREDERICK

PRESENT: Mayor Benjamin R. Frederick, Mayor Pro-Tem Christopher T. Eveleth, Councilpersons Loreen F. Bailey, David B. Bandkau, Burton D. Fox, Elaine M. Greenway, and Robert J. Teich, Jr.

ABSENT: None.

Motion by Mayor Pro-Tem Eveleth to set a time limit of 8:00 p.m. for the meeting.

Motion supported by Councilperson Fox and concurred in by unanimous vote.

DISCUSSION – FUTURE REVENUE STREAMS

City Manager Donald D. Crawford started the conversation by saying that just about every city in the country is dealing with declining revenues. The real trouble lies in the idea that there are no new ideas for raising revenues so most municipalities continue to cut back on services. Michigan is no different from the rest of the country as just yesterday the State reported that revenues are expected to decline this year and next, and the decline in revenues will inevitably trickle down to local municipalities. Finance Director Richard C. Williams continued the conversation, distributing a handout detailing how the Headlee Amendment and Proposal A interact. He noted the City's two main sources of revenue are State shared revenue and property taxes, both of which have been hit hard by the downturn in the economy, resulting in a deficit of over \$1 million in the initial budget for 2014-15. The budget presented to Council is balanced, though it must be noted the City's ability to provide services is being negatively affected by the decline in revenues. Finance Director Williams continued by saying the City could consider a Headlee override, a dedicated millage for public safety services, or a dedicated millage for road maintenance. City Manager Crawford suggested two sources of revenues: 1. Pension changes 2. A possible insurance rebate in August.

Discussion continued with mention of the significant repairs needed to City Hall, significant repairs needed to the Public Safety building, the desire to convert street lighting to LED to save money, and the need for a significant rework of the Waste Water Treatment Plant.

Potential revenue sources, and their advantages and disadvantages, and potential money saving actions were discussed including: PILOT agreements, a Headlee override, using the Building Authority to fund repairs on City buildings, auctioning off some City-owned properties, selling some properties in Osburn Lakes, contracting out for operation of the water and waste water plants, automating the services in the plants, further staff cuts and job consolidations, instituting a city income tax, private sponsorship of parks, and reducing on-going costs like street lighting.

There was also a rather significant discussion regarding the future of the Mid-County Waste Water Treatment Plant, the grant responsible for its construction, and the City's responsibility per the terms of the grant.

Mayor Frederick thanked the Council for their diligence in attending all the budget work sessions and expressed his appreciation for the depth and range of discussions.

CITIZEN COMMENTS AND QUESTIONS

William Constine, 204 Stratford Drive, indicated he had appreciated the comments about the grant responsible for the construction of the Mid-County Waste Water Treatment Plant saying he had long felt the spirit of the grant was not being held to because money was not being set aside to fund replace the plant at the end of its useful life. He further commented regarding the demolition of the old hotel and the City's investment in the Osburn Lakes subdivision. He finished by saying he thought Council was asking great questions.

Mayor Frederick indicated he would like a review of the original grant documents for the WWTP conducted as well as research to find out what happened to the original replacement fund.

NEXT MEETING

Monday, May 19, 2014

BOARDS AND COMMISSIONS OPENINGS

None.

ADJOURNMENT

The meeting was adjourned at 8:06 p.m.

Benjamin R. Frederick, Mayor

Amy K. Kirkland, City Clerk