

**CITY OF OWOSSO
REGULAR MEETING OF THE CITY COUNCIL
MINUTES OF AUGUST 1, 2016
7:30 P.M.**

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

OPENING PRAYER: MARK GREEN, PASTOR OF DISCIPLESHIP
OWOSSO FIRST CHURCH OF THE NAZARENE

PLEDGE OF ALLEGIANCE: MAYOR BENJAMIN R. FREDERICK

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

ABSENT: Councilperson Michael J. O'Leary.

APPROVE AGENDA

Motion by Mayor Pro-Tem Eveleth to approve the agenda as presented.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF JULY 18, 2016

Motion by Mayor Pro-Tem Eveleth to approve the Minutes of the Regular Meeting of July 18, 2016 as presented.

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

PROCLAMATIONS / SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

None.

CITIZEN COMMENTS AND QUESTIONS

Becky Langtry, property owner of 202 State Street, states their rental house burned in late march and has been red tagged by the city of Owosso. Ms. Langtry stated she would like to retain the barn and single car garage on the property to store lawn equipment used maintain 202 State Street and four rental properties owned within a one block radius. Ms. Langtry also stated the use will remain the same other than putting new windows in and everything will be stored inside. The Langtry's came to the July 19, 2016 Zoning Board of Appeals meeting where their application for a variance was denied. Ms. Langtry states she should be able to keep her garages under Owosso City Zoning Ordinance, Section 38-378 non-conforming use citing it would not to be contrary to public health. Also stated 1011 Lynn Street has a garage on the property with no main building.

Phillip Varta-Vargas, 871 Krust Drive, asked questions about Owosso City Zoning Ordinance, Section 38-371 – Accessory building. He owns an 18' Crownline boat that he parks at his residence and realizes that he is not storing the boat correctly. Mr. Varta-Vargus states he stores the boat in his driveway and is asking if the current ordinance can be redone to allow him to park his boat in his driveway during boating season.

Mike Cline, 620 Wright Street, stated he has two issues. First, he noticed all drains where Gould Street has been improved recently still have orange bags on them which prevents drainage during rain and wonders why they are still there. Second, states it appears the city is trying to privatize towing within the city limits and wonders if city is trying to get more people to sign up for towing insurance with the current bid results for towing services for the city. Mr. Cline questions why city council wants people to have towing insurance? Also stated there are other towing companies are outside of city limits. It was pointed out that only two bids were received for towing services for the city.

Council response to citizen comments above-

Mayor Frederick asked city attorney Brown what recourse city council has regarding ZBA ruling for 202 S. State Street. Attorney Brown stated any appeal of ZBA would have to go to circuit court and not city council pursuant to state statute. Mayor Frederick asked ZBA member Pro-Tem Eveleth if he would talk about how ZBA came to its decision. Pro-Tem Eveleth stated that if this appeal was allowed it would strike down the zoning law and set precedence. Councilperson Fox asked the owners what the use of the garage was prior to the fire. States barn use has never changed, councilperson Fox states he is struggling with the idea that it is nonconforming. Mayor Frederick asks staff to look into combining lots even when an alley is involved.

Suggestion to amend recreational vehicles was addressed by Mayor Frederick and asked if this is aesthetic in nature or if the parking of the boat is blocking any view. Councilperson Fox wants the ordinance changed or looked at to see if it is relevant to what people need today, perhaps it needs to be changed. Mayor Frederick would like this put in front of council for review at next city council meeting

Mayor Frederick asked DPW Director Sedlak about orange covers on the drains near Gould Street. Sedlak responded the orange covers are left there due to soil erosion control measures and stated he will look into how long they need to be left in place.

Council Comments-

Councilperson Greenway referenced the towing bids and why they were sought, stating it is common sense when it happens that parties involved can choose their own towing service rather than using who the city is contracted with.

Mayor Frederick referenced the 150th anniversary of Woodard Manufacturing and that it was attended by many people and celebrated by all.

CITY MANAGER REPORT

Project Status Report was given as outlined in the latest Project Status Report.

Towing response by city manager Crawford – two bids received, both similar. No real issues involved other than wanting to have somewhere to refer those who are out of town or have no towing insurance.

Mayor Frederick asked about Standard & Poor's rating and if there is a timeframe on when staff will hear their decision on bond rating? City manager Crawford stated no but now is the time to get a better rating. Mayor Frederick then encouraged remaining council members to keep an eye on bond rating sharing the State of Michigan has been difficult and hasn't allowed cities like Owosso to have insured bonds.

Councilperson Fox asked about the waste water plant's west side transformer and if it belonged to Consumers. City manager Crawford said it belongs to the city sharing the one by the Lebowsky Theater belongs to Consumers. Price is the key difference in who owns the transformer. Consumers is willing to lease everything, such as street light, which cost many times more than what it does to install our own. Councilperson Fox then asked about Disc golf and the proposed layout for the course, specifically, what does little height and crossing of path mean? City manager Crawford stated the city of Corunna has had disc golf for a long time with no issues. Corunna also has disc golf paths that cross the trail. Sleepy Hollow also as well as Laingsburg where it is in the golf course. Councilperson Fox stated he has concern over discs crossing trails.

CONSENT AGENDA

Motion by Mayor Pro-Tem Eveleth to approve the Consent Agenda as follows:

Resolution Setting Public Hearing To Establish And Industrial Development District -- 300 W Main Street. Owosso REI Group, LLC is applying for an Industrial Facilities Tax Exemption Certificate for the part of the complex being proposed for a brewery. The resolution provides for notifying the taxing districts and sets a public hearing for August 15, 2016 as follows:

RESOLUTION NO. 82-2016

**RESOLUTION SETTING PUBLIC HEARING TO ESTABLISH
AN INDUSTRIAL DEVELOPMENT DISTRICT
300 W. MAIN STREET**

WHEREAS, request was received July 21, 2016 for an Industrial Facilities Tax Exemption Certificate from Owosso REI Group, LLC; and

WHEREAS, an Industrial Development District is required for an Industrial Facilities Tax Exemption Certificate; and

WHEREAS, the Industrial Development District for this application is described as:

PART OF ORIGINAL PLAT DESCRIBED AS; SOUTH 1/2 BLOCK 24 & SOUTH 10' OF NORTH 1/2 BLOCK 24, ALSO ADJACENT RESERVE 1, LYING BETWEEN EAST BANK OF SHIAWASSEE RIVER AND SAID DESCRIPTION

WHEREAS, it must be determined that this district would be beneficial to the city of Owosso, as well as local and regional economy;

NOW, THEREFORE, BE IT RESOLVED by the city council of the city of Owosso, Shiawassee County, Michigan that:

FIRST: The Owosso City Council sets public hearing for August 15, 2016 on or about 7:30 p.m. in the council chambers for the purpose of hearing comments from those within the proposed district, and any other resident or taxpayer, of the city of Owosso; and

SECOND: The city clerk gives the notifications as required by law.

Traffic Control Order #1355 For Bend And Yoga Event. The traffic control order provides for the closing of parking lot 26 at the southeast corner of Ball and Comstock Streets on July 16 and August 20 from 7:00 a.m. to 9:00 a.m.

Neighborhood Block-Party Permission. The traffic control order provides for the closing of Gilbert Street between Oliver and Queen Streets on August 14 from 1:00 p.m. and 9:00 p.m. for a block party for residents, waived the insurance requirement, and authorized Traffic Control Order No. 1356 formalizing the action.

Bicycle Show And Swap Meet. The traffic control order provides for the use of the alley and parking lot in the 800 block of Westown, north side of Main Street on August 14 from 9:00 a.m. to 3:30 p.m. for a bicycle show and swap meet in Westown, waived the insurance requirement, and authorized Traffic Control Order No. 1357.

Lebowsky Center Event Parking. The traffic control order provides for the reserving of two parking spaces on various dates in front of the Main Street entrance to the Lebowsky Center when events are taking place for safety purposes. For afternoon events, parking would be prohibited from 2:00 p.m. to 6:00 p.m. and evening events from 7:00 p.m. to 11:00 p.m. for additional event parking at the front entrance for patrons, waived the insurance requirement, and authorized Traffic Control Order No. 1358.

Resolution Authorizing The Execution Of An Emergency Purchase Of Plastic Pipe From Advanced Drainage Systems. It was necessary to purchase for the repair of a collapsed storm sewer 300 feet of 24-inch plastic pipe for \$5,457.63 as follows:

RESOLUTION NO. 83-2016

AUTHORIZING THE EXECUTION OF AN EMERGENCY PURCHASE OF PLASTIC PIPE FROM ADVANCED DRAINAGE SYSTEMS

WHEREAS, the city of Owosso, Shiawassee County, Michigan, Public Works Department has determined it necessary to purchase 300' of 24" plastic pipe to repair a collapsed storm sewer at 1007 S. Washington Street.

WHEREAS, Advanced Drainage Systems has submitted a quote for \$5,457.63 for the required pipe.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Owosso, Shiawassee County, Michigan that:

FIRST: The City of Owosso has heretofore determined that it is advisable, necessary and in the public interest to purchase 300' of 24" plastic pipe for the price of \$5,457.63.

SECOND: The contract between the City and Advanced Drainage Systems will be in the form of a City Purchase Order for the amount of \$5,457.63.

THIRD: The accounts payable department is authorized to pay Advance Drainage Systems up to the purchase order amount upon satisfactory delivery.

FOURTH: The above expenses shall be paid from the local street fund 203-463-728000.

Check Register – June 2016. Affirmed check disbursements totaling \$1,749,435.07 for June 2016.

Motion supported by Councilperson Bailey.

Roll Call Vote.

AYES: Councilpersons Bailey, Teich, Fox, Pro-Tem Eveleth, Councilperson Greenway, Mayor Frederick.

NAYS: None.

ABSENT: Councilperson O’Leary.

ITEMS OF BUSINESS

Execution of Contract with PM Environmental, Inc., for environmental Oversight, Project Management, and Reporting Activities for the Former Eastside Cleaners/Proposed Qdoba and Retail Property

Motion by Mayor Pro-Tem Eveleth as follows:

RESOLUTION NO. 84-2016

**AUTHORIZING THE EXECUTION OF A CONTRACT WITH
PM ENVIRONMENTAL, INC., FOR
ENVIRONMENTAL OVERSIGHT, PROJECT MANAGEMENT, AND REPORTING ACTIVITIES
FOR THE FORMER EASTSIDE CLEANERS/PROPOSED QDOBA AND RETAIL PROPERTY**

WHEREAS, the Qdoba project has significant remediation work to be done; and

WHEREAS, the type of oversight, project management, and reporting activities required are outside of the scope of work the city of Owosso can provide; and

WHEREAS, the city of Owosso is acting as the fiduciary to administer the grant and loan funds received for this project from the Michigan Department of Environmental Quality; and

WHEREAS, entering into a contract with PM Environmental, Inc., will provide the oversight, project management, and reporting that is required to complete this portion of the project.

NOW THEREFORE BE IT RESOLVED by the city council of the city of Owosso, Shiawassee County, Michigan that:

FIRST: The city of Owosso has determined that it is advisable and in the public interest to enter into an agreement with PM Environmental, Inc., for the oversight, project management, and reporting activities for the remediation portion of the Qdoba project.

SECOND: The Mayor and city clerk are authorized to execute the contact for the city and payment not to exceed \$76,355 to PM Environmental, Inc.

Motion supported by Councilperson Bailey.

Roll Call Vote.

AYES: Councilperson Fox, Pro-Tem Eveleth, Councilpersons Greenway, Teich, Bailey, and Mayor Frederick.

NAYS: None.

ABSENT: Councilperson O’Leary.

Authorizing the Application for Transportation Local Safety Program Funds for Washington Street Improvements

City manager Crawford stated this has been put together, council has put together similar programs in the past and that it is a great saving to the city as it pays for 90%. Used on the north street culvert. Probability of getting approved is relatively slim but will get us in line and ready to move forward next year.

Councilperson Fox referenced two recent accidents at S. Washington and Stewart Streets that could have been serious. Councilperson Fox proposed an all-way stop at this crossing to prevent future accidents and asked if this would be possible under the TAP program. City manager

Crawford said it may disqualify the city for the grant because we don't score high enough on the accident list to show need. City manager Crawford stated he will check into this and report back.

Motion by Mayor Pro-Tem Eveleth as follows:

RESOLUTION NO. 85-2016

**RESOLUTION AUTHORIZING APPLICATION FOR TRANSPORTATION
LOCAL SAFETY PROGRAM FUNDS FOR WASHINGTON STREET
IMPROVEMENTS**

WHEREAS, The City of Owosso, Shiawassee County, Michigan, Public Service Department recommends the realignment and reconstruction of a portion of Washington Street; and

WHEREAS, the Michigan Department of Transportation offers special funding known as Transportation Local Safety Program funds for this type of work; and

WHEREAS, safety improvement projects must be within an eligible federal-aid urbanized area, such as Owosso; and

WHEREAS, the City of Owosso proposes to procure federal Local Safety Program funds for the purpose of providing a 90 percent (90%) federal match to the City's Public Act 51 Major Street and other funds as outlined in its application.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Owosso, Shiawassee County Michigan that:

FIRST: The City of Owosso has theretofore determined that it is advisable, necessary and in the public's interest to proceed with the proposed roadway improvements.

SECOND: The City of Owosso is actively seeking federal Local Safety Program funds to partially fund the realignment and reconstruction of Washington Street, from Gute Street to Corunna Avenue (M-71) and is willing to participate in this program.

THIRD: The appropriate city officials are hereby authorized to sign the application documents and are further authorized to obligate City funds as a match of the project cost up to the amount noted in the application.

Motion supported by Councilperson Teich.

Roll Call Vote.

AYES: Pro-Tem Eveleth, Councilpersons Fox, Greenway, Bailey, Teich, and Mayor Frederick.

NAYS: None.

ABSENT: Councilperson O'Leary.

Street Program Funding Discussion

Staff provided council members with a packet on \$10 Million Bond and \$4 Million Bond to fund future road projects. Mayor Frederick asked city manager Crawford what the term was on the 4 million bond. Answer is a 10 year period. Councilperson Teich asked what the millage amount is on the \$4 million bond. City manager Crawford responded he believe it is at .8 mills for 10 years while the \$10 million is at 2.19 mills for 25 years. Councilperson Teich noted the pay as you go program was 1.6 mills a couple years ago. City manager Crawford asked council to take a recess for a few minutes so he could go to his office to find the information on millage amounts and terms.

Mayor Frederick recessed the meeting at 8:22 p.m. Meeting was called back to order at 8:29 p.m.

City manager Crawford was unable to find his information but came back with finance director, Rick Williams on speaker phone to answer questions. Interest rate is 4% for 25 years and 3.75% for 15 years. Mayor Frederick asked for clarification of the term on the .8 mills. The term would be for 25 years.

The ballot language requires the city to disclose what would be levied for the first year and it also requires disclosure of the average mean levy over the life of the bond, which would be calculated at .8 of a mill figured on a rated bond. All rate assumptions that are conservative (high) because markets are currently better than that. Important for interim-period equity because it correlates to life of street, the shorter the term the higher the cost and would not correlate with the life of the street. Councilperson Fox asked if the city can seek additional bonds after a period of four years.

Finance director Williams stated yes, the city can add more bonds further down the road as other bonds drop off which actually helps keep rate stable.

City manager Crawford asked when is the right time to take the road bond issue to the voters. Councilperson Fox states he wants to get it to the voters as soon as possible because the longer the city takes the worse the roads get. After further discussion it was determined an additional council meeting with the sole purpose of determining terms and language for a road bond is necessary.

Motion by Councilperson Fox to hold a special meeting to discuss the road bond issue and language on Tuesday, August 9, 2016 at 6:30 p.m.

Motion supported by Councilperson Teich.

Roll Call Vote.

COMMUNICATIONS

Downtown Development Authority/Main Street. Minutes of July 6, 2016.
Historical Commission. Minutes of July 11, 2016.

CITIZEN COMMENTS AND QUESTIONS

Tom Manke, 2910 W. Main Street, commented on 202 S. State Street saying he believes the property value is higher with a garage remaining.

ADJOURNMENT

Motion by Mayor Pro-Tem Eveleth for adjournment at 8:55 p.m.

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

Benjamin R. Frederick, Mayor

Susan K. Montenegro, Assistant City Manager