

**CITY OF OWOSSO
REGULAR MEETING OF THE CITY COUNCIL
MINUTES OF DECEMBER 17, 2018
7:30 P.M.**

PRESIDING OFFICER: MAYOR CHRISTOPHER T. EVELETH

OPENING PRAYER: PASTOR GARY BEAL
OWOSSO CHURCH OF JUBILEE

PLEDGE OF ALLEGIANCE: MAYOR CHRISTOPHER T. EVELETH

PRESENT: Mayor Christopher T. Eveleth, Mayor Pro-Tem Susan J. Osika, Councilmembers Loreen F. Bailey, Janae L. Fear, Jerome C. Haber, Daniel A. Law, and Nicholas L. Pidek.

ABSENT: None.

APPROVE AGENDA

Motion by Councilmember Bailey to approve the agenda as presented.

Motion supported by Councilmember Haber and concurred in by unanimous vote.

APPROVAL OF THE MINUTES OF REGULAR MEETING OF DECEMBER 3, 2018

Motion by Councilmember Bailey to approve the Minutes of the Regular Meeting of December 3, 2018 as presented.

Motion supported by Mayor Pro-Tem Osika and concurred in by unanimous vote.

PROCLAMATIONS / SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

Proposed Special Assessment Project – Abrey Street, from Melinda Avenue to Allendale Avenue

City Manager Nathan R. Henne indicated this is the hearing of necessity for the proposed project. Work involved includes: crushing and shaping the existing asphalt and resurfacing the street with new pavement. The project would also make the named sections uniform in width at 22 feet.

A public hearing was conducted to receive citizen comment regarding Resolution No. 3 for proposed Special Assessment District No. 2019-01 for Abrey Street from Melinda Avenue to Allendale Avenue for street resurfacing.

The following people commented, v, in regard to the proposed special assessment project:

The son and daughter of the homeowner at 1202 W. Oliver Street, via telephone prior to the meeting, inquired whether the potential special assessment charges could be waived or deferred as their mother was currently in a nursing home. Staff explained that special assessments cannot be waived and that there are deferments available to those meeting income requirements.

There were no other citizen comments received prior to, or during the meeting.

Motion by Mayor Pro-Tem Osika to approve the following resolution authorizing a special assessment project for the resurfacing of Abrey Street from Melinda Avenue to Allendale Avenue.

RESOLUTION NO. 185-2018

**AUTHORIZING SPECIAL ASSESSMENT RESOLUTION NO. 3
ESTABLISHING SPECIAL ASSESSMENT DISTRICT NO. 2019-01
ABREY STREET, FROM MELINDA AVENUE TO ALLENDALE AVENUE
FOR STREET RESURFACING**

WHEREAS, the City Council, after due and legal notice, has met and having heard all persons to be affected by the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited:

ABREY STREET, A PUBLIC STREET, FROM MELINDA AVENUE TO ALLENDALE AVENUE
STREET RESURFACING

2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$71,721.18 and approves said estimated cost and determines that the estimated life of said public improvement is fifteen (15) years.

3. The City Council determines that of said total estimated cost, the sum of \$17,212.23 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.

4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied:

Abrey Street, a Public Street, from Melinda Avenue to Allendale Avenue
for street resurfacing

5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.

6. When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Councilmember Bailey.

Roll Call Vote.

AYES: Councilmember Pidek, Mayor Pro-Tem Osika, Councilmembers Haber, Law, Fear, Bailey, and Mayor Eveleth.

NAYS: None.

Proposed Special Assessment Project – Seventh Street, from Oliver Street to King Street

City Manager Henne indicated this hearing is also a hearing of necessity for the noted project. The street surface will be milled and filled where needed, curb and gutter will be replaced where needed, the street width will be made uniform at 33 feet, and new pavement laid.

A public hearing was conducted to receive citizen comment regarding Resolution No. 3 for proposed Special Assessment District No. 2019-11 for Seventh Street from Oliver Street to King Street for street resurfacing.

The following person commented in regard to the proposed special assessment project:

Tom Manke, editor- Facebook.com/FriendsAndNeighborsOwosso, inquired why the City was not putting down more asphalt on Abrey Street in an effort to increase the length of time the street will remain in good shape. Utilities Director Glenn M. Chinavare indicated that the work planned for Abrey Street and Seventh Street was different. The work on Abrey Street is intended to improve the base of a street with little traffic, while Seventh Street has a higher traffic count and a good base.

Motion by Councilmember Bailey to approve the following resolution authorizing a special assessment project for the resurfacing of Seventh Street from Oliver Street to King Street.

RESOLUTION NO. 186-2018

**AUTHORIZING SPECIAL ASSESSMENT RESOLUTION NO. 3
ESTABLISHING SPECIAL ASSESSMENT DISTRICT NO. 2019-11
SEVENTH STREET, FROM OLIVER STREET TO KING STREET
FOR STREET RESURFACING**

WHEREAS, the City Council, after due and legal notice, has met and having heard all persons to be affected by the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited:

SEVENTH STREET, A PUBLIC STREET, FROM OLIVER STREET TO KING STREET FOR STREET RESURFACING

2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$206,972.40 and approves said estimated cost and determines that the estimated life of said public improvement is fifteen (15) years.
3. The City Council determines that of said total estimated cost, the sum of \$46,029.50 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.

4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied:

Seventh Street, a Public Street, from Oliver Street to King Street for street resurfacing

5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.
6. When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

AYES: Councilmembers Fear, Haber, Law, Pidek, Mayor Pro-Tem Osika, Councilmember Bailey, and Mayor Eveleth.

NAYS: None.

CITIZEN COMMENTS AND QUESTIONS

Historical Commission Director Robert Doran-Brockway was on hand to thank everyone that donated money to repair the Gould House ceiling. He also thanked the voters for supporting the parks and museums millage at the November election. He said he was very excited about all the possibilities coming their way in the next couple of years and was grateful for the community support.

Tom Manke, editor- Facebook.com/FriendsAndNeighborsOwosso, thanked Director Doran-Brockway for all of the activities and events put on by the Historical Commission. He then asked why Council had not discussed the OHC's transition to a non-profit organization and if the City would be purchasing the Hoddy property that is now up for auction.

Kay White, 658 Aiken Street, said she owns a rental on Melinda Avenue at Abrey Street. She wondered what the street project is going to cost the property owners along that stretch of street seeing there are so few. She also inquired why Abrey Street was being resurfaced when it didn't appear to need work.

Pete Yerian, Osburn Lakes resident, said he would like to see the Osburn Lakes HOA stop its legal pursuit of a family whose daughter is ill and has moved in with her parents. He said he would like someone from the City to come to the upcoming HOA meeting to vote and to support those members that do not agree with the pursuit because the publicity is negatively affecting the neighborhood.

Mayor Eveleth responded to Mr. Manke's comments about the OHC saying Council had not discussed their transition to a non-profit yet but would be doing so before the transition takes place. He said he sees the future of the Historical Commission as a public/private partnership with the City maintaining ownership of its historical properties and while enabling the Commission to access the benefits that come along with a non-profit designation.

Mayor Eveleth continued on, responding to Mrs. White's questions regarding the Abrey Street resurfacing project, explaining that the City is trying to make the money from the \$10 million street bond approved by voters in 2016 stretch as far as possible in part by performing heavy maintenance on streets that do not appear to be in poor condition. He said working on such streets increases the overall life of the pavement longer than if the same work was performed on a street that has suffered more deterioration. He also explained that special assessments can be split up into payments over a number of years to make it easier for residents to absorb the cost.

City Attorney Scott Gould addressed Mr. Yerian's request to have the City participate in an upcoming Osburn Lakes HOA vote saying that while the City has the authority to vote he does not believe it would be in the best interest of the City to do so because it is also considered the developer of the project. He encouraged the parties involved to sort the issue out themselves noting that the appeals process should be clearly laid out in the condo association bylaws.

CONSENT AGENDA

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

2019 Income Threshold Poverty Exemptions. Adopt the 2019 Income Threshold Poverty Exemptions, as required by Public Act No. 390 of 1994 as follows:

2019 Federal Income Standards Poverty Threshold

Number of persons residing in homestead	Annual allowable income
1 person	17,600
2 persons	20,120
3 persons	22,640
4 persons	25,120
5 persons	29,420
6 persons	33,740
7 persons	38,060
8 persons	42,380
Each additional person, add	4,320

2019 Schedule of Meetings. Adopt the 2019 Boards and Commissions Meeting Schedule as shown below:

**CITY OF OWOSSO
SCHEDULE OF REGULAR MEETINGS
FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2019**

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Act 267, Public Acts of 1976, of the schedule of Regular Meetings of the City of Owosso, County of Shiawassee, State of Michigan for the calendar year beginning January 1, 2019. The Board, dates, time and place of said regular meetings shall be as follows:

CITY COUNCIL					
The 1 st and 3 rd Monday of each month, except as noted – 7:30 p.m., local prevailing time					
<i>Dates in italic text denote a 5th Monday meeting</i>					
Owosso City Hall, Council Chambers					
JAN 07	MAR 04	MAY 06	JUL 01	SEP 03*	NOV 04
JAN 22*	MAR 18	MAY 20	JUL 15	SEP 16	NOV 18
FEB 04	APR 01	JUN 03	<i>JUL 29</i>	<i>SEP 30</i>	DEC 02
FEB 19*	APR 15	JUN 17	AUG 05	OCT 07	DEC 16
	<i>APR 29</i>		AUG 19	OCT 21	
DOWNTOWN DEVELOPMENT AUTHORITY / OWOSSO MAIN STREET			DOWNTOWN HISTORIC DISTRICT COMMISSION		
The 1 st Wednesday of each month, except as noted – 7:30 a.m., local prevailing time			The 3 rd Wednesday of each month - 6:00 p.m., local prevailing time		
Owosso City Hall, Council Chambers			Owosso City Hall, Council Chambers		
JAN 02	MAY 01	SEP 04	JAN 16	MAY 15	SEP 18
FEB 06	JUN 05	OCT 02	FEB 20	JUN 19	OCT 16
MAR 06	JUL 03	NOV 06	MAR 20	JUL 17	NOV 20
APR 03	AUG 07	DEC 04	APR 17	AUG 21	DEC 18

EMPLOYEES RETIREMENT SYSTEM BOARD			OWOSSO HISTORICAL COMMISSION		
The 4 th Wednesday of even months, except as noted – 7:15 a.m., local prevailing time			The 2 nd Monday of each month, except as noted – 7:00 p.m., local prevailing time		
Owosso City Hall, Council Chambers			Curwood Castle, 226 Curwood Castle Drive		
FEB 27	JUN 26	OCT 23	JAN 14	MAY 13	SEP 09
APR 24	AUG 28	DEC 11*	FEB 11	JUN 10	OCT 15*
			MAR 11	JUL 08	NOV 12*
			APR 08	AUG 12	DEC 09
PARKS & RECREATION COMMISSION			PLANNING COMMISSION		
The 4 th Wednesday of each month, except as noted – 7:00 p.m., local prevailing time			The 4 th Monday of each month, except as noted – 6:30 p.m., local prevailing time		
Owosso City Hall, Council Chambers			Owosso City Hall, Council Chambers		
JAN 23	MAY 22	SEP 25	JAN 28	MAY 28*	SEP 23
FEB 27	JUN 26	OCT 23	FEB 25	JUN 24	OCT 28
MAR 27	JUL 24	NOV 27	MAR 25	JUL 22	NOV 25
APR 24	AUG 28	DEC 11*	APR 22	AUG 26	DEC 09*
ZONING BOARD OF APPEALS			* = Rescheduled due to legal holiday on regular meeting date or other scheduling conflict		
The 3 rd Tuesday of each month, except as noted – 9:30 a.m., local prevailing time					
Owosso City Hall, Council Chambers					
JAN 15	MAY 21	SEP 17			
FEB 19	JUN 18	OCT 15			
MAR 19	JUL 16	NOV 19			
APR 16	AUG 20	DEC 17			

Boards and Commissions Appointment. Approve the following Mayoral Boards and Commissions appointment:

Name	Board/Commission	Term Expires
Heather Jacobs*	Historical Commission	12-31-2021

*Indicates reappointment

Christmas Extravaganza Ice Rink Permission. Approve the application from Owosso Main Street/Downtown Development Authority for use of Main Street Plaza (Lot #13) on Friday, December 21, 2018 at 3:00 p.m. until Saturday, December 22, 2018 at 10:00 p.m. for an ice skating rink as part of the Downtown Christmas Extravaganza, waive the insurance requirement, and authorize Traffic Control Order No. 1410 formalizing the action.

Amendment No. 2 - GIS Support Services for Water & Sewer System Mapping Contract. Approval of Amendment No. 3 to the professional services agreement with Orchard, Hiltz and McClement (OHM) of Livonia, Michigan, for additional GIS-geodatabase maintenance support services in the amount of \$30,000.00 as detailed below:

RESOLUTION NO. 187-2018

**AUTHORIZING THE EXECUTION OF AMENDMENT NO. 2
TO ADDENDUM NO. 2 – GIS SUPPORT SERVICES
TO AN AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES
WITH ORCHARD, HILTZ & MCCLIMENT, INC. D/B/A OHM ADVISORS**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, entered into an agreement with Orchard, Hiltz & McCliment, Inc. d/b/a OHM Advisors by the adoption of Resolution No. 116-2017 on August 7, 2017; and

WHEREAS, the city and Director of Public Services & Utilities desires to expand the contract to include additional services for providing GIS database maintenance services for water distribution, sanitary sewer, and storm sewer mapping systems.

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 expand the contract approved by Resolution No. 116-2017 on August 7, 2017 with Orchard, Hiltz & McCliment, Inc. d/b/a OHM Advisors to include additional services in the amount of \$30,000.00 for ongoing GIS database mapping and maintenance services.

SECOND: The accounts payable department is authorized to submit payment to OHM Advisors, in the amount of \$50,000.00 plus Amendment No. 2 in the amount of \$30,000.00, for a total not to exceed \$80,000.00 for GIS/Geodatabase engineering services.

THIRD: The above expenses shall be paid from water funds, sewer funds, and street funds.

Change Order - 2017 Street Program Contract. Authorize Change Order No. 2 to the contract with Malley Construction, Inc. for the 2017 Street Program increasing the contract amount by \$71,383.18 to balance original contract pay items and add additional items due to conditions found in the field, and further authorize payment to the contractor for the contract amount, including Change Order Nos. 1 and 2 as follows:

RESOLUTION NO. 188-2018

**AUTHORIZING CHANGE ORDER NO. 2
TO THE CONTRACT BETWEEN THE CITY OF OWOSSO AND
MALLEY CONSTRUCTION, INC.
FOR 2017 STREET RESURFACING PROGRAM CONTRACT**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, approved a contract with Malley Construction, Inc., on August 7, 2017 for street, watermain, and storm sewer improvements on various streets as part of the 2017 Street Resurfacing Program; and

WHEREAS, during the course of the program the City requested additional work from Malley Construction, Inc. including the repair of water main breaks, installation of a new water service, and relocation of a service necessitating a change order; and

WHEREAS, Malley Construction, Inc. has since completed the project and a balancing change order is necessary to bring the unit quantities estimated in line with the actual quantities used.

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 it is advisable, necessary and in the public interest to amend the 2017 Street Resurfacing Program Contract with Malley Construction, Inc. to reflect the actual unit quantities used and the addition of extra tasks necessary to complete the project.

SECOND: the mayor and city clerk are instructed and authorized to sign the document substantially in form attached as Change Order No. 2 (Final) in the amount of \$71,383.18; a net increase to the Contract for Services between the City of Owosso and Malley Construction, Inc. revising the total current contract amount from \$2,896,601.75 to \$2,967,984.93.

THIRD: the accounts payable department is authorized to pay Malley Construction, Inc. for work satisfactorily completed up to the revised contract amount of \$2,967,984.93.

FOURTH: the above expenses shall be paid from the Public Act 51 Major Street Fund Account No. 202-451-818.000 (\$47,649.77) and the Water Fund Account No. 591-901-972.000 (\$23,733.41).

Contract Authorization - Gould House Ceiling. Waive competitive bidding requirements and authorize contracts with JPC Plaster & Drywall for the restoration of the ceiling, medallion, and trim in the Great Room of the Amos Gould House in the amount of \$8,300.00, and Ludington Electric, Inc. for the replacement of the electrical wiring and installation of art lights in said location in the amount of \$2,812.00, and further authorize up to the amount of \$1,500.00 to paint and finish the ceiling as detailed below:

RESOLUTION NO. 189-2018

**AUTHORIZING THE REPAIR AND RESTORATION OF THE PLASTER CEILING, PLASTER
MEDALLION AND PLASTER TRIM IN THE GREAT ROOM OF THE GOULD HOUSE;
REPLACE THE ELECTRICAL WIRING; AND THE ADDITION OF INTERIOR ART LIGHTS**

WHEREAS, the plaster ceiling in the Great Room of the Amos Gould House collapsed two years ago, resulting in irreparable and critical damage to the ceiling and serious damage to the plaster medallion and plaster trim; the ceiling needs to be replaced and restored and the medallion and trim needs to be restored; and

WHEREAS, the electrical wiring in the Great Room of the Amos Gould House dates back to the early 1970s and needs to be replaced and upgraded; and

WHEREAS, the Owosso Historical Commission on behalf of the City of Owosso has voted to repair and restore the ceiling in the Great Room of the Amos Gould House, replace the electrical

infrastructure and install art lights to professionally light future exhibitions and displays and has raised the funds to complete the project; and

WHEREAS, JPC Plaster & Drywall, LLC has submitted a proposal in the amount of \$8,300.00 to restore the ceiling, medallion and trim in the Great Room of the Amos Gould House; and

WHEREAS, Ludington Electric, Inc. has submitted a proposal in the amount of \$2,812.00 to replace the electrical wiring and infrastructure, rewire the chandelier in the Great Room of the Amos Gould House, and install new art lights; and

WHEREAS, the Owosso Historical Commission would like to use JPC Plaster & Drywall, LLC and Ludington Electric, Inc. and waive the normal bidding process due to the fact that they have an extensive working knowledge of the unique historical restoration process and the Amos Gould House; and

WHEREAS, in the past, historic preservation had been considered a luxury practice, but in recent years, research of the economic and public benefits have proven that it is a powerful tool in sustaining local economies, creating jobs, and generating capital. The aesthetic, cultural and historical benefits of preservation are well known, but now communities like Owosso are fully realizing the overwhelming positive economic effects as well.

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

- FIRST: it is advisable and in the public interest to allow the Owosso Historical Commission to contract JPC Plaster & Drywall, LLC and Ludington Electric, Inc. to initiate and complete the restoration of the Great Room of the Amos Gould House and perform electrical work in the amount of \$8,300.00 and \$2,812.00 respectively, with an additional allowance of \$1,500.00 to paint and finish the ceiling.
- SECOND: the normal bidding process is waived due to the fact that JPC Plaster & Drywall, LLC and Ludington Electric, Inc. have an extensive knowledge of the unique historical processes required in historic homes as well as a working knowledge of properties of the Amos Gould House.
- THIRD: the work will be paid for using funds raised from private sources by the Owosso Historical Commission.

Purchase Authorization - Water Main Repair & Replacement Components – South Washington Street. Authorize waiver of the formal bid requirements in order for immediate procurement of parts and further authorize the purchase of water main repair and replacement components for South Washington Street from ETNA Supply and East Jordan Iron Works in the amount of \$24,076.21 and \$12,144.88 respectively, plus a contingency of \$3,500.00, and further authorize payment to the suppliers upon satisfactory receipt of the materials as detailed:

RESOLUTION NO. 190-2018

**AUTHORIZING PURCHASE OF MATERIAL AND PAYMENT TO
ETNA DISTRIBUTORS, LLC D/B/A ETNA SUPPLY
AND EJ USA, INC. D/B/A EAST JORDAN IRON WORKS
FOR S. WASHINGTON STREET WATER DISTRIBUTION SYSTEM UPGRADES**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, has budgeted from the Water Replacement Fund for the replacement of water mains and water distribution system components, and

WHEREAS, the existing water distribution system infrastructure components along S. Washington Street from E. Stewart Street to Milwaukee Street are in need of upgrades and replacement prior to street reconstruction, and

WHEREAS, the Director of Public Services & Utilities has reviewed the quotes of materials and verified the replacement components needed to upgrade and restore water distribution system piping to full operating capacity, for compliance with AWWA product standards and MDEQ regulations, and recommends authorizing ETNA Distributors, LLC d/b/a ETNA Distributors, LLC d/b/a ETNA Supply to provide materials in the amount of \$24,076.21, and EJ USA, Inc. d/b/a East Jordan Iron Works to provide materials in the amount of \$12,144.88, plus contingency components of up to \$3,500.00.

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 contract with ETNA Distributors, LLC d/b/a ETNA

Distributors, LLC d/b/a ETNA Supply, and EJ USA, Inc. d/b/a East Jordan Iron Works for the purchase of water distribution system components to be used on S. Washington Street, and to waive purchasing policy formal Bid requirements, in order to initiate immediate procurement upon approval and authorization.

SECOND: the accounts payable department is authorized to submit payment to ETNA Distributors, LLC d/b/a ETNA Distributors, LLC d/b/a ETNA Supply for purchased materials in the amount of \$24,076.21, and EJ USA, Inc. d/b/a East Jordan Iron Works for purchased materials in the amount of \$12,144.88, plus contingency in the amount of \$3,500.00 to be supplier specified at time of need, for a total of \$39,721.09.

THIRD: the above expenses shall be paid from account no. 591-901-972.000.

Purchase Authorization - Water Main Repair & Replacement Components – Seventh Street.

Authorize waiver of the formal bid requirements in order for immediate procurement of parts and further authorize the purchase of water main repair and replacement components for Seventh Street from ETNA Supply and East Jordan Iron Works in the amount of \$24,584.66 and \$12,679.85 respectively, plus a contingency of \$3,500.00, and further authorize payment to the suppliers upon satisfactory receipt of the materials as shown below:

RESOLUTION NO. 191-2018

**AUTHORIZING PURCHASE OF MATERIAL AND PAYMENT TO
ETNA DISTRIBUTORS, LLC D/B/A ETNA SUPPLY
AND EJ USA, INC. D/B/A EAST JORDAN IRON WORKS
FOR SEVENTH STREET WATER DISTRIBUTION SYSTEM UPGRADES**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, has budgeted from the Water Replacement Fund for the replacement of water mains and water distribution system components, and

WHEREAS, the existing water distribution system infrastructure components along Seventh Street from W. Oliver Street to W. King Street are in need of upgrades and replacement prior to street rehabilitation, and

WHEREAS, the Director of Public Services & Utilities has reviewed the quotes of materials and verified the replacement components needed to upgrade and restore water distribution system piping to full operating capacity, for compliance with AWWA product standards and MDEQ regulations, and recommends authorizing ETNA Distributors, LLC d/b/a ETNA Supply to provide materials in the amount of \$24,584.66, and EJ USA, Inc. d/b/a East Jordan Iron Works to provide materials in the amount of \$12,679.85, plus contingency components of up to \$3,500.00.

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 contract with ETNA Distributors, LLC d/b/a ETNA Supply, and EJ USA, Inc. d/b/a East Jordan Iron Works for the purchase of water distribution system components to be used on Seventh Street, and to waive purchasing policy formal Bid requirements, in order to initiate immediate procurement upon approval and authorization.

SECOND: The accounts payable department is authorized to submit payment to ETNA Distributors, LLC d/b/a ETNA Supply for purchased materials in the amount of \$24,584.66, and EJ USA, Inc. d/b/a East Jordan Iron Works for purchased materials in the amount of \$12,679.85, plus contingency in the amount of \$3,500.00 to be supplier specified at time of need, for a total of \$40,764.51.

THIRD: The above expenses shall be paid from account no. 591-901-972.000.

Warrant No. 565. Authorize Warrant No. 565 as follows:

Vendor	Description	Fund	Amount
Michigan Municipal Risk Management Authority	Building and property insurance-3 rd installment	Various	\$57,969.00

Check Register – November 2018.* Affirm check disbursements totaling \$1,887,982.28 for November 2018.

Motion supported by Councilmember Haber.

Roll Call Vote.

AYES: Councilmembers Haber, Pidek, Mayor Pro-Tem Osika, Councilmembers Law, Fear, Bailey, and Mayor Eveleth.

NAYS: None.

ITEMS OF BUSINESS

Easement Agreement – Directional Sign for Cargill, Incorporated Property

Motion by Mayor Pro-Tem Osika to grant an easement to Cargill, Incorporated to allow placement of a directional sign to their property to be located in the right-of-way of the intersection of Chipman Street and Hathaway Drive as follows:

RESOLUTION NO. 192-2018

**AUTHORIZING A DEED OF EASEMENT
FOR PLACEMENT OF A SIGN IN CITY RIGHT-OF-WAY
FOR CARGILL, INCORPORATED**

WHEREAS, Cargill, Incorporated recently developed a property to the west of the 400 and 500 blocks of North Chipman Street for their new plant in the City of Owosso; and

WHEREAS, the new street constructed to access the property is yet to be found on common GPS devices leading to numerous large trucks traveling into residential areas not designed for large truck traffic; and

WHEREAS, the City of Owosso seeks to establish an easement allowing Cargill, Incorporated to place a directional sign at the corner of Chipman Street and Hathaway Drive to better direct heavy truck traffic.

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 interest to establish a permanent easement in the right-of-way of the intersection of North Chipman Street and Hathaway Drive for the placement of a directional sign by Cargill, Incorporated or any of its successors at 1510 Hathaway Drive.

SECOND: the mayor and city clerk are instructed and authorized to sign the document substantially in the form attached, Deed of Easement for Sign between the City of Owosso, Michigan and Cargill, Incorporated.

Motion supported by Councilmember Pidek.

Roll Call Vote.

AYES: Councilmembers Bailey, Law, Haber, Pidek, Fear, Mayor Pro-Tem Osika, and Mayor Eveleth.

NAYS: None.

Recreational Marijuana Facilities Moratorium

City Manager Henne led the discussion saying the Planning Commission had vetted the moratorium at the request of Council and was recommending adoption of a moratorium on the establishment of recreational marijuana facilities and the submission of local applications until after LARA has established the state regulations/application process and the City has adopted ordinance amendments to regulate recreational marijuana establishments within the City limits.

Councilmember Law, Council representative to the Planning Commission, pointed to the fact that medical marijuana was authorized by voters ten years ago and the City still does not have any medical marijuana facilities. He said he didn't want a moratorium to become the mechanism by which the City effectively prohibits recreational marijuana. He would like to see the City make recreational marijuana a bigger priority so that it can benefit from the money involved.

Motion by Councilmember Law to introduce a recreational marijuana ordinance based on the medical marijuana ordinance at the first meeting in February 2019.

There was further discussion, with Councilmember Fear, also a Planning Commission member, indicating she feels that a lot of the lessons learned from medical marijuana will transfer to

recreational marijuana but it would be hasty for the City to try and develop rules to govern recreational marijuana before the State comes out with its rules.

There was general discussion about putting a defined time limit on the moratorium, not knowing when the State plans on coming out with its rules, the consequences of being unprepared when the State releases its rules, and balancing the will of the voters with the need to institute sound, well-reasoned rules. Councilmember Pidek indicated that he felt the golden carrot of making money was not enough to trade for prudence.

City Clerk Amy K. Kirkland restated the motion at the request of the Mayor.

The motion failed for lack of support.

Motion by Councilmember Bailey to approve the Planning Commission recommendation to adopt a moratorium on the establishment of recreational marijuana facilities and the submission of local applications until after LARA has established the state regulations/application process and the City has adopted ordinance amendments to regulate recreational marijuana establishments within the City limits as detailed in the following resolution:

RESOLUTION NO. 193-2018

RESOLUTION AUTHORIZING A MORATORIUM ON THE ESTABLISHMENT OF RECREATIONAL MARIJUANA FACILITIES IN THE CITY OF OWOSSO

WHEREAS, the people of the State of Michigan passed Proposal 1-2018 to allow recreational marijuana beginning December 6, 2018; and

WHEREAS, Proposal 1-2018 mandates that municipalities allow the establishment of recreational marijuana facilities unless they formally choose to opt out of allowing recreational marijuana facilities within their borders; and

WHEREAS, the Michigan Department of Licensing and Regulatory Affairs has until December 6, 2019 to establish rules and regulations regarding recreational marijuana facilities; and

WHEREAS, the City of Owosso considers it necessary and pertinent to establish a moratorium on the establishment of recreational marijuana facilities in order to allow the State to develop the rules and regulations that will govern recreational marijuana facilities; and

WHEREAS, the City of Owosso considers it necessary and pertinent to provide adequate time for the City to properly consider allowing recreational marijuana establishments under the rules and regulations put forth by the State of Michigan.

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 interest to establish a moratorium on the establishment of recreational marijuana facilities until such time as the State of Michigan Department of Licensing and Regulatory Affairs releases rules and regulations regarding recreational marijuana establishments and the City has had reasonable time to consider whether to allow the establishment of recreational marijuana facilities as governed by said rules and regulations.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

AYES: Mayor Pro-Tem Osika, Councilmembers Bailey, Haber, Pidek, Fear, and Mayor Eveleth.

NAYS: Councilmember Law.

Bonding Resolution – 2016 UTGO Street Bonds

City Manager Henne noted that this would be the second and final issuance of bonds from the November 2016 bond authorization.

Motion by Mayor Pro-Tem Osika to approve the following resolution authorizing the issuance and sale of Unlimited Tax General Obligation Street Bonds for street improvements in an amount not to exceed \$5,100,000.00.

RESOLUTION NO. 194-2018

**AUTHORIZING ISSUANCE AND SALE OF
UNLIMITED TAX GENERAL OBLIGATION BONDS**

A RESOLUTION TO:

- Issue \$5,100,000 of Bonds as the second and final series approved by the voters in November 2016 for street improvements;
- Approve negotiated sale to CFC Capital, Inc., a subsidiary of Chemical Bank; and
- Authorize other matters necessary to prepare for sale and delivery of Bonds.

PREAMBLE

WHEREAS, the qualified electors of the City of Owosso, County of Shiawassee, Michigan (the "City") at the general election held on November 8, 2016, did by more than the required majority of those voting approve the following proposal:

**CITY OF OWOSSO
BOND PROPOSAL FOR STREET IMPROVEMENTS**

Shall the City of Owosso, Shiawassee County, Michigan, borrow the principal sum of not to exceed Ten Million Dollars (\$10,000,000) and issue its general obligation unlimited tax bonds therefor in one or more series, payable in not to exceed twenty-five (25) years from the date of issue of each series, for the purpose of paying the costs to the City of acquiring and constructing local and major street improvements in the City consisting of paving, repaving, reconstructing and improving streets, sidewalks, parking areas, and all necessary appurtenances and attachments thereto for the use of the City? The estimated millage to be levied in 2017 is 1.6697 mills (\$1.6697 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 1.7479 mills (\$1.7479 per \$1,000 of taxable value).

WHEREAS, on June 30, 2017 the City issued its 2017 Unlimited Tax General Obligation Bonds as the first series of the unlimited tax general obligation bonds described in the proposal in the principal amount of \$4,900,000; and

WHEREAS, in pursuance of the authority granted by Act 279, Public Acts of Michigan, 1909, as amended, the City Charter, and the approving vote of the electors of the City, it is the determination of the City Council that at this time the second and final series of the unlimited tax general obligation bonds described in the proposal shall be issued in the principal amount of Five Million One Hundred Thousand Dollars (\$5,100,000) designated as the 2018 Unlimited Tax General Obligation Bonds (the "Bonds") in order to pay costs of Street Improvements as described in the proposal (the "Street Improvements"); and

WHEREAS, the City hereby determines that it is in the best interests of the City to negotiate the sale of the Bonds to a financial institution for the reason that the City will reduce costs of issuance without a significant increase in interest expense; and

WHEREAS, CFC Capital, Inc., a subsidiary of Chemical Bank has submitted its bid to purchase the Bonds attached as Exhibit A (the "CFC Bid"); and

WHEREAS, the City Council wishes to accept the CFC Bid and to authorize either the Finance Director or the City Manager (either, an "Authorized Officer") to deliver and receive payment for the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City shall issue its Bonds designated as the 2018 UNLIMITED TAX GENERAL OBLIGATION BONDS in the aggregate principal sum of Five Million One Hundred Thousand Dollars (\$5,100,000) for the purpose of paying costs of acquiring and constructing Street Improvements, including the costs incidental to the issuance, sale and delivery of the Bonds.

The Bonds shall be dated as of the date of delivery thereof and shall mature serially on the dates and in the amounts shown on the CFC Bid as attached hereto and made part hereof. The Bonds shall bear interest at the rates as shown on the CFC Bid, payable semi-annually on November 1 and May 1 commencing November 1, 2019, accruing from the date of delivery of the Bonds. The Bonds shall be subject to optional redemption prior to maturity on any date on or after May 1, 2020, at par plus accrued interest to the date fixed for redemption. The Bonds shall consist of bonds in fully-registered form of the denomination of \$5,000, or integral multiples

thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered in order of registration or as determined by the Transfer Agent (defined below).

U.S. Bank National Association, Lansing, Michigan is designated to act as registrar, paying agent and transfer agent for the Bonds (the "Transfer Agent"). The Authorized Officer is authorized to execute one or more agreements with the Transfer Agent on behalf of the City. The City reserves the right to replace the Transfer Agent at any time, provided written notice of such replacement is given to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

The Bonds shall be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC") and an Authorized Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form, and to make such changes in the form of the Bonds within the parameters of this Resolution as may be required to accomplish the foregoing.

Payment of the principal of and interest on the Bonds shall be made in the manner prescribed by DTC. In the event the book-entry-only system is discontinued, the principal of the Bonds shall be payable upon presentation and surrender of such Bonds to the Transfer Agent.

Interest on the Bonds shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable by check or draft drawn on the Transfer Agent mailed to the registered owner at the registered address, as shown on the registration books of the City maintained by the Transfer Agent.

The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

If in the future the City calls bonds for redemption prior to maturity then official notice of redemption shall be given by the Transfer Agent on behalf of the City unless receipt of notice is waived by any registered owner of Bonds to be redeemed. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date. In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

2. The Bonds shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and the City Clerk, and the corporate seal of the City shall be manually impressed or a facsimile thereof shall be printed on the Bonds. No Bond authorized under this resolution shall be valid until authenticated by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from an Authorized Officer.

3. The Finance Director or Treasurer is authorized and directed to open a separate depository or trust account with a bank or trust company to be designated as the 2018 UNLIMITED TAX GENERAL OBLIGATION BOND DEBT RETIREMENT FUND (the "Debt Retirement Fund"). The City hereby pledges its unlimited tax full faith and credit for the prompt payment of the Bonds. All proceeds from taxes levied for the Debt Retirement Fund shall be deposited into the Debt Retirement Fund as collected. Commencing with the year 2019 there shall be levied upon the tax rolls of the City for the purpose of the Debt Retirement Fund each year, in the manner required by the provisions of Act 34, Public Acts of Michigan, 2001, as amended, an amount sufficient so that the estimated collection therefrom will be sufficient to promptly pay, when due, the principal of and interest on the Bonds becoming due prior to the next annual tax levy; provided, however, that if at the time of making any such annual tax levy there shall be other funds available or surplus moneys on hand in the Debt Retirement Fund for the payment of principal of and interest on the Bonds, then credit therefor may be taken against such annual levy for the Debt Retirement Fund. The moneys deposited in the Debt Retirement Fund shall be specifically earmarked and used solely for the purpose of paying the principal of and interest on the Bonds and, as may be necessary, to rebate arbitrage earnings, if any, to the

United States Department of Treasury as required by the Internal Revenue Code of 1986, as amended. The accrued interest and premium, if any, received upon delivery of the Bonds shall also be deposited in the Debt Retirement Fund. The Debt Retirement Fund may be pooled or combined with other debt retirement funds for issues of bonds of like character as provided by Act 34 or other state law.

In the event a deposit of trust is made of cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest of the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

4. The Finance Director or Treasurer is authorized and directed to open a separate depository account designated as the 2018 UNLIMITED TAX GENERAL OBLIGATION BOND CONSTRUCTION FUND (the "Construction Fund") with a bank or trust company (the "Depository Bank"). The Finance Director or Treasurer shall deposit the proceeds of the Bonds into the Construction Fund, less any costs of issuance of the Bonds specified by the Finance Director, including but not limited to fees payable to the Municipal Advisory Council of Michigan, transfer agent fees, bond counsel fees, State Treasury filing fees, and any other costs necessary to accomplish sale and delivery of the Bonds which may be wired by the purchaser of the bonds or the Depository Bank directly to the provider of services as authorized by the Finance Director. The moneys in the Construction Fund shall be used solely to pay the costs of the Street Improvements and to pay costs of issuance of the Bonds.

5. The Bonds shall be in substantially the following form with such revisions, additions and deletions as may be advisable or necessary to comply with the final terms of the Bonds established upon sale thereof:

[FORM OF BOND TO BE COMPLETED AFTER BOND SALE]

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SHIAWASSEE
CITY OF OWOSSO

2018 UNLIMITED TAX GENERAL OBLIGATION BOND

		Date of	
<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Original Issue</u>	<u>CUSIP</u>

Registered Owner:
Principal Amount:

The CITY OF OWOSSO, County of Shiawassee, State of Michigan (the "City"), acknowledges itself to owe and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on November 1, 2019 and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of U.S. Bank National Association, Lansing, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner hereof not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner, at the registered address.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$5,100,000, issued for the purpose of paying costs of acquiring and constructing local and major street improvements throughout the City as the second and final series of bonds issued in pursuance of a vote of the qualified electors of the City voting thereon at the general election held on November 8, 2016.

For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged. This bond is payable out of the City's Debt Retirement Fund for this issue, and in order to make such payment, the City is required each year to levy taxes on all taxable property within the boundaries of the City for such payment, without limitation as to either rate or amount.

Bonds of this issue maturing on May 1, 2020 are not subject to redemption prior to maturity.

Bonds or portions of bonds of this issue in multiples of \$5,000 maturing on or after May 1, 2021 shall be subject to redemption prior to maturity at the option of the City, in such order as the City shall determine and within any maturity by lot, on any date on or after May 1, 2020 at par plus accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent upon presentation of the bond called in part for redemption shall register, authenticate and deliver to the registered owner of record a new bond of the same maturity and in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given by the Transfer Agent to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days prior to the date fixed for redemption to the registered owner of record at the address of the registered owner as shown on the registration books of the City kept by the Transfer Agent. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bonds by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in the same aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof with the same interest rate and maturity. No further interest on bonds or portions of bonds called for redemption shall accrue after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bonds or portion thereof.

Any bond may be transferred by the person in whose name it is registered, in person or by the registered owner's attorney or legal representative duly authorized in writing, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds, in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption and ending at the close of business on the day of that mailing.

It is hereby certified and recited that all acts, conditions and things required by law to be done, exist and happen, precedent to and in the issuance of this bond and the series of bonds of which this is one, in order to make them valid and binding obligations of the City have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Owosso, County of Shiawassee, State of Michigan, by its City Council, has caused this bond to be signed in the name of the City by [the facsimile signatures of] its Mayor and Clerk, and a facsimile of its corporate seal to be [manually impressed/printed] hereon, all as of the Date of Original Issue.

CITY OF OWOSSO

County of Shiawassee, State of Michigan

By [Mayor to sign Bond]

Mayor

(City Seal)

Countersigned:

By [Clerk to sign Bond]

City Clerk

[INSERT STANDARD FORM OF
TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]
[INSERT STANDARD FORM OF ASSIGNMENT]

6. The City hereby requests Miller, Canfield, Paddock and Stone, P.L.C. to continue as bond counsel to the City for the Bonds. Bond Counsel is not retained to provide financial consultant services. The City Council acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. represents many municipal bond underwriters, banks, and financial institutions, including Chemical Bank, in connection with matters unrelated to issuance of the Bonds by the City. Bond Counsel will not represent Chemical Bank or any other party other than the City in connection with the issuance or sale of the Bonds.

7. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), in such a manner as to cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control and that it shall not fail to take any action necessary to maintain the exclusion of the interest on the Bonds from adjusted gross income for general federal income tax purposes under the Code, including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure of investment of Bond proceeds and moneys deemed to be Bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the City with respect to the Bonds.

8. The City hereby designates the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Code.

9. The estimated period of usefulness of the Street Improvements to be constructed and acquired with proceeds of the Bonds is hereby declared to be not less than 25 years.

10. The City hereby determines that it is in the best interests of the City to negotiate the sale of the Bonds to a financial institution for the reason that the City will reduce costs of issuance without a significant increase in interest expense.

11. CFC Capital, Inc., a subsidiary of Chemical Bank (the “Bank”) has submitted a bid to purchase the Bonds at par, a copy of which has been presented to Council with this resolution. The City hereby accepts the CFC bid provided that the Bank furnishes, prior to the delivery of the Bonds, a certificate in a form acceptable to bond counsel to the effect that the Bank is an investor with experience in the municipal bond market, and is capable of evaluating the merits and risks of investment in the Bonds.

12. In the event that delivery of the Bonds to the Bank does not occur, the Authorized Officer is authorized to negotiate sale of the Bonds to a financial institution or other purchaser with experience in the municipal bond market, provided that the Bonds shall bear interest at a rate or rates not exceeding 6.00% per annum. The purchase price for the Bonds, exclusive of any original issue discount or premium, shall not be less than 99.00% of the principal amount of the Bonds plus accrued interest if any. Approval of the matters delegated to the Authorized Officer under this resolution may be evidenced by execution of the purchase agreement or other acceptance of an offer to purchase the Bonds.

13. The officers, administrators, agents and attorneys of the City are authorized and directed to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds and expenditure of Bond proceeds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Bonds and expenditure of Bond proceeds in accordance with this Resolution including payment of costs of issuance including Municipal Advisory Council fee, State Treasury filing fee, transfer agent fees, bond counsel fees, and any other costs necessary to accomplish sale and delivery of the Bonds.

14. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are hereby rescinded.

Motion supported by Councilmember Law.

Roll Call Vote.

AYES: Councilmember Bailey, Mayor Pro-Tem Osika, Councilmembers Pidek, Law, Fear, Haber, and Mayor Eveleth.

NAYS: None.

COMMUNICATIONS

Nathan R. Henne, City Manager. Osburn Lakes Due Diligence Extension No. 2.

Nathan R. Henne, City Manager. Osburn Lakes Phase 2 Geotechnical and Pavement Evaluation Report.

N. Bradley Hissong, Building Official. November 2018 Building Department Report.

N. Bradley Hissong, Building Official. November 2018 Code Violations Report.

N. Bradley Hissong, Building Official. November 2018 Certificates Issued Report.

Kevin D. Lenkart, Public Safety Director. November 2018 Police Report.

Kevin D. Lenkart, Public Safety Director. November 2018 Fire Report.

Downtown Development Authority/Main Street. Minutes of December 5, 2018.

Planning Commission. Minutes of December 12, 2018.

CITIZEN COMMENTS AND QUESTIONS

Tom Manke, editor- Facebook.com/FriendsAndNeighborsOwosso, said he thought the Council's action to institute a moratorium on recreational marijuana facilities was wrong because the people voted to legalize it and they want it available now.

Eddie Urban, 601 Glenwood Avenue, inquired whether there was a marijuana derivative that did not make one tired and hungry.

Pete Yerian, Osburn Lakes resident, said he felt it would be in the City's self-interest to participate in the upcoming HOA vote to protect its ability to sell the lots in phase 2 of the development.

Mayor Eveleth noted that the entire "Hoddy block" was up for auction and there was only one way the City could prevent the new owner from demolishing any of the homes on the property and that was to establish an historic district. Unfortunately, such a district, including the properties in question, was established once and later repealed by the voters leaving the City with no ready tools to prevent the demolition of structures like the Lyon-Seegmiller House.

Mayor Eveleth went on to wish everyone a Merry Christmas and a Happy New Year.

Councilmember Law expressed his concern with the overwhelmingly negative comments he has been seeing on Facebook as of late regarding the Osburn Lakes HOA. He encouraged the City to name a representative to at least attend the meetings.

In response to a question posed by the Mayor City Manager Henne indicated that phase 2 of the Osburn Lakes development would be required by law to have a separate HOA from that of phase 1.

Councilmember Fear thanked the local Rotary club for inviting Council representatives to update them on City activities. She also thanked the Westtown business owners for hosting a meeting to explore the idea of resurrecting the Westtown Corridor Improvement Authority, saying she learned a lot and was very pleased by the turnout and overall interest of attendees.

Councilmember Fear went on to explain her reasoning for requesting remand of the recreational marijuana moratorium to the Planning Commission at the last meeting. She said she felt the Commission would be ideal to evaluate the moratorium because they had had training and a fair amount of experience in dealing with medical marijuana. She said the Commission has always been open to the idea of having recreational marijuana facilities in the City, but they also recognize the importance of developing proper rules to govern their location and operation. The Commission remembers the interests of the voters and is intent on starting work on the development of recreational marijuana rules right away.

Mayor Eveleth noted that the moratorium only affects the location of recreational marijuana facilities; it does not prohibit the use of recreational marijuana. He went on to say that what appeared to be the periodic fumbling of the medical marijuana issue was actually the City moving in response to events outside their control such as court rulings and changes to the law.

Councilmember Law indicated he respects everyone's opinion on recreational marijuana but he is keen to make the issue a priority for the City. He said there are dozens of places in Michigan that have embraced recreational marijuana, and the City can do it to.

Councilmember Bailey wished everyone Merry Christmas and Happy Holidays.

NEXT MEETING

Monday, January 07, 2019

BOARDS AND COMMISSIONS OPENINGS

Building Board of Appeals – Alternate - term expires June 30, 2019
Building Board of Appeals – Alternate - term expires June 30, 2021
Brownfield Redevelopment Authority – term expires June 30, 2022
Historical Commission – term expires December 31, 2020
Historical Commission – term expires December 31, 2021
Parks & Recreation Commission – term expires June 30, 2019
Zoning Board of Appeals - Alternate – term expires June 30, 2021

ADJOURNMENT

Motion by Councilmember Bailey for adjournment at 8:32 p.m.

Motion supported by Councilmember Law and concurred in by unanimous vote.

Christopher T. Eveleth, Mayor

Amy K. Kirkland, City Clerk