

OWOSSO CITY COUNCIL

MAY 1, 2014

7:00 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 Councilperson Fox to set a time limit for the meeting not to exceed 9:00 p.m.

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

DISCUSSION –

The list of items scheduled for discussion was as follows:

- A. Major/Local Street Funds & Street Bond Proposal
- B. Storm Sewer Projects
- C. Building Authority

City Manager Donald D. Crawford started the discussion off by detailing the funding sources for City streets and the costs those funds must cover. He explained that due to budget concerns the City would not be undertaking its usual street program this summer. Finance Director Richard C. Williams briefly detailed the special assessment process and Public Works Director Mark A. Sedlak explained how the streets are analyzed to determine which streets will receive improvements. He also noted that the City must raise its construction standards because the streets are deteriorating faster than anticipated and this would result in an increase in the cost of street maintenance and reconstruction.

There was Council discussion regarding whether the \$4 million proposed for the street bond request would be enough, taking advantage of current low bond interest rates, ensuring that citizens don't pay any more than necessary to borrow funds, going back to the voters every few years asking for another small chunk of money, leveraging bond funds with grants and special assessments, stacking up debt costs by stretching out the amortization period of the bonds, reverting back to gravel streets in certain locations in an effort to save money, the potential for significant citizen backlash when the cost of special assessments rise due to the increase in construction standards, developing a three-year plan for maintenance, not allowing road construction projects to be kicked down the road any further, and specially assessing at least one year before a project starts to allow citizens to plan for the cost.

The Council then discussed the DIG grant and the risks the City will undertake in accepting the funds. It was noted the Armory project has a direct effect on the DIG grant and has some obstacles to overcome to reach fruition. As such staff was recommending curtailing road projects this year to hedge against the uncertainties of this major project.

Returning to the street bond question the Council spent significant time discussing how the bond could be structured, noting the advantages and disadvantages of short amortization periods and long amortization periods. There was further discussion regarding requesting enough money for a 5-year period and paying off those bonds within the same 5 years, using a 7-year list of streets to provide a bit of flexibility as to what streets are reconstructed each year, holding off on the bond question until the November election to allow staff time to develop a 5 to 7-year plan to present with the question, and making sure the City has plans in place for shovel-ready projects should the legislature come up with unanticipated election year funding for streets.

Finance Director Williams detailed the CDBG revolving fund and how it is used to leverage economic development. He noted that the fund was currently being used to assist in the façade projects going on downtown. He also noted the rules for the fund need to be updated before any more funds are loaned or granted.

The Council next briefly discussed the Housing Program. City Manager Crawford noted that current Program Manager Sarah Warren-Riley will be leaving the City this summer to pursue her PhD at Southern Illinois University.

Mayor Frederick noted that he would like to use the June 30th meeting to further discuss the street bond.

CITIZEN COMMENTS AND QUESTIONS

Jim Morel suggested that citizens be given choices as to how best to finance street maintenance.

NEXT MEETING

Monday, May 05, 2014

BOARDS AND COMMISSIONS OPENINGS

None.

ADJOURNMENT

Motion by Mayor Pro-Tem Eveleth for adjournment at 9:04 p.m.

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

Benjamin R. Frederick, Mayor

Amy K. Kirkland, City Clerk