

OWOSSO CITY COUNCIL

OCTOBER 20, 2014

7:30 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

A moment of silence was held in memory of Owosso Department of Public Works employee Ian McKenna. Mr. McKenna passed away suddenly October 7, 2014 at the age of 44.

OPENING PRAYER: EDWARD HORSKI, PASTORAL MINISTER
ST. PAUL CATHOLIC CHURCH

PLEDGE OF ALLEGIANCE: LOCAL VETERAN SERVICE ORGANIZATION
REPRESENTATIVES

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.

APPROVE AGENDA

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

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF OCTOBER 6, 2014

Motion by Councilperson Fox to approve the Minutes of the Regular Meeting of October 6, 2014 as presented.

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

STUDENT REPRESENTATIVE REPORT

LINCOLN HIGH SCHOOL STUDENT REPRESENTATIVE REPORT

Lincoln High School senior Hunter Chant gave an update on activities at the Owosso Public Schools, including Lincoln High School, noting that student government would be kicking off soon and several of their student leaders were recently recognized in Lansing.

PROCLAMATIONS / SPECIAL PRESENTATIONS

VETERANS DAY CELEBRATIONS

Mayor Frederick presented certificates of recognition to several area Veterans Service Organizations thanking them for their support in the seven-year project to restore and improve the Veteran's Memorial Circle in Fayette Square, saying that without their support and action the City would not have such a proud site to remember those that have sacrificed for our country. The following organizations were recognized:

VFW Post 9455
VFW Post 9455 Ladies Auxiliary
American Legion Post 57 & Ladies Auxiliary
Disabled American Veterans
Chapter 1970 of the Military Order of the Purple Heart
Shiawassee County Veterans Affairs Office
Marine Corp. League Harold R. Cooley Detachment

The Mayor also extended a personal thank you to Marine Corp League member and former County Commissioner Ron Elder for his personal efforts in seeing the project through.

He also reminded all present that the City of Owosso will be hosting the upcoming Veterans Day celebrations, with a ceremony at 6:00 p.m. and a parade at 7:00 p.m.

FIRE DEPARTMENT THANK YOU

Salvation Army Lieutenant Cassie Gray and Major Henry Tempel were on hand to present a certificate of appreciation on behalf of the City Council to Abate of Michigan- Region 20 as a thank you for the Bikin' for Burns event held to benefit fire safety education programs, resulting in a donation of \$5,600 to the City of Owosso Fire Department.

Region 20 Coordinator Bryan Fitch was on hand to present the donation to Public Safety Director Kevin D. Lenkart.

COUNTY PUBLIC SAFETY MILLAGE

County Commission Chairman Jeff Bartz gave a presentation regarding the county public safety millage question on the November 4th ballot. Commissioner Bartz explained that the County is in dire straits financially and as such the Commission had decided to place a millage question before the voters. He said the County would not be able to continue providing the services it currently provides if the millage does not pass.

Mayor Frederick questioned the amount of the actual deficit saying he had heard several different numbers. He also questioned whether the millage levy would be distributed to other departments as well as the Sheriff's Office.

Councilperson Fox inquired what action the Commission has taken to reduce their own salaries and benefits in light of the fact that they have made steep cuts to County personnel and are now asking citizens to pay more for services.

Councilperson Teich asked what the County's deficit was last year and what the County had done to fill it.

PUBLIC HEARINGS

IFT/NEW PERSONAL PROPERTY TAX EXEMPTION – MACHINE TOOL & GEAR, INC.

City Assessor Larry D. Cook gave a brief overview of the application saying the company was continuing its history of aggressive growth and they more than fit the requirements for a 12-year abatement.

A public hearing was conducted to receive public comment on the application from Machine Tool & Gear, Inc., 401 South Chestnut Street, for an IFT/New Personal Property Exemption for \$1,318,900 in new equipment.

The following people commented regarding the potential tax abatement:

John Aldrich, General Manager for the Owosso & Corunna plants, said he felt the solution to adequate government financing is through business growth and economic development. He noted that over 105 City residents are currently employed by the firm and they will be looking at hiring an additional 6 employees with this expansion. He said the company continues to get commitments from parts suppliers and auto manufacturers and he appreciated the City's support over the years.

Brent Jones, Vice President of the Shiawassee Economic Development Partnership, indicated his organization's full support for the abatement saying they are the largest manufacturer in the county by employment and they continue to grow their business.

After the closing of the hearing Councilperson Fox inquired how the new state law regarding personal property tax would affect any potential abatements granted this evening. City Manager Crawford noted the law prescribes a gradual phase in period for the new law but it was unclear just how that would happen and any abatement granted after the August 5, 2014 election would be effective until the new law is phased in. He also noted his feeling that the personal property tax is detrimental to business.

Mayor Frederick congratulated Machine Tool & Gear, Inc. on their continued growth.

Motion by Mayor Pro-Tem Eveleth to approve the following resolution authorizing a new Industrial Facilities Tax Exemption as it relates to new personal property for Machine Tool & Gear, Inc. for a period of 12 years:

RESOLUTION NO. 154-2014

**APPROVING AN IFE APPLICATION
MACHINE TOOL & GEAR, INCORPORATED
A DIVISION OF NEWCOR MACHINED PRODUCTS GROUP
401 S. CHESTNUT STREET**

WHEREAS, pursuant to PA 198 of 1974, as amended, after a duly noticed public hearing held on April 18, 1977, this City Council, by resolution established an Industrial Development District, commonly called the Owosso Industrial Site No. 1, and on October 9, 1978, this City Council, by resolution amended said Industrial Development District property occupied by 401 S. Chestnut; and

WHEREAS, Machine Tool & Gear, Incorporated has filed an application for an Industrial Facilities Exemption Certificates with respect to New Personal Property within the Industrial Development District; and

WHEREAS, before acting on said application, the City of Owosso held a hearing on October 20, 2014, in City Hall, at 301 W. Main Street, Owosso, MI, 48867, at 7:30 p.m. at which hearing the applicant, the Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the acquisition of the New Personal Property had not begun earlier than six (6) months before September 29, 2014, the date application received for the Industrial Facilities Exemption Certificates; and

WHEREAS, acquisition of the New Personal Property is calculated to and will, at the time of issuance of the certificate, have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Owosso; and

WHEREAS, the aggregate SEV of property exempt from ad valorem taxes within the City of Owosso, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Owosso that:

1. The City Council finds and determines that the granting of the Industrial Facilities Exemption Certificates considered together with the aggregate amount of certificates previously granted and currently in force under PA 198 of 1974, as amended and PA 225 of 1978, as amended shall not have the effect of substantially impeding the operation of the City of Owosso, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Owosso.
2. The application from Machine Tool & Gear, Incorporated for Industrial Facilities Exemption Certificates, with respect to New Personal Property on the following described parcel of real property situated within the Industrial Development District, to wit:

COMMENCING AT INTERSECTION OF EAST LINE CHESTNUT ST & SOUTHERLY RIGHT OF WAY LINE OF GRAND TRUNK RAILROAD; TH S 80°38'50" E 1317.01' TH S 02° 2'25" W 858.19' TH N 80°38'50" W 598.20' TH N 07°18'07" E 424.29' TH N 80°38'50" W 751.92' TH N 01°14'05" E 431.51' TO POB PART OF NE 1/4 SEC 23 T7N R2E 18.83 A M/L; and

be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificates for New Personal Property, when issued, shall be and remain in force for a period of 12 years.

Motion supported by Councilperson Teich.

Roll Call Vote.

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

NAYS: None.

NEW PERSONAL PROPERTY TAX EXEMPTION – TIAL PRODUCTS, INC.

City Assessor Cook gave a brief overview of the application saying the law governing the abatement has no cap and the maximum number of years granted by previous Councils has been 15. He went on to say that the Personal Property Tax will start to phase out in 2016 but the fact that the details of exactly how it will be phased out makes such an abatement a good idea. Lastly, he noted that TiAl has been a pleasure to work with over the years and continues its history of calculated growth.

A public hearing was conducted to receive public comment on the application from TiAl Products, Inc., 450 South Shiawassee Street, for a New Personal Property Exemption for \$2,100,000 in new equipment.

The following people commented regarding the potential tax abatement:

Gregg Jones, President of TiAl Products, Inc., briefly described their latest expansion project as the installation of a foundry that will allow them to complete work in-house that they currently sub-contract for.

Brent Jones, VP of the SEDP, said the firm has a good track record of job growth, service in the community, and provides great jobs for local workers. He indicated the SEDP was in full support of the abatement application.

After the closing of the hearing Mayor Pro-Tem Eveleth noted his appreciation for the company, specifically pointing out their immaculate factory and grounds.

Mayor Frederick offered his congratulations to the firm for their continued success.

Motion by Mayor Pro-Tem Eveleth to approve the following resolution authorizing a New Personal Property Tax Exemption Certificate as it relates to new personal property for TiAl Products, Inc. for a period of 15 years:

RESOLUTION NO. 155-2014

**TO APPROVE A
NEW PERSONAL PROPERTY EXEMPTION APPLICATION
P.A. 328 OF 1998, AS AMENDED
TIAL PRODUCTS, INCORPORATED
450 S. SHIAWASSEE STREET**

WHEREAS, pursuant to P.A. 328 of 1998, as amended, after a duly noticed public hearing held on October 1, 2001, the City Council of the City of Owosso, an eligible distressed area as defined in Section 11 of the State Housing Development Authority Act of P.A. 346 of 1966, by Resolution, established a Industrial Development District; and

WHEREAS, the applicant TiAl Products, Incorporated, a manufacturing eligible business, has filed an application for Exemption of New Personal Property; and

WHEREAS, before acting on said application, the City Council of the City of Owosso, held a public hearing held on October 20, 2014 at City Hall, 301 W. Main Street, Owosso, MI, 48867 at 7:30 p.m., at which the Applicant, the City Assessor, and a representative of the effected taxing units were given written notice and were afforded an opportunity to be heard on said Application.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owosso finds and determines that the granting of the Exemption of New Personal Property currently in force under P.A. 328 of 1998, as amended, shall not have the effect of substantially impeding the operation, or impairing the financial soundness of the taxing unit which levies ad valorem property taxes in the City of Owosso; and

BE IT RESOLVED the New Personal Property Exemption when issued shall be, and remain in force and effective for a period of 15 years, beginning October 20, 2014, and ending December 30, 2029; and

BE IT RESOLVED that for the exemption to maintain its eligibility each year, the company shall submit two personal property statements annually to the City Assessor, one for the new personal property and another for all other personal property, And payment for real and personal property taxes must be current; and

BE IT RESOLVED the Application submitted by TiAl Products, Incorporated, is for an Exemption of New Personal Property that will be located in an Industrial Development District described as:

A L & B O WILLIAMS ADDITION LOTS 2, 3, 4, 5, 6, 9, 10, 13, 14, 15 & SOUTH 1/2 LOTS 7, 8, 11 BLOCK 28, ALSO LOTS 2, 3, 4, 5, 6, 7, 8, 9 BLOCK 27, ALSO LOT 11 & WEST 132' LOTS 7, 8, 9, 10 BLOCK 26, ALSO A STRIP OF LAND OFF SOUTH SIDE LOT 6 & EAST 43 1/2' OFF SOUTH SIDE LOT 7 BLOCK 26 BEING 20' WIDE ON WEST END & 24' WIDE ON EAST END, ALSO A STRIP OF LAND LYING BETWEEN LOTS 7, 8, 9, 10, 11 BLOCK 26 & LOTS 2, 3, 4, 5 BLOCK 27, ALSO A STRIP OF LAND LYING BETWEEN LOTS 6, 7, 8, 9 BLOCK 27 & LOTS 2, 3, 4, 5 BLOCK 28.

ALSO, LOTS 2, 3, 4, 5, 6 & EAST 43 1/2' OF LOTS 7, 8, 9, 10 & SOUTH 1/2 LOT 13 BLOCK 26 A L & B O WILLIAMS ADDITION (EXCEPT SOUTH 20' LOT 7 & SOUTH 24' LOT 6 & RAILROAD RIGHT-OF-WAY LOT 2).

Motion supported by Councilperson Bailey.

Roll Call Vote.

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

NAYS: None.

CITIZEN COMMENTS AND QUESTIONS

Eddie Urban, 601 Glenwood Avenue, encouraged everyone to support the Veteran's Operating millage on the November ballot.

Councilperson Bailey wished Eddie a happy birthday and indicated she had made cookies for the occasion.

Councilperson Fox said he was getting excited about all the activities going on downtown with Oktoberfest, the redevelopment of the Matthews Building, and the salon that will be moving into Mootzie's former location.

Councilperson Teich gave an update on the property at 111 South Lansing Street, saying they may miss their original deadline to move the house but options were being explored. He asked that the item be placed on the November 3rd agenda so that a decision could be made as to which option to pursue.

Councilperson Teich also inquired about the status of the vacant lots in Osburn Lakes. It was noted that staff anticipates putting out an RFP for marketing the lots shortly. Mayor Frederick reminded Council he is looking for reps for the Osburn Lakes liaison committee.

Councilperson Bailey encouraged support for the Vet's millage as well and thanked Jerilyn Strein for her extraordinary efforts to help veterans. She went on to give an update on the Trap/Neuter/Release program saying that numerous people attended the educational meeting yesterday to learn about the program and how they can deter cats from hanging around their property. She also indicated the TNR clinic for November is full and 60 cats will be taken for spaying/neutering on November 13th. She is taking reservations for the next clinic scheduled for December 11th. Lastly she thanked City staff for their help in this project and she thanked The Independent for advertising the cause in the paper.

CITY MANAGER REPORT

City Manager Crawford noted that the leaf pickup program will start soon.

CONSENT AGENDA

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

Flexible Spending Account Terms Adoption. Authorize acceptance of the terms governing the Flexible Spending Accounts available to City employees effective January 1, 2015 – December 31, 2015 as follows:

RESOLUTION NO. 156-2014

ADOPTING THE CITY OF OWOSSO FLEXIBLE SPENDING PLAN

WHEREAS, the city of Owosso, a Michigan municipal corporation, provides a cafeteria plan for its employees; and

WHEREAS, under the tax laws of the United States of America the city council must adopt a resolution for the calendar year effective January 1, 2015 and subsequent years.

NOW THEREFORE, the city council of the city of Owosso, Michigan (the employer) resolves:

- FIRST: that the form of Cafeteria Plan including a Dependent Care Flexible Spending Account and Health Flexible Spending Account effective January 1, 2015 presented and attached is approved and adopted and that the duly authorized agents of the city are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.
- SECOND: that the Administrator is instructed to take such actions that they deem necessary and proper to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.
- THIRD: that the duly authorized agent of the employer (the human resources director) shall act as soon as possible to notify city employees of the Cafeteria Plan's adoption by delivering to each employee a copy of the attached Summary Plan Description, which is hereby approved.
- FOURTH: the undersigned certifies that attached as Exhibits A and B, respectively, are true copies of the City of Owosso Flexible Spending Plan and the Summary Plan Description approved and adopted in this resolution.
- FIFTH: that all prior resolutions and documents for the City of Owosso Flexible Spending Plan are rescinded as of January 1, 2015.

Warrant No. 490. Authorize Warrant No. 490 as follows:

Vendor	Description	Fund	Amount
Shiawassee Economic Development Partnership	Annual investment for fy 14/15	General	\$31,426.00

Vendor	Description	Fund	Amount
Logicalis, Inc	Network engineering-September 2014	General	\$ 8,568.00
Caledonia Charter Township	Caledonia utility fund payment- July – September 2014	Water	\$21,338.99
Owosso Charter Township	Owosso charter township 2011 water agreement payment- July – September 2014	Water	\$ 9,828.73
Brown & Stewart PC	Professional services- September 9, 2014 – October 13, 2014	General	\$11,047.52

*Check Register–September 2014. Affirm check disbursements totaling \$1,934,984.61 for the month of September 2014.

Motion supported by Councilperson Bailey.

Roll Call Vote.

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

NAYS: None.

*Due to length, full text of items marked with an asterisk are not included in the minutes. Complete copies of said documents are on file in the Clerk's Office.

ITEMS OF BUSINESS

GOULD STREET PROPERTY DONATION

City Manager Crawford indicated the City had been approached by the owner of the property in question about donating the land to the City.

City Attorney William C. Brown pointed out that an appraisal of the property had not been conducted and, should the donating party agree, the Council may want to consider using the Assessor's True Cash Value determination to establish a value for the property.

Dan Brazil, first cousin on the potential donor, was allowed to speak and gave a history of the property saying his cousin lives in North Carolina and has no use for the property. It has been up for sale before with no takers. It has also been marketed to adjoining property owners with no resulting expression of interest. The owner is tired of maintaining the lot and now wishes to donate it.

Councilperson Fox inquired whether the property in question butts up to the proposed propane facility that may be going in on the corner of Corunna Avenue and Gould Street. It was noted it was not an adjoining parcel.

City Manager Crawford noted the parcel would add further buffer for the water plant.

Councilperson Bandkau inquired whether the delinquent taxes were the only costs to be incurred for the property. The City Manager indicated some environmental testing would need to be done prior to closing to protect the City from any future findings of contamination. Such tests could cost from \$1,500 to \$5,000 depending on how much testing is warranted. He further indicated funds for testing would come from the Water Fund due to the property's proximity to the Water Filtration Plant.

Motion by Councilperson Fox to approve acceptance of the donation of property on South Gould Street from JoAnne Prendergast, with a value to be placed in paragraph 2 as established by the City Assessor, as follows:

RESOLUTION NO. 157-2014

RESOLUTION AUTHORIZING ACCEPTING A DONATION OF REAL PROPERTY ALSO KNOWN AS PARCEL 050-010-034-025-00

WHEREAS, the City of Owosso, Shiawassee County, Michigan, Community Development department; and

WHEREAS, the City of Owosso wishes to accept the donation of real property from JoAnne Prendergast on Gould Street also known as parcel 050-010-034-025-00; and

WHEREAS, title insurance shall be purchased prior to the acceptance of this parcel; and

WHEREAS, there is a recommendation to perform a Baseline Environmental Assessment.

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 accept the donation of real property known as parcel 050-010-034-025-00 from JoAnne Prendergast for a cost to the City of Owosso of \$85.23, plus environmental testing.

SECOND: The mayor and city clerk are instructed and authorized to sign the document substantially in the form attached, Contract for Donation of Property between the City of Owosso, Michigan and JoAnne Prendergast up to the amount of the True Cash Value as determined by the City Assessor.

THIRD: The above expenses shall be paid from the water fund, account # 591-553-856.000.

Motion supported by Councilperson Teich.

Roll Call Vote.

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

NAYS: None.

COMMUNICATIONS

Charles P. Rau, Building Official. September 2014 Building Department Report.

Charles P. Rau, Building Official. September 2014 Code Violations Report.

Kevin D. Lenkart, Public Safety Director. September 2014 Police Report.

Kevin D. Lenkart, Public Safety Director. September 2014 Fire Report.

Downtown Development Authority/Main Street. Minutes of October 1, 2014.

CITIZEN COMMENTS AND QUESTIONS

County Commission Les Schneider, representing the Disabled American Veterans, indicated the flag and flag pole at Oak Grove cemetery needed to be replaced and the DAV would help with that endeavor. Mayor Frederick indicated he would get Mr. Schneider the information to contact the Owosso Township Supervisor. Mr. Schneider also noted for the audience that he has not taken anything but base pay since his tenure started on the Commission. He said he was aware that some other Commissioners are foregoing some benefits as well.

Eddie Urban, 601 Glenwood Avenue, said he felt that Commissioner Bartz did not answer Councilperson Fox's question regarding benefits. He also briefly explained the TNR process and its benefits on the mouse population.

Anthony Karhoff, Shiawassee Township Supervisor, said his singular goal as an elected official is to improve the communication with other local jurisdictions. He said he appreciated the questions the local mayors had proposed but was also concerned with the potential consequences should the millage be defeated. He said he felt the County Commission should have approached the local communities before placing the question on the ballot. He said communities in the county depend on one another and have to work together to succeed.

Councilperson Bailey encouraged everyone to enjoy the birthday cookies she baked in honor of Eddie Urban's birthday. Many people in attendance voiced their birthday wishes for Mr. Urban.

NEXT MEETING

Monday, November 03, 2014

BOARDS AND COMMISSIONS OPENINGS

Shiawassee Council on Aging Board of Directors, term expiring June 30, 2017

ADJOURNMENT

Motion by Mayor Pro-Tem Eveleth for adjournment at 8:43 p.m.

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

Benjamin R. Frederick, Mayor

Amy K. Kirkland, City Clerk