

**CITY OF OWOSSO
REGULAR MEETING OF THE CITY COUNCIL
MINUTES OF FEBRUARY 3, 2020
7:30 P.M.**

PRESIDING OFFICER: MAYOR CHRISTOPHER T. EVELETH

OPENING PRAYER: PASTOR WES COFFEE
GRACEPOINT CHURCH

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 Mayor Pro-Tem Osika to approve the agenda as presented.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF JANUARY 21, 2020

Motion by Councilmember Pidek to approve the Minutes of the Regular Meeting of January 21, 2020 as presented.

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

PROCLAMATIONS / SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

Ordinance Amendment – Chapter 16.6, Adult Use Marihuana Establishments Licensing – Police

Power Ordinance

The proposed amendment would allow the establishment of certain types of adult use marihuana facilities in the City of Owosso and provide rules for said facilities.

City Manager Nathan R. Henne indicated this is the second reading of the ordinance. He said that nothing in the proposed ordinance has changed since the first reading but he did look into whether the ordinance could be passed using the emergency provision to avoid the twenty day waiting period after approval. He indicated he was comfortable with this idea as it will bring the City into compliance with State law.

City Manager Henne directed Council to include rescinding the resolution that approved the moratorium on recreational marihuana establishments in any motion to approve the proposed ordinance.

A public hearing was conducted to receive citizen comment regarding the proposed addition of Chapter 16.6, Adult Use Marihuana Establishments Licensing - Police Power Ordinance, to the Code of Ordinances.

The following people commented regarding the proposed amendment:

Sheryl Bradac, 436 Brandon Street, said she was happy this item is on the agenda. She said she and her son have severe pain as the result of a terrible accident years ago. Marijuana helps her son with the pain and it would be much easier if they could purchase it locally.

Randy Woodworth, 1110 Riverside Drive, said he believes that marijuana has been a boon for industrial and downtown properties, properties that would otherwise be vacant. He indicated his support for passage of the proposed ordinance.

No other comments were received prior to the meeting. The public hearing was officially closed.

Mayor Eveleth noted that he was comfortable with passing the ordinance using emergency provisions. He said he was uncomfortable with that idea initially but was persuaded by the argument that it will help bring the City into compliance with State law.

Councilmember Bailey asked if they would be setting a precedent for other businesses by removing the twenty day period from the ordinance. City Attorney Scott J. Gould indicated that he does not believe it would set a precedent as each potential emergency situation would have to be judged on its individual merits.

Councilmember Fear inquired if the Council had used the emergency provision previously and when, what the twenty day waiting period was for, and why the phrase about State compliance was being used when the City has a moratorium in place. City Attorney Gould noted the Council last used the emergency provision when it passed a new fireworks ordinance last year. He went on to say that the twenty day waiting period is intended to give people time to prepare for the prohibition of a particular action. This situation is a bit different in that people are going to be given more authority, not less. Lastly, he addressed her question regarding compliance with the law saying that the City does have a moratorium in effect, but such measures are intended to be temporary and the longer the moratorium is in effect the easier it is to challenge legally.

City Attorney Gould reminded Council that five votes are required to pass the ordinance as an emergency measure.

Councilmember Haber confessed that he knows a majority of Owosso citizens voted to legalize recreational marijuana, but he believes that marijuana is a gateway drug and cannot support measures related to recreational use.

Whereas, the Council, after due and legal notice, has met and having heard all interested parties, motion by Mayor Pro-Tem Osika to rescind Resolution No. 193-2018 establishing a moratorium on recreational marijuana establishments and approve the proposed ordinance to add Chapter 16.6, Adult Use Marihuana Establishments Licensing - Police Power Ordinance, to the Code of Ordinances under emergency provisions, to be effective immediately.

Motion supported by Councilmember ~~Fear~~. **Law**

This was corrected by Council at the meeting of February 18, 2020.

Roll Call Vote.

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

NAYS: Councilmembers Bailey, Fear, and Haber.

The motion fails for lack of five affirmative votes.

Whereas, the Council, after due and legal notice, has met and having heard all interested parties, motion by Councilmember Fear to rescind Resolution No. 193-2018 establishing a moratorium on recreational marijuana establishments and adopt the following ordinance:

ORDINANCE NO. 803

TO ADD CHAPTER 16.6, ADULT USE MARIHUANA ESTABLISHMENTS LICENSING – POLICE POWER ORDINANCE, TO THE CODE OF ORDINANCES TO GOVERN RECREATIONAL MARIHUANA ESTABLISHMENTS IN THE CITY

WHEREAS, the citizens of the city of Owosso and the greater state of Michigan legalized the use of marihuana for medicinal purposes through the passage of a citizen initiative in November 2008; and

WHEREAS, the Owosso City Council voted to approve the addition of Chapter 16.5, Medical Marihuana Establishments Licensing – Police Power Ordinance, to the Code of the City of Owosso on July 2, 2018 allowing the use, cultivation, and sale of medical marihuana within the City limits; and

WHEREAS, the citizens of the city of Owosso and the greater state of Michigan legalized the use of marihuana for recreational use through the passage of a citizen initiative in November of 2018; and

WHEREAS, the City Council sees fit to once again heed the will of the voters' by establishing rules allowing the use, cultivation, and sale of recreational marihuana within the City limits; and

WHEREAS, Chapter 16.6, Adult Use Marihuana Establishments Licensing – Police Power Ordinance, embodies said rules is being proposed for addition to the City of Owosso Code of Ordinances; and

WHEREAS, with the development of the above noted ordinance the Council sees no reason to continue to prohibit recreational marihuana establishments within the City limits while allowing the

same activities to take place at medical marihuana establishments and wishes said ordinance to become effective immediately upon adoption.

NOW, THEREFORE, BE IT RESOLVED, THAT THE CITY OF OWOSSO ORDAINS THAT:

SECTION 1. ADDITION. That Chapter 16.6, Adult Use Marihuana Establishments Licensing - Police Power Ordinance, be added to the Code of Ordinances as follows:

**CHAPTER 16.6 – ADULT USE MARIHUANA ESTABLISHMENTS LICENSING—
POLICE POWER ORDINANCE**

Sec. 16.6-1. - Purpose.

- (a) It is the intent of this chapter to authorize the establishment of certain types of adult use marihuana facilities in the City of Owosso (“City”) and provide for the adoption of reasonable restrictions to protect the public health, safety, and general welfare of the community at large; retain the character of neighborhoods; and mitigate potential impacts on surrounding properties and persons. It is also the intent of this chapter to help defray administrative and enforcement costs associated with the operation of an adult use marihuana establishment in the City through imposition of an annual, nonrefundable fee as listed on the City’s Fee Schedule. Authority for the enactment of these provisions is set forth in the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq. Further, the City does not intend that permitting and regulation under this chapter be construed as a finding that such facilities comply with any law.
- (b) Nothing in this chapter is intended to grant immunity from criminal or civil prosecution, penalty, or sanction for the cultivation, manufacture, possession, use, sale, or distribution of marihuana, in any form, that is not in compliance with the Michigan Regulation and Taxation Act, Initiated Law 1 of 2018, MCL 333.27951 et seq.; and all other applicable rules promulgated by the state.
- (c) As of the effective date of this chapter, marihuana remains classified as a Schedule 1 controlled substance under the Federal Controlled Substances Act, 21 U.S.C. Sec. 801 et seq., which makes it unlawful to manufacture, distribute, or dispense marihuana, or possess marihuana with intent to manufacture, distribute, or dispense marihuana. Nothing in this chapter is intended to grant immunity from any criminal prosecution under federal laws.
- (d) All Adult Use Marihuana Establishment License holders must comply with all state building codes, including but not limited to plumbing, mechanical, electrical, building energy and fire codes which includes the City zoning ordinance, as applicable under law.

Sec. 16.6-2. - Definitions.

For the purposes of this chapter:

- (a) Any term defined by the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq., shall have the definition given in the Michigan Regulation and Taxation of Marihuana Act.
- (b) Any term defined by the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq., shall have the definition given in the Medical Marihuana Facilities Licensing Act.
- (c) Any term defined by the Marihuana Tracking Act, MCL 333.27901 et seq., shall have the definition given in the Marihuana Tracking Act.

Cultivate means to propagate, breed, grow, harvest, dry, cure, or separate parts of the marihuana plant by manual or mechanical means.

Department means the Michigan Department of Licensing and Regulatory Affairs (LARA).

Industrial hemp means a plant of the genus cannabis and any part of that plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed 0.3% on a dry-weight basis, or per volume or weight of marihuana-infused product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus cannabis regardless of moisture content.

Licensee means a person holding a state license.

Marihuana means all parts of the plant of the genus cannabis, growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin, including marihuana concentrate and marihuana-infused products. For purposes of this act, marihuana does not include:

- (a) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination;
- (b) industrial hemp; or

- (c) any other ingredient combined with marihuana to prepare topical or oral administrations, food, drink, or other products.

Marihuana accessories means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marihuana into the human body.

Marihuana concentrate means the resin extracted from any part of the plant of the genus *cannabis*.

Marihuana establishment means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the department.

Marihuana grower means a person licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.

Marihuana-infused product means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human consumption.

Marihuana microbusiness means a person licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.

Marihuana processor means a person licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.

Marihuana retailer means a person licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.

Marihuana secure transporter means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

Marihuana safety compliance facility means a person licensed to test marihuana, including certification for potency and the presence of contaminants.

Municipal license means a license issued by a municipality pursuant to section 16 of the Michigan Regulation and Taxation Act that allows a person to operate a marihuana establishment in that municipality.

Municipality means a city, village, or township.

Person means an individual, corporation, limited liability company, partnership of any type, trust, or other legal entity.

Process or *Processing* means to separate or otherwise prepare parts of the marihuana plant and to compound, blend, extract, infuse, or otherwise make or prepare marihuana concentrate or marihuana-infused products.

State license means a license issued by the department that allows a person to operate a marihuana establishment.

Unreasonably impracticable means that the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.

Sec. 16.6-3. - Authorization of facilities and fee.

- (a) The maximum number of each type of adult use marihuana establishment allowed in the city shall be as follows:

Establishment	Number
Grower	unlimited
Processor	unlimited
Retailer	4 (see Sec 16.6-3 (e))
Safety compliance facility	unlimited
Secure transporter	unlimited

- (b) Special Licenses Prohibited. Pursuant to the MRTMA, Section 6(1), the City elects to prohibit the licensing and operation of special licenses within its boundaries to the extent it is permitted to prohibit them under the Act, which shall specifically prohibit as follows:

License Type	Number
Designated consumption establishment license	Prohibited
Excess marihuana grower license	Prohibited
Marihuana event organizer license	Prohibited
Temporary marihuana event license.	Prohibited
Marihuana microbusiness	Prohibited

- (c) Planning commission shall review the number of allowed adult use marihuana establishments at the one (1) year mark of implementation to re-evaluate and determine if the number allowed needs to be adjusted. From that point on, every three (3) years, City council shall review the maximum number of each type of marihuana establishment allowed and determine whether this maximum number should be changed. The review and its findings shall be recorded in the minutes of the relevant meeting of the City Council.
- (d) A nonrefundable fee shall be paid by each marihuana establishment licensed under this chapter in an annual amount as set by resolution of the City Council.
- (e) Not more than a total of 4 (four) marihuana retailers may be authorized in the City, so long as the total combined number of single locations of marihuana retailers authorized under this ordinance and marihuana provisioning centers authorized under the City's Medical Marihuana Facilities Ordinance does not exceed 4 (four) such authorized locations. By way of example, if 3 (three) marihuana provisioning centers under the Medical Marihuana Facilities Ordinance have been authorized at 3 (three) separate locations within the City, then only 1 (one) marihuana retailer may be authorized at a fourth (4th) separate location under this ordinance. However, up to 3 (three) additional marihuana retailers could be authorized under this ordinance, so long as they were co-located with the existing marihuana provisioning centers already authorized. Similarly, if 4 (four) marihuana provisioning centers have already been authorized under the Medical Marihuana Facilities Ordinance at four (4) separate locations, then no marihuana retailers may be authorized under this ordinance unless they are co-located with the existing marihuana provisioning centers.
- (f) All Adult Use Marihuana Establishments as permitted by this Chapter, shall be subject to the same zoning restrictions as the Medical Marihuana Facilities as set forth in Chapter 38 "Zoning" of the City's Code of Ordinances. Specifically:
 - 1) Adult Use Marihuana Growers shall be subject to the same zoning restrictions and requirements applicable to Medical Marihuana Growers;
 - 2) Adult Use Marihuana Processors shall be subject to the same zoning restrictions and requirements applicable to Medical Marihuana Processors;
 - 3) Adult Use Marihuana Retailers shall be subject to the same zoning restrictions and requirements applicable to Medical Marihuana Provisioning Centers;
 - 4) Adult Use Marihuana Safety Compliance Facility shall be subject to the same zoning restrictions and requirements applicable to Medical Marihuana Safety Compliance Facility;
 - 5) Adult Use Marihuana Secure Transporter shall be subject to the same zoning restrictions and requirements applicable to Medical Marihuana Secure Transporter.

Sec. 16.6-4. - Requirements and procedure for issuing license.

- (a) No person shall operate an adult use marihuana establishment in City of Owosso without a valid adult use marihuana establishment license issued by the City pursuant to the provisions of this chapter, and state law.
- (b) The license requirement in this chapter applies to all facilities whether operated for profit or not for profit.
- (c) Every applicant for a license to operate an adult use marihuana establishment shall file an application in the building department office upon a form provided by the City.
- (d) Applications to operate any adult use marihuana establishment shall include proof of a duly issued Adult Use Marihuana Establishment License by the State of Michigan. Any application delivered to the City without the aforementioned Adult Use Marihuana Establishment License will be deemed incomplete and shall be rejected. Any delay due to the filing of an incomplete application shall be deemed the fault of the applicant and not the City.
- (e) Upon an applicant's completion of said form and furnishing of all required information and documentation, City staff shall accept the application and assign it a sequential application number by establishment type, based on the date and time of acceptance. The City staff shall act to approve or deny an application not later than twenty (20) days

from the date the application was accepted. If approved, the building department shall issue the applicant a conditional license.

- (f) A conditional license means only that the applicant has submitted a valid application for an adult use marihuana establishment license that has been considered and approved by the City, and the applicant shall not locate or operate a marihuana establishment without obtaining all other permits and approvals required by all other applicable ordinances and regulations of the City.
- (g) Applicant's receipt of a conditional license from the City shall provide for reasonable time, but not more than eight (8) months, to secure any and all subsequent and/or collateral permits as required by the state and/or City. Any applicant with a conditional license that has not completed every task as required by the state and/or the City, within eight (8) months after receipt of the conditional license from the City will result in revocation of applicant's City issued conditional license and denial of license.
 - (1) An extension of time may be granted upon applicant's written request and showing of good cause for delay. A request for an extension of time shall also include the estimated time to remedy the delay. Any extension of time shall be at the sole discretion of the City.
- (h) Within twenty (20) days from the applicant submitting proof of obtaining all other required permits and approvals and payment of the license fee, City staff shall approve or deny the marihuana establishment license. The building department shall issue marihuana establishment licenses in order of the sequential application number previously assigned.
- (i) Maintaining a valid adult use marihuana establishment license issued by the state is a condition for the issuance and maintenance of an adult use marihuana establishment license under this chapter and continued operation of any adult use marihuana establishment.
- (j) An adult use marihuana establishment license issued under this chapter is not transferable.
- (k) If the application is for a grower's license, the maximum number of plants that the applicant intends to grow will be included with the application.
- (l) The placement of restrictions by the state on a state operating license applies equally to an adult use marihuana establishment license issued by the City.

Sec. 16.6-5. - License renewal.

- (a) An adult use marihuana establishment license shall be valid for one (1) year from the date of issuance, unless revoked as provided by law.
- (b) A valid adult use marihuana establishment license may be renewed, on an annual basis, by submitting an application and payment of the annual license fee. Application to renew an adult use marihuana establishment license shall be filed at least thirty (30) days prior to the date of its expiration.
- (c) Applications for renewal or amendment of existing permits shall be reviewed and granted or denied before applications for new permits are considered.
- (d) The revocation, suspension, and placement of restrictions by the state on a state operating license apply equally to an adult use marihuana establishment license issued by the City.

Sec. 16.6-6. - Applicability.

The provisions of this chapter shall be applicable to all persons and establishments described herein, whether the operations or activities associated with an adult use marihuana establishment were established without authorization before the effective date of this chapter.

Sec. 16.6-7. - Penalties and enforcement.

- (a) Any person who disobeys, neglects, or refuses to comply with any provision of this ordinance or who causes, allows, or consents to any of the same shall be deemed to be responsible for the violation of this ordinance. A violation of this ordinance is deemed to be a nuisance per se.
- (b) Any person who violates any of the provisions of this chapter shall be responsible for a civil infraction, for which the punishment for a first violation shall be a fine of not less than \$100.00 and not more than \$500.00, in the discretion of the court. The punishment for a second or subsequent violation shall be a fine of not less than \$250.00 and not more than \$500.00, in the discretion of the court. For purposes of this section, "second or subsequent violation" means a violation of the provisions of this ordinance committed by the same person within 12 (twelve) months of a previous violation of the same provision of this ordinance for which said person pled or was adjudicated guilty. The foregoing penalties shall be in addition to the rights of the City to proceed at law or in equity with other appropriate and proper remedies.

- (c) This chapter shall be enforced and administered by the City official as may be designated from time to time by resolution of the City council.
- (d) A license issued under this chapter may be suspended or revoked for any of the following violations:
 - (1) Any person required to be named on the permit application is convicted of or found responsible for violating any provision of this chapter;
 - (2) A permit application contains any misrepresentation or omission of any material fact, or false or misleading information, or the applicant has provided the City with any other false or misleading information related to the establishment;
 - (3) Any person required to be named on the permit application is convicted of a crime which, if it had occurred prior to submittal of the application, could have been cause for denial of the permit application;
 - (4) Marihuana is dispensed on the business premises in violation of this chapter or any other applicable state or local law, rule or regulation;
 - (5) The establishment is operated or is operating in violation of the specifications of the permit application, any conditions of approval by the City or any other applicable state or local law, rule or regulation.
 - (6) The City, the county, or any other governmental entity with jurisdiction, has closed the establishment temporarily or permanently or has issued any sanction for failure to comply with health and safety provisions of this chapter or other applicable state or local laws related to public health and safety.
 - (7) The establishment is determined by the City to have become a public nuisance.
 - (8) The establishment's state operating license has been suspended or revoked.
 - (9) Possession, sale or consumption of any form of alcohol upon the premises of any licensed adult use marihuana establishment.
 - (10) A licensed adult use marihuana establishment emitting marihuana odor from any source to result in detectable odors that leave the premises upon which they originated and interfere with the reasonable and comfortable use and enjoyment of another's property. Whether or not a marihuana odor emission interferes with the reasonable and comfortable use and enjoyment of a property shall be measured against the objective standards of a reasonable person of normal sensitivity. A licensed adult use marihuana establishment shall install and maintain in operable condition a system which precludes the emission of marihuana odor from the premises.

Sec. 16.6-8. - Severability.

In the event that any one (1) or more sections, provisions, phrases or words of this chapter shall be found to be invalid by a court of competent jurisdiction, such holding shall not affect the validity or the enforceability of the remaining sections, provisions, phrases or words of this chapter.

SECTION 2. RESCIND MORATORIUM. Resolution No. 193-2018 establishing a moratorium on recreational marijuana facilities is rescinded as of the effective date listed below.

SECTION 3. EFFECTIVE DATE. This ordinance shall become effective February 24, 2020.

SECTION 4. AVAILABILITY. This ordinance may be purchased or inspected in the city clerk's office, Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

Motion supported by Councilmember Law.

Roll Call Vote.

AYES: Councilmembers Law, Fear, Pidek, and Mayor Eveleth.

NAYS: Councilmember Haber, Mayor Pro-Tem Osika, and Councilmember Bailey.

Special Assessment District No. 2020-03 – North Street, from Hickory Street to Gould Street

City Manager Henne gave a brief presentation reviewing the project.

A public hearing was conducted to receive citizen comment regarding the authorization of Resolution No. 5 for Special Assessment District No. 2020-003 for North Street, from Hickory Street to Gould Street for street reconstruction.

There were no citizen comments made at the meeting.

The following people communicated their feelings on the matter prior to the meeting:

Glin Barrett, 828 Nafus Street, via Facebook, asked if a millage had been passed to cover the cost of rebuilding North Street.

Camilla Skodinski, 1408 Whitehaven Court, in person, said she thought her special assessment was high and asked about the sequencing of the construction project at the High School and the reconstruction of North Street.

Cheryl and Robert Zimmerman, 812 E. North Street, in person, asked about the proposed narrowing of the street as well as the sequencing of the construction project at the High School and the reconstruction of North Street.
The public hearing was officially closed.

Councilmember Pidek asked if Caledonia Charter Township had responded to the City’s request to contribute funding to the project. City Manager Henne indicated he had heard back from the township this morning and they would be willing to share in the cost of the project.
Councilmember Pidek also inquired whether there would be long-term consequences for leaving the old water main under the street. It was indicated there would not.

Councilmember Bailey asked about the timing of the project. City Manager Henne said that work will happen on both the High School construction project and the North Street reconstruction project at the same time. Construction traffic to the High School will be routed to the new back entrance to the School property to avoid driving on the new street.

Motion by Councilmember Bailey to approve the following resolution:

RESOLUTION NO. 13-2020

**SPECIAL ASSESSMENT DISTRICT NO. 2020-03
NORTH STREET FROM HICKORY STREET TO GOULD STREET
SPECIAL ASSESSMENT RESOLUTION NO. 5**

WHEREAS, the City Council has met, after due and legal notice, and reviewed the special assessment roll prepared for the purpose of defraying the special assessment district’s share of the following described public improvement:

NORTH STREET FROM HICKORY STREET TO GOULD STREET
STREET RECONSTRUCTION

and

WHEREAS, all interested parties were heard and after carefully reviewing said special assessment roll the Council deems said special assessment roll to be fair, just and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with the benefits to be derived by the parcel of land assessed.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll as prepared by the City Assessor in the amount of \$161,822.86 is hereby confirmed and shall be known as Special Assessment Roll No. 2020-03.
2. Said special assessment roll shall be divided into ten (10) installments, the first of which shall be due and payable on September 1, 2020, and the subsequent installments shall be due on September 1st of each and every year thereafter. Payment of the amount of the special assessment may be made in full without interest or penalty by November 1, 2020.
3. The installments of the special assessment rolls shall bear interest at the rate of 6% per annum; provided, however, if the bonds are issued in anticipation of said special assessments, then such unpaid special assessment shall bear interest at a rate of interest equal to 1% above the average rate of interest borne by said bonds. Such interest shall commence on September 1, 2020 and shall be paid annually on each installment due date.
4. Said special assessment roll shall be placed on file in the office of the City Clerk who shall attach her warrant to a certified copy thereof within ten (10) days commanding the Assessor to spread the various sums shown thereon as directed by the City Council.

Motion supported by Councilmember Fear.

Roll Call Vote.

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

NAYS: None.

Special Assessment District No. 2020-04 – Summit Street from Abbott Street to Rubelman Drive

City Manager Henne gave a brief presentation reviewing the project.

A public hearing was conducted to receive citizen comment regarding the authorization of Resolution No. 5 for Special Assessment District No. 2020-004 for Summit Street from Abbott Street to Rubelman Drive for street rehabilitation.

The following people commented in regard to the proposed special assessment roll:

Tom Manke, 2910 W. M-21, asked why the standard life-span for streets today is twenty years. Why don't we build them like they did in the 1950's and 1960's and make them last longer?

Larry Sullivan, 446 Abbott Street, said he wasn't happy about the fact that the sidewalk approaches included in this project would be 5' wide, asking if they could be smaller.

Sheryl Bradac, 436 Brandon Street, said she has an ADA accessible ramp at the corner near her house and was grateful for it when her mobility has been compromised in the past. She also commented on her assessment, saying she wanted assurance that her assessment won't be increased at the end of the project, and that students speed down her street all the time.

Eddie Urban, 601 Glenwood Avenue, said he thought the City was installing 5' wide sidewalk ramps so that two wheelchairs could safely pass one another and that all sidewalk ramps will eventually be that wide.

City Manager Henne addressed the questions, noting that the City takes core samples from the streets that are proposed for maintenance to determine what type of treatment would be most beneficial. He said he uses the industry standard life span of twenty years when estimating how long a new street will last. To Mr. Sullivan's question he indicated that 5' wide sidewalks are required by the ADA. Lastly he spoke to Ms. Bradac saying the assessments are based on the bids the City has received for the project and shouldn't change at this point.

There was discussion regarding making ADA sidewalk approaches more visible so that people don't park over them, and the general problem of people parking over the sidewalk.

Councilmember Pidek inquired if the City has a point person for communication with homeowners that are affected by street projects and if there was any attempt to survey those affected by street projects to try and improve the process going forward. Public Services Director Glenn M. Chinavare indicated that each resident affected by a street project had received letters detailing the project and providing contact information for questions prior to the start of the project.

Motion by Mayor Pro-Tem Osika to approve the following resolution:

RESOLUTION NO. 14-2020
SPECIAL ASSESSMENT DISTRICT NO. 2020-03
SUMMIT STREET
FROM ABBOTT STREET TO RUBELMAN DRIVE
SPECIAL ASSESSMENT RESOLUTION NO. 5

WHEREAS, the City Council has met, after due and legal notice, and reviewed the special assessment roll prepared for the purpose of defraying the special assessment district's share of the following described public improvement:

SUMMIT STREET FROM ABBOTT STREET TO RUBELMAN DRIVE
STREET REHABILITATION

and

WHEREAS, all interested parties were heard and after carefully reviewing said special assessment roll the Council deems said special assessment roll to be fair, just and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with the benefits to be derived by the parcel of land assessed.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll as prepared by the City Assessor in the amount of \$106,530.05 is hereby confirmed and shall be known as Special Assessment Roll No. 2020-04.
2. Said special assessment roll shall be divided into ten (10) installments, the first of which shall be due and payable on September 1, 2020, and the subsequent installments shall be due on

September 1st of each and every year thereafter. Payment of the amount of the special assessment may be made in full without interest or penalty by November 1, 2020.

3. The installments of the special assessment rolls shall bear interest at the rate of 6% per annum; provided, however, if the bonds are issued in anticipation of said special assessments, then such unpaid special assessment shall bear interest at a rate of interest equal to 1% above the average rate of interest borne by said bonds. Such interest shall commence on September 1, 2020 and shall be paid annually on each installment due date.
4. Said special assessment roll shall be placed on file in the office of the City Clerk who shall attach her warrant to a certified copy thereof within ten (10) days commanding the Assessor to spread the various sums shown thereon as directed by the City Council.

Motion supported by Councilmember Fear.

Roll Call Vote.

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

Eveleth.

NAYS: None.

Ordinance Amendment – Chapter 2, Administration

City Manager Henne indicated the proposed amendment would remove the police patrol representative from the Retirement Board as a result of their move to the MERS system.

A public hearing was conducted to receive citizen comment regarding the proposed amendment to Chapter 2, Administration, Article VII, *Municipal Employees' Pensions*, Sections 2-403 & 2-407, of the Code of Ordinances of the City of Owosso to amend the membership of the City of Owosso Employees' Retirement System Board of Trustees.

There were no citizen comments on this topic received prior to, or during the meeting.

Motion by Councilmember Pidek to approve the following ordinance:

ORDINANCE NO. 804

AN ORDINANCE AMENDING SECTIONS 2-403 & 2-407 OF THE CODE OF ORDINANCES TO REMOVE THE POLICE REPRESENTATIVE FROM THE RETIREMENT BOARD

WHEREAS, the City of Owosso administers the City of Owosso Employees' Retirement System (Retirement System) for select employees; and

WHEREAS the Retirement System is governed by the Board of Trustees (Retirement Board) per Article VII, *Municipal Employees' Pensions*, of Chapter 2, Administration, of the Code of Ordinances of the City of Owosso, and a Police Officer Member to the Board is required by said ordinance; and

WHEREAS, the employees represented by the Police Office Member have agreed in their latest labor agreement to the transfer of their division from the City's Retirement System to the Michigan Municipal Employees' Retirement System; and

WHEREAS, said employees have been transferred and police representation to the City's Retirement System is no longer warranted; and

WHEREAS, removal of said Police Officer Member to the Retirement Board may hinder the Board's ability to conduct its normal affairs due to the number of Retirement Board Trustees required for a quorum and decision making; and

WHEREAS, an ordinance amendment is necessary to adjust the membership of the Board and the corresponding rules for quorum and affirmative votes; and

WHEREAS, the Retirement Board recommends adoption of the following amendments to the Code of the City of Owosso to adjust the membership of the Board and the corresponding rules for quorum and affirmative votes.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY OF OWOSSO ORDAINS THAT:

SECTION 1. AMENDMENT. Section 2-403, Board of trustees, of Article VII, *Municipal Employees' Pensions*, of Chapter 2, Administration, of the Code of Ordinances is hereby amended to read:

Sec. 2-403. - Board of trustees.

- (a) There is hereby created a board of trustees (the "board") in whom is vested the general administration, management, and responsibility for the proper operation of the retirement system and for making effective the provisions of this article. The board shall consist of six (6) trustees as follows:
- (1) The mayor or a councilman who is not eligible to participate in the retirement system as a member or retirant;
 - (2) A second councilman who is not eligible to participate in the retirement system as a member or retirant;
 - (3) A citizen who has the qualifications required by the Charter for holding an elective city office and who is not eligible to participate in the retirement system as a member or retirant, to be appointed by the council;
 - (4) A firefighter member to be chosen by the firefighter members; and
 - (5) Two (2) general city members: One (1) general city member to be chosen by non-unionized general city members and one (1) general city member to be chosen by the unionized general city members.
 - (6) If there are no active members of the employee groups listed in subsections (4) and (5) above able or willing to serve, a retired member of the group may be elected by active and retired members of such group.
- (b) The choosing of the trustees provided for in paragraphs (4) and (5) above, shall be held in the month of May in each year under such rules and regulations as the board shall, from time to time, adopt.

SECTION 2. AMENDMENT. Section 2-407, Quorum – Each trustee entitled to vote, of Article VII, *Municipal Employees' Pensions*, of Chapter 2, Administration, of the Code of Ordinances is hereby amended to read:

Sec. 2-407. - Quorum—Each trustee entitled to vote.

Four (4) trustees shall constitute a quorum at any meeting of the board. Each trustee shall be entitled to one (1) vote on each question before the board, at least four (4) concurring votes shall be necessary for a decision by the trustees.

SECTION 3. EFFECTIVE DATE. This amendment shall become effective February 24, 2020.

SECTION 4. AVAILABILITY. This ordinance may be purchased or inspected in the city clerk's office, Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

Motion supported by Councilmember Law.

Roll Call Vote.

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

NAYS: None.

CITIZEN COMMENTS AND QUESTIONS

Kevin M. Blair, attorney for Lume, said he felt the City's new ordinance is in conflict with State law because of the delay in its effective date.

Eddie Urban, 601 Glenwood Avenue, announced that the VFW is holding a fund raiser for Community Cats on Friday, February 7th. He also commented on two nice articles he read in the Argus Press recently.

Tom Manke, 2910 W. M-21, asked why the City was planning on replacing the road base on streets built in the 1950's if the base is still good. He suggested the City simply pave over the old road surface. He also commented on his feeling that Council was holding up the effective date of the recreational marijuana ordinance despite the fact that a large majority of Owosso citizens voted in favor of legalizing it. Mayor Eveleth responded saying that he didn't think that anyone on Council meant to delay the effective date of the recreational marijuana ordinance and that he could see both sides of the argument to adopt the ordinance under emergency circumstances.

City Manager Henne addressed Mr. Manke's question regarding the streets. He said the City takes core samples of each street they propose for paving to determine whether the base needs to be rebuilt or not.

Mayor Pro-Tem Osika thanked Mayor Eveleth for being here tonight, noting that he had emergency surgery on Friday.

At the request of Mayor Pro-Tem Osika City Manager Henne addressed the status of the Matthew's Building saying that the owner has 30 days from the date of the City's notice to take action. If none is taken within the established time frame the City will consider writing tickets or taking the issue to court.

Councilmember Law wondered why we cannot get our roads to last as long as they did in the 1950's, asking if some streets lasted longer than expected or if they were built better in the 50's. City Manager Henne indicated that a 20-year life span is the standard used in states like Michigan, but he was hoping to stretch that out through regular maintenance. He said it was important to be realistic when determining such figures.

CITY MANAGER REPORT

The Project Status Report was delayed until the February 18th meeting due to the size of tonight's agenda.

CONSENT AGENDA

Motion by Councilmember Bailey to approve the Consent Agenda as follows:

Special Assessment District No. 2020-01 – Cedar Street. Authorize Resolution No. 4 setting a public hearing for Tuesday, February 18, 2020 at 7:30 p.m. to receive citizen comment regarding Special Assessment District No 2020-01 for Cedar Street, from South Street to Hampton Avenue for street rehabilitation as follows:

RESOLUTION NO. 15-2020

SPECIAL ASSESSMENT DISTRICT NO. 2020-01 CEDAR STREET FROM SOUTH STREET TO HAMPTON AVENUE SPECIAL ASSESSMENT RESOLUTION NO. 4

WHEREAS, the Assessor has prepared a special assessment roll for the purpose of specially assessing that portion of the cost of the public improvements more particularly hereinafter described to the properties specially benefited by said public improvement, and the same has been presented to the Council by the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll is hereby accepted and shall be filed in the office of the City Clerk for public examination.
2. The Council shall meet at the Owosso City Hall, Owosso, Michigan at 7:30 o'clock p.m., on Monday, February 17, 2020 for the purpose of hearing all persons interested in said special assessment roll and reviewing the same.
3. The City Clerk is directed to publish the notice of said hearings once in the *Argus Press*, the official newspaper of the City of Owosso, not less than ten (10) days prior to said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of the property subject to assessment, as indicated by the records in the City Assessor's office as shown on the general tax rolls of the City, at least ten (10) days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
4. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF HEARING TO REVIEW SPECIAL ASSESSMENT ROLL CITY OF OWOSSO, COUNTY OF SHIAWASSEE, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

CEDAR STREET, A PUBLIC STREET, FROM SOUTH STREET TO HAMPTON AVENUE

TAKE NOTICE that a Special Assessment roll has been prepared for the purpose of defraying the Special Assessment district's share of the cost of the following described improvements:

STREET RESURFACING

The said Special Assessment roll is on file for public examination with the City Clerk and any objections to said Special Assessment roll must be filed in writing with the City Clerk prior to the close of the hearing to review said Special Assessment roll.

TAKE FURTHER NOTICE that appearance and protest at this hearing is required in order to appeal the amount of the special assessment to the State Tax Tribunal if an appeal should be desired. A property owner or party in interest, his or her agent, may appear in person at the hearing to protest the special assessment or may file his or her appearance by letter and his or her personal appearance shall not be required. The property owner or any person having an interest in the property subject to the proposed special assessments may file a written appeal of the special assessment with the State Tax Tribunal within thirty days after confirmation of the special assessment roll if that special assessment was protested at this hearing.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall, Owosso, Michigan at 7:30 p.m. on Monday, February 17, 2020 for the purpose of reviewing said special assessment roll and for the purpose of considering all objections to said roll submitted in writing.

Special Assessment District No. 2020-02 – Clark Avenue. Authorize Resolution No. 4 setting a public hearing for Tuesday, February 18, 2020 at 7:30 p.m. to receive citizen comment regarding Special Assessment District No. 2020-02 for Clark Avenue, from Oliver Street to King Street for street rehabilitation as follows:

RESOLUTION NO. 16-2020

**SPECIAL ASSESSMENT DISTRICT NO. 2020-02
CLARK AVENUE
FROM OLIVER STREET TO KING STREET
SPECIAL ASSESSMENT RESOLUTION NO. 4**

WHEREAS, the Assessor has prepared a special assessment roll for the purpose of specially assessing that portion of the cost of the public improvements more particularly hereinafter described to the properties specially benefited by said public improvement, and the same has been presented to the Council by the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll is hereby accepted and shall be filed in the office of the City Clerk for public examination.
2. The Council shall meet at the Owosso City Hall, Owosso, Michigan at 7:30 o'clock p.m., on Tuesday, February 18, 2020 for the purpose of hearing all persons interested in said special assessment roll and reviewing the same.
3. The City Clerk is directed to publish the notice of said hearings once in the *Argus Press*, the official newspaper of the City of Owosso, not less than ten (10) days prior to said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of the property subject to assessment, as indicated by the records in the City Assessor's office as shown on the general tax rolls of the City, at least ten (10) days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
4. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF HEARING
TO REVIEW SPECIAL ASSESSMENT ROLL
CITY OF OWOSSO, COUNTY OF SHIAWASSEE, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

CLARK AVENUE, A PUBLIC STREET, FROM OLIVER STREET TO KING STREET

TAKE NOTICE that a Special Assessment roll has been prepared for the purpose of defraying the Special Assessment district's share of the cost of the following described improvements:

STREET RESURFACING

The said Special Assessment roll is on file for public examination with the City Clerk and any objections to said Special Assessment roll must be filed in writing with the City Clerk prior to the close of the hearing to review said Special Assessment roll.

TAKE FURTHER NOTICE that appearance and protest at this hearing is required in order to appeal the amount of the special assessment to the State Tax Tribunal if an appeal should be desired. A property owner or party in interest, his or her agent, may appear in person at the hearing to protest the special assessment or may file his or her appearance by letter and his or her personal appearance shall not be required. The property owner or any person having an interest in the property subject to the proposed special assessments may file a written appeal of the special assessment with the State Tax Tribunal within thirty days after confirmation of the special assessment roll if that special assessment was protested at this hearing.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall, Owosso, Michigan at 7:30 p.m. on Tuesday, February 18, 2020 for the purpose of reviewing said special assessment roll and for the purpose of considering all objections to said roll submitted in writing.

Boards and Commissions Appointments. Approve the following Mayoral Boards and Commissions appointments:

Name	Board/Commission	Term Expires
Gary Wilson	Historical Commission	12-31-2022
David Acton*	Historical Commission	12-31-2022
Tara Jenkins	Planning Commission	06-30-2022

* indicates reappointment

Emergency Purchase Authorization – WTP Variable Frequency Drive. Authorize emergency purchase of one variable frequency drive for the WTP from Peerless Midwest, Inc. in the amount of \$18,725.00 and further authorize payment to the vendor upon satisfactory delivery of the equipment as detailed below:

RESOLUTION NO. 17-2020

AUTHORIZING EMERGENCY PURCHASE OF ONE VARIABLE FREQUENCY DRIVE (VFD) CONTROLLER FROM PEERLESS MIDWEST, INC. FOR USE AT THE WATER TREATMENT PLANT

WHEREAS, the City of Owosso, Shiawassee County, Michigan, is required to maintain a constant supply of water to its city and regional customers in accordance with state and federal regulatory requirements, and

WHEREAS, the ability to pump and deliver treated water on demand to customers is compromised when specialized regulating equipment becomes inoperable, and

WHEREAS, one of the existing variable frequency drives is near failure due to wear and it has been determined that immediate replacement is required, and

WHEREAS, the City Director of Public Services and Utilities has reviewed the necessity for the purchase of a replacement VFD and recommends authorizing Peerless Midwest, Inc. to provide this specialized VFD equipment in the amount of \$18,725.00.

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 waive the competitive solicitation process and enter into an emergency purchase order with Peerless Midwest, Inc. for a replacement VFD controller in the amount of \$18,725.00.

SECOND: The accounts payable department is authorized to submit payment to Peerless Midwest, Inc. an amount not to exceed \$18,725.00 upon satisfactory delivery and installation of said equipment.

THIRD: The above expenses shall be paid from account no. 591-553-833.000.

Bid Award – 2020 Street Program & 2020 DWRP Water Main Project - Contract No. 1.

Approve the low bid of Crawford Contracting, Inc. for the combined 2020 Street Program and 2020 DWRP Water Main Project - Contract No. 1 (North Street & Summit Street) in the amount of \$2,372,642.21, authorize a contingency amount of \$50,000.00 for City field staff adjustments on the street program, further authorize a contingency amount of \$27,000.00 for City field staff adjustments on the water main project, approve payment up to the contract amount plus the contingency (with prior written approval) upon satisfactory completion of the work or portion thereof, and further approve the required DWRP bid award resolution as detailed below:

RESOLUTION NO. 18-2020

**AUTHORIZING THE EXECUTION OF A CONTRACT WITH
CRAWFORD CONTRACTING, INC. FOR
THE 2020 STREET PROGRAM AND 2020 DRINKING WATER REVOLVING
FUND (DWRP) WATER MAIN REPLACEMENT PROJECT – CONTRACT 1**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, has determined that it is in the best interest of the public to replace water main and perform pavement improvements along portions of Summit Street and North Street as set forth in the contract documents; and

WHEREAS, the city has applied for Drinking Water Revolving Fund funds to facilitate undertaking of the water main portion of the project; and

WHEREAS, the city of Owosso sought bids for the 2020 Street Program and 2020 DWRP Water Main Replacement Project - Contract No. 1, and a bid was received from Crawford Contracting, Inc. and it is hereby determined that Crawford Contracting, Inc. is qualified to provide such services and that it has submitted the lowest responsible and responsive bid.

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 employ Crawford Contracting, Inc. for the 2020 Street Program and 2020 DWRP Water Main Replacement Project - Contract No. 1.
- SECOND: The mayor and city clerk are instructed and authorized to sign the document substantially in the form attached as Exhibit A, Contract for Services Between the city of Owosso, Michigan and Crawford Contracting, Inc. in the amount of \$2,372,642.21.
- THIRD: The attached resolution entitled "A Resolution to Tentatively Award a Construction Contract for Water System Improvements" documenting the bid award is hereby approved.
- FOURTH: The accounts payable department is authorized to pay Crawford Contracting, Inc. for work satisfactorily completed for street construction and rehabilitation up to the bid contract amount of \$1,486,649.21, plus a contingency in an amount not to exceed \$50,000.00 for city staff field adjustments.
- FIFTH: The accounts payable department is further authorized to pay Crawford Contracting, Inc. for work satisfactorily completed for water main construction up to the bid contract amount of \$885,993.00, plus a contingency in an amount not to exceed \$27,000.00 for city staff field adjustments.
- SIXTH: The above expenses shall be paid from the 2016 Unlimited Obligation Bond Proceeds Account Nos. 202-451-818.000-ENORTH19 (\$968,872.51) and 203-451-818.000-SUMMITST19 (\$517,776.70), and water fund Account Nos. 591-901-972.000-ENORTHST19 (\$482,275.50) and 591-901-972.000-SUMMITST19 (\$403,717.50).

RESOLUTION NO. 19-2020

**A DWRP RESOLUTION
TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT
FOR WATER SYSTEM IMPROVEMENTS**

WHEREAS, the City of Owosso wishes to construct improvements to its existing water treatment and distribution system; and

WHEREAS, the water system improvements project formally adopted on November 18, 2019 will be funded through the state of Michigan's Drinking Water Revolving Loan Fund (DWRP) program; and

WHEREAS, the City of Owosso has sought and received construction bids for the proposed improvements and has received a low bid in the amount of \$885,993.00 from Crawford Contracting, Inc.; and

WHEREAS, the City's Engineer, Randy Chesney, P.E., has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of Owosso tentatively awards the contract for construction of the proposed water system improvements project to Crawford Contracting, Inc., contingent upon successful financial arrangements with the DWRP.

Bid Award – 2020 Street Program & 2020 DWRF Water Main Project - Contract No. 2.

Approve the low bid of McGuirk Sand & Gravel, Inc. for the combined 2020 Street Program and 2020 DWRF Water Main Project - Contract No. 2 (Clark Avenue & Cedar Street) in the amount of \$1,232,311.30, authorize a contingency amount of \$50,000.00 for City field staff adjustments on the street program, further authorize a contingency amount of \$27,000.00 for City field staff adjustments on the water main project, approve payment up to the contract amount plus the contingency (with prior written approval) upon satisfactory completion of the work or portion thereof, and further approve the required DWRF bid award resolution as detailed below:

RESOLUTION NO. 20-2020

**AUTHORIZING THE EXECUTION OF A CONTRACT WITH
MCGUIRK SAND & GRAVEL, INC. FOR
THE 2020 STREET PROGRAM AND 2020 DRINKING WATER REVOLVING
FUND (DWRF) WATER MAIN REPLACEMENT PROJECT – CONTRACT 2**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, has determined that it is in the best interest of the public to replace water main and perform pavement improvements along portions of Cedar Street and Clark Avenue as set forth in the contract documents; and

WHEREAS, the city has applied for Drinking Water Revolving Fund funds to facilitate undertaking of the water main portion of the project; and

WHEREAS, the city of Owosso sought bids for the 2020 Street Program and 2020 DWRF Water Main Replacement Project - Contract No. 2, and a bid was received from McGuirk Sand & Gravel, Inc. and it is hereby determined that McGuirk Sand & Gravel, Inc. is qualified to provide such services and that it has submitted the lowest responsible and responsive bid.

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 employ McGuirk Sand & Gravel, Inc. for the 2020 Street Program and 2020 DWRF Water Main Replacement Project - Contract No. 2.
- SECOND: The mayor and city clerk are instructed and authorized to sign the document substantially in the form attached as Exhibit A, Contract for Services Between the city of Owosso, Michigan and McGuirk Sand & Gravel, Inc. in the amount of \$1,232,311.30.
- THIRD: The attached resolution entitled "A Resolution to Tentatively Award a Construction Contract for Water System Improvements" documenting the bid award is hereby approved.
- FOURTH: The accounts payable department is authorized to pay McGuirk Sand & Gravel, Inc. for work satisfactorily completed for street construction and rehabilitation portion up to the bid contract amount of \$763,102.90, plus a contingency in the amount not to exceed \$50,000.00 for city staff field adjustments.
- FIFTH: The accounts payable department is authorized to pay McGuirk Sand & Gravel, Inc. for work satisfactorily completed for water main construction portion up to the bid contract amount of \$469,208.40, plus a contingency in the amount not to exceed \$27,000.00 for city staff field adjustments.
- SIXTH: The above expenses shall be paid from the 2016 Unlimited Obligation Bond Proceeds Account Nos. 202-451-818.000-SCEDARST19 (\$493,512.80) and 203-451-818.000-CLARKAVE19 (\$269,590.10), and water fund Account Nos. 591-901-972.000-SCEDARST19 (\$270,127.10) and 591-901-972.000-CLARKAVE19 (\$199,081.30).

RESOLUTION NO. 21-2020

**A DWRF RESOLUTION
TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT
FOR WATER SYSTEM IMPROVEMENTS**

WHEREAS, the City of Owosso wishes to construct improvements to its existing water treatment and distribution system; and

WHEREAS, the water system improvements project formally adopted on November 18, 08.4; and

WHEREAS, the City of Owosso has sought and received construction bids for the proposed improvements and has received a low bid in the amount of \$469,208.40 from McGuirk Sand & Gravel, Inc.; and

WHEREAS, the City's Engineer, Randy Chesney, P.E., has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of Owosso tentatively awards the contract for construction of the proposed water system improvements project to McGuirk Sand & Gravel, Inc., contingent upon successful financial arrangements with the DWRf.

Bid Award – 2020 DWRf Water Main Project – Contract No. 3. Approve the low bid of Crawford Contracting, Inc. for the 2020 DWRf Water Main Project - Contract No. 3 (water mains only) in the amount of \$386,690.95, authorize a contingency amount of \$20,000.00 for City field staff adjustments, approve payment up to the contract amount plus the contingency (with prior written approval) upon satisfactory completion of the work or portion thereof, and further approve the required DWRf bid award resolution as follows:

RESOLUTION NO. 22-2020

**AUTHORIZING THE EXECUTION OF A CONTRACT WITH
CRAWFORD CONTRACTING, INC. FOR
THE 2020 DRINKING WATER REVOLVING FUND (DWRf) WATER MAIN
REPLACEMENT PROJECT – CONTRACT 3**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, has determined that it is in the best interest of the public to replace water main and perform pavement improvements along portions of Cleveland Street, Lafayette Boulevard, Morris Street and Robbins Street as set forth in the contract documents; and

WHEREAS, the city has applied for Drinking Water Revolving Fund funds to facilitate the undertaking of the project; and

WHEREAS, the city of Owosso sought bids for the 2020 DWRf Water Main Replacement Project - Contract No. 3, and a bid was received from Crawford Contracting, Inc. and it is hereby determined that Crawford Contracting, Inc. is qualified to provide such services and that it has submitted the lowest responsible and responsive bid.

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 employ Crawford Contracting, Inc. for the 2020 DWRf Water Main Replacement Project - Contract No. 3.
- SECOND: The mayor and city clerk are instructed and authorized to sign the document substantially in the form attached as Exhibit A, Contract for Services Between the city of Owosso, Michigan and Crawford Contracting, Inc. in the amount of \$386,690.95.
- THIRD: The attached resolution entitled "A Resolution to Tentatively Award a Construction Contract for Water System Improvements" documenting the bid award is hereby approved.
- FOURTH: The accounts payable department is authorized to pay Crawford Contracting, Inc. for work satisfactorily completed for water main construction up to the bid contract amount of \$386,690.95, plus a contingency in the amount not to exceed \$20,000.00 for city staff field adjustments.
- FIFTH: The above expenses shall be paid from the 2016 Unlimited Obligation Bond Proceeds Account Nos. 591-901-972.000-CLEVELANDS (\$163,975.35); 591-901-972.000-LAFAYETTEB (\$120,653.88); 591-901-972.000-MORRISST20 (\$53,425.91); and 591-901-972.000-ROBBINSSTR (\$48,635.81).

RESOLUTION NO. 23-2020

**A DWRf RESOLUTION
TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT
FOR WATER SYSTEM IMPROVEMENTS**

WHEREAS, the City of Owosso wishes to construct improvements to its existing water treatment and distribution system; and

WHEREAS, the water system improvements project formally adopted on November 18, 08.4; and

WHEREAS, the City of Owosso has sought and received construction bids for the proposed improvements and has received a low bid in the amount of \$386,690.95 from Crawford Contracting, Inc.; and

WHEREAS, the City's Engineer, Randy Chesney, P.E., has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of Owosso tentatively awards the contract for construction of the proposed water system improvements project to Crawford Contracting, Inc., contingent upon successful financial arrangements with the DWRF.

Bid Award – 2020 WTP Improvements Contract. Approve the low bid of J.F. Cavanaugh Company for the 2020 Water Treatment Plant Improvements project in the amount of \$896,000.00, authorize a contingency amount of \$35,000.00 for City field staff adjustments, approve payment up to the contract amount plus the contingency (with prior written approval) upon satisfactory completion of the work or portion thereof, and further approve the required DWRF bid award resolution as shown below:

RESOLUTION NO. 24-2020

**AUTHORIZING CONTRACT AGREEMENT WITH J.F. CAVANAUGH COMPANY
FOR PROVISION AND INSTALLATION OF BACKWASH PUMPS AND 16-INCH HIGH
SERVICE PIPING AT THE WATER TREATMENT FACILITY**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, has budgeted from the Water Capital Replacement Fund for the replacement of backwash pumps and 16-inch high service piping, and

WHEREAS, these replacement projects were approved by city council on November 18, 2019 as a 2020 Drinking Water Revolving Fund (DWRF) Program project, and

WHEREAS, the City of Owosso Director of Public Services and Utilities has reviewed the Bid proposals and verified the required replacement of the backwash pumps and 16-inch high service piping as necessary and in the best interest of the city of Owosso, and

WHEREAS, J.F. Cavanaugh Company of Farmington Hills, Michigan has provided the low responsive and responsible bid in the amount of \$896,000.00, and is considered qualified to perform such installation services at the Water Treatment Facility.

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 J.F. Cavanaugh Company for the purchase and installation of backwash pumps and high service piping and associated appurtenances required to complete the contract replacements.
- SECOND: The mayor and city clerk are instructed and authorized to sign the document substantially in the form attached as Exhibit A, Contract for Services Between the city of Owosso, Michigan and J.F. Cavanaugh Company in the amount of \$896,000.00.
- THIRD: The attached resolution entitled "A Resolution to Tentatively Award a Construction Contract for Water System Improvements" documenting the bid award is hereby approved.
- FOURTH: The accounts payable department is authorized to submit payment to J.F. Cavanaugh Company for purchased equipment and installation services in the amount of \$896,000.00, plus a contingency amount of \$35,000.00 with prior written approval, for a total of \$931,000.00.
- FIFTH: The above expenses shall be paid from account no. 591-901-972.000.

RESOLUTION NO. 25-2020

**A DWRF RESOLUTION
TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT
FOR WATER SYSTEM IMPROVEMENTS**

WHEREAS, the City of Owosso wishes to construct improvements to its existing water treatment and distribution system; and

WHEREAS, the water system improvements project formally adopted on November 18, 08.4; and

WHEREAS, the City of Owosso has sought and received construction bids for the proposed improvements and has received a low bid in the amount of \$896,000.00 from J.F. Cavanaugh Company; and

WHEREAS, the City's Engineer, Randy Chesney, P.E., has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of Owosso tentatively awards the contract for construction of the proposed water system improvements project to J.F. Cavanaugh Company, contingent upon successful financial arrangements with the DWRF.

Warrant No. 580. Authorize Warrant No. 580 as follows:

Vendor	Description	Fund	Amount
Michigan Municipal League Workers' Compensation Fund Inc.	Worker's Compensation Insurance- 4 of 4 installments for FY 19/20	Various	\$27,947.00

Motion supported by Councilmember Law.

Roll Call Vote.

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

NAYS: None.

ITEMS OF BUSINESS

Property Lease – Tillable Acreage, 10 Acres

City Manager Henne noted that this marks the renewal of an existing agreement.

Motion by Councilmember Pidek to approve the resolution authorizing the lease of approximately 10 acres of city owned tillable land near Hopkins Lake to Shawnee Creek Farms for \$500.00 per year for a period of five years as follows:

RESOLUTION NO. 26-2020

AUTHORIZING A CROP FARMING CASH RENT AGREEMENT WITH MATT DUTCHER AND KEVIN DUTCHER D/B/A SHAWNEE CREEK FARMS

WHEREAS, the city of Owosso, Michigan ("City") is a municipal corporation organized under the provisions of the Home Rule City Act, Public Act 279 of 1909, as amended, and is governed by the provisions of the Owosso City Charter adopted April 6, 1964, as amended ("Charter"); and

WHEREAS, Matt and Kevin Dutcher, doing-business-as Shawnee Creek Farms, have expressed an interest in leasing certain tillable acreage near Hopkins Lake for a five-year period; and

WHEREAS, the twenty-one day posting period required by Charter Section 14.3(b)(2) has expired without comment or counter-offer; and

WHEREAS, Charter Section 14.1 (a) provides that the power to make and to authorize the making of contracts on behalf of the city is vested in the city council and shall be exercised according to the provisions of law.

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 as owner of property that is suitable for farming that a cash rent agreement for such land be leased to Matt Dutcher and Kevin Dutcher d/b/a Shawnee Creek Farms which farms adjacent land.
- SECOND: the city council approves a farming agreement with Matt Dutcher and Kevin Dutcher d/b/a Shawnee Creek Farms, attached as Exhibit A, which provides for \$500.00 rent annually for the 2020-2024 crop years.
- THIRD: that the mayor and the city clerk are hereby instructed and authorized to sign the

document attached as Exhibit A, on behalf of the city of Owosso.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

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

NAYS: None.

Downtown Parking Amendments – Lot Nos. 5 & 6

City Manager Henne noted that in an effort to respond to the constantly changing parking needs in the downtown the DDA/OMS Board proposed increasing the time limit in Lot Nos. 5 & 6 from four hours to twelve hours.

Motion by Mayor Pro-Tem Osika to approve amending Traffic Control Order Nos. 1171.3 and 1172.3 for Lot Nos. 5 and 6 in the downtown increasing the time limit from four hours to twelve.

Motion supported by Councilmember Pidek.

Roll Call Vote.

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

NAYS: None.

Ordinance Adoption – Bonding for DWRP Financing

Finance Director Cheryl A. Grice explained to Council that this is a normal step in the process to issue revenue bonds under PA 94 of 1933. The bonds in question are required as part of the City's DWRP loan.

Motion by Councilmember Bailey to adopt the following ordinance to authorize and provide for the issuance of revenue bonds for DWRP financing of the cost of acquisition and construction of improvements to the City's water supply system under the provisions of Act 94, Public Acts of Michigan, 1933, as amended:

**CITY OF OWOSSO
ORDINANCE NO. 805**

AN ORDINANCE SUPPLEMENTING ORDINANCE NO. 614 AND ORDINANCE NO. 736 TO PROVIDE FOR THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE CITY OF OWOSSO; TO PROVIDE FOR THE ISSUANCE OF THE SERIES 2020 REVENUE BOND AS AN ADDITIONAL BOND UNDER ORDINANCE NO. 614; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SERIES 2020 REVENUE BOND

THE CITY OF OWOSSO ORDAINS:

SECTION 1. Definitions. All terms not defined herein shall have the meanings set forth in Ordinance No. 614, and whenever used in this ordinance, except when otherwise indicated by the context, the following terms when capitalized shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Additional Bonds" shall mean Bonds, including Bonds of prior and senior or equal standing and priority of lien with the Series 2012 Bond and the Series 2020 Bond, issued under Ordinance No. 614.
- (c) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the City in lieu of taxes, to which may be made the following adjustments.
 - (i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of Additional Bonds or to be placed into effect before the time principal or interest on the Additional Bonds becomes payable from Revenues as

applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

- (ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid (a) as a result of new customers who have been identified by an agreement to purchase service from the System who had not been serviced during the preceding twelve months or (b) as a result of any other new customer or expansion of service to any existing customers or (c) as a result of potential customers which exist in a new service area who will be serviced by the acquisition of the repairs, extensions, enlargements and improvements to said System which have been made during the preceding twelve months or which will be acquired in whole or in part from the proceeds of Additional Bonds.
- (iii) If there is a bond reserve account to be funded from the proceeds of Additional Bonds, then the Revenues may be augmented by an amount equal to the investment income representing interest on investments estimated to be received each operating year from the addition to the bond reserve account to be funded from the proceeds of the Additional Bonds being issued.

The adjustment of revenues and expenses by the factors set forth in (i), (ii) and (iii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the City.

- (d) "Authorized Officer" means the Finance Director of the City or, in the event that the Finance Director is not available at the time that it becomes necessary to take actions directed or authorized under this Ordinance, the City Manager or a person designated by the Finance Director or the City Manager.
- (e) "Bonds" means the Series 2012 Bond, the Series 2020 Bond, and any Additional Bonds of equal or prior standing hereafter issued under Ordinance No. 614.
- (f) "City" means the City of Owosso, County of Shiawassee, State of Michigan.
- (g) "EGLE" means the Michigan Department of Environment, Great Lakes and Energy, or any successor agency which administers loans from the Michigan Drinking Water Revolving Fund (DWRF).
- (h) "Ordinance" refers collectively to Ordinance No. 614 adopted by the Council on June 3, 2002, Ordinance No. 736 adopted by the Council on July 16, 2012, this ordinance, and any other ordinance amendatory to or supplemental to Ordinance No. 614.
- (i) "Outstanding Bonds" means, as of any given date, the Series 2012 Bond, Series 2020 Bond, and any Additional Bonds of equal or prior standing hereafter issued and delivered under this Ordinance except:
 - (i) Bonds (or portions of Bonds) paid off at or prior to such date;
 - (ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys or Sufficient Government Obligations equal to the principal amount or redemption price, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Ordinance and set aside for such payment or redemption (whether at or prior to the maturity or redemption date) provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in the Bond or provision shall have been made for the giving of such notice; and
 - (iii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered.
- (j) "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues" the earnings derived from the investment of moneys in the various funds and accounts established by Ordinance No. 614.
- (k) "Series 2012 Bond" means the Water Supply System Revenue Refunding Bond, Series 2012 dated August 8, 2012, authorized by Ordinance No. 614 and Ordinance No. 736.
- (l) "Series 2020 Bond" means the Water Supply System Revenue Bond, Series 2020 authorized by Ordinance No. 614 and this ordinance.
- (m) "Series 2020 Project" means the improvements to the City's Water Supply System including, but not limited to, replacement of water mains and acquisition and construction of improvements and repairs to the water treatment plant, together with any appurtenances and attachments and any related site improvements.
- (n) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes

due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any Bond is to be called for redemption prior to maturity, irrevocable instructions to call the Bond for redemption shall be given.

- (o) "System" means the entire Water Supply System of the City including the facilities acquired and constructed with the proceeds of the Series 2020 Bond, and such other facilities as are now existing including all appurtenances, enlargements, extensions, repairs and improvements thereto hereafter made.

SECTION 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Series 2020 Project in accordance with the plans and specifications prepared by the City's consulting engineers, which plans and specifications are hereby approved.

SECTION 3. Costs; Useful Life. The cost of the Series 2020 Project is estimated to be not-to-exceed Three Million Four Hundred Ninety-Five Thousand Dollars (\$3,495,000) including the payment of incidental expenses as specified in Section 4 of this ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Series 2020 Project is estimated to be not less than twenty-five (25) years.

SECTION 4. Payment of Project Cost; Series 2020 Bond Authorized, Conditions Permitting Issuance of Additional Bonds. To pay the cost of acquiring and constructing the Series 2020 Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2020 Bond, the City shall borrow a sum of not-to-exceed Three Million Four Hundred Ninety-Five Thousand Dollars (\$3,495,000), as finally determined by the Authorized Officer at the time of sale of the Series 2020 Bond, and issue its Series 2020 Bond pursuant to the provisions of Act 94. The remaining cost of the Series 2020 Project, if any, shall be defrayed from City funds on hand and legally available for such use.

The Council hereby determines that if the Series 2020 Bond is issued within the parameters of this ordinance with a true interest cost of 2.00% or less, then the Adjusted Net Revenues of the System for the last two (2) preceding twelve-month operating years ending June 30, 2019 shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest maturing in any operating year on the Outstanding Bond (the Series 2012 Bond) and the Series 2020 Bond, as required by Section 21 subparagraph (b) of Ordinance No. 614 for the issuance of Additional Bonds.

The Council hereby determines that the City is not in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund established by Ordinance No. 614.

Therefore, Council hereby finds that the conditions of the Ordinance for the issuance of the Series 2020 Bond as an Additional Bond have been met.

SECTION 5. Issuance of Series 2020 Bond; Details. The Series 2020 Bond shall be designated as the "WATER SUPPLY SYSTEM REVENUE BOND, SERIES 2020." The Series 2020 Bond shall be payable solely out of the Net Revenues and other moneys pledged under this Ordinance, and shall not be a general obligation of the City. The Series 2020 Bond shall constitute an Additional Bond as defined in the Ordinance and shall have equal standing and priority of lien as to the Net Revenues of the System with the outstanding Series 2012 Bond.

The Series 2020 Bond shall be issued in the form of one or more fully-registered, nonconvertible bonds, dated as of the date of delivery, payable in annual principal installments in the amounts and on the dates as determined by the order of the EGLE and approved by the Michigan Finance Authority and the Authorized Officer, provided that the final payment on the Series 2020 Bond shall occur within the period of usefulness of the Series 2020 Project as set forth in Section 3 of this ordinance. Final determination of the Principal Amount and the payment dates and amounts of principal installments of the Series 2020 Bond shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the City and the Michigan Finance Authority providing for sale of the Series 2020 Bond, and the Authorized Officer is authorized and directed to execute and deliver the Purchase Contract.

The Series 2020 Bond shall bear interest at a rate or rates to be determined by the Authorized Officer at the time of execution of the Purchase Contract, but in any event not exceeding the maximum amount permitted by law, payable semiannually on the dates as determined in the Purchase Contract. In addition, if required by the Michigan Finance Authority, the Series 2020 Bond will bear additional interest, under the terms required by Michigan Finance Authority, in the event of a default by the City in the payment of principal or interest on the Series 2020 Bond when due. The Series 2020 Bond principal amount is expected to be drawn down by the City periodically, and interest on each installment of the principal amount shall accrue from the date such principal installment is drawn down by the City. Principal installments of the Series 2020 Bond will be subject to prepayment prior to maturity as permitted by the Michigan Finance Authority and approved by the Authorized Officer.

The Mayor and City Clerk are authorized to execute the Series 2020 Bond by manual or facsimile signature. At least one signature on the Series 2020 Bond shall be a manual signature. The Series 2020 Bond may be transferred by the bondholder as provided in the Series 2020 Bond as executed.

SECTION 6. Payment of Series 2020 Bond; Security. The Series 2020 Bond and the interest thereon shall be payable solely and only from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall continue until payment in full of the principal of and interest on the Series 2020 Bond, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of the principal of and interest on the Series 2020 Bond to maturity, or, if called for redemption, to the date fixed for redemption, together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to the Series 2020 Bond, the holder of the Series 2020 Bond shall have no further rights under this Ordinance except for payment from the deposited funds, and the Series 2020 Bond shall be considered to be defeased and shall no longer be considered to be outstanding under this Ordinance.

SECTION 7. State Revenue Sharing Pledge. If required by the Michigan Finance Authority, as additional security for repayment of the Series 2020 Bond, the City Council agrees to pledge the state revenue sharing payments that the City is eligible to receive from the State of Michigan under Act 140, Public Acts of Michigan, 1971, as amended, to the Michigan Finance Authority as purchaser and holder of the Series 2020 Bond. The Authorized Officer is authorized to execute and deliver a revenue sharing pledge agreement between the City and the Michigan Finance Authority.

SECTION 8. Fixing and Revising Rates; Rate Covenant. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. It is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, and to provide for all other obligations, expenditures and funds for the System required by law including, specifically to provide for payment of principal of, interest, and premium, if any, on the Bonds.

The rates and charges for operation, maintenance, replacement and administration hereby established shall be based upon a methodology which complies with the applicable federal and state statutes and regulations. The amount of the rates and charges shall be sufficient to provide for debt service and for the expenses of operation, maintenance, replacement and administration of the system as necessary to preserve the same in good repair and working order. The amount of the rates and charges shall be reviewed annually and revised when necessary to ensure system expenses are met and that all users pay their proportionate share of operation, maintenance, equipment replacement and administration expenses.

SECTION 9. Applicability of the Ordinances. Except to the extent supplemented or otherwise provided in this ordinance, all of the provisions and covenants provided in Ordinance No. 614 shall apply to the Series 2020 Bond issued pursuant to provisions of this ordinance, such provisions of the Ordinance being made applicable to the Series 2020 Bond herein authorized, the same as though the Series 2020 Bond was originally authorized and issued as a part of the Outstanding Bonds issued pursuant to Ordinance No. 614.

SECTION 10. Bond Proceeds. The proceeds of the sale of the Series 2020 Bond as received by the City shall be deposited in an account separate from other money of the City and held in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94 designated "2020 DWRP PROJECT CONSTRUCTION FUND" (the "2020 Construction Fund"). Moneys in the 2020 Construction Fund shall be applied solely in payment of the cost of the Series 2020 Project including any engineering, legal and other expenses incident thereto and to the costs of issuance of the Series 2020 Bond. Any balance remaining in the 2020 Construction Fund after completion of the Series 2020 Project may be used for any other improvements to the System if such use is permitted by state law and will not cause the interest on the Series 2020 Bond to be included in gross income for federal income tax purposes within the meaning of the Internal Revenue Code. Any remaining balance shall be paid into the Redemption Fund and used as permitted by state law.

SECTION 11. Revenue Bond Form. The Series 2020 Bond shall be in substantially the following form subject to such changes, including references to additional security, as may be required by the Michigan Finance Authority:

[FORM OF BOND TO BE COMPLETED AFTER BOND SALE]

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SHIAWASSEE
CITY OF OWOSSO
WATER SUPPLY SYSTEM REVENUE BOND, SERIES 2020

Registered Owner: Michigan Finance Authority

Principal Amount: [amount]

Date of Original Issue: [date]

The CITY OF OWOSSO, County of Shiawassee, State of Michigan (the "City" or the "Issuer"), for value received, acknowledges itself to owe, and for value received hereby promises to pay, but only out of the hereinafter described Net Revenues of the City's Water Supply System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy, in lawful money of the United States of America, unless prepaid prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the City under this bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule I attached hereto and made a part hereof, as Schedule I may be adjusted if less than \$[amount] is disbursed to the City, with interest on the principal installments from the date each installment is delivered to the holder hereof until paid at the rate of 2.00% per annum. Interest is first payable on [date], and semiannually thereafter, and principal is payable on the first day of [month] commencing [date] (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at [Bank], or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of its Water Supply System, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created. This bond is of equal standing and priority of lien as to the Net Revenues of the System with the City's Water Supply System Revenue Refunding Bond, Series 2012 dated August 8, 2012.

This bond is a single, fully-registered, non-convertible bond issued in the Principal Amount pursuant to Ordinance No. 614 and Ordinance No. [XX] duly adopted by the City Council of the City (the "Ordinance"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of acquiring and constructing improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance. The Ordinance is on file at the office of the City Clerk and reference is made to the Ordinance and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94 for a more complete description of the pledges and covenants securing this bond, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owner of this bond with respect thereto and the terms and conditions upon which this bond is issued and may be issued thereunder.

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST, SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE ORDINANCE. THE PRINCIPAL AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The City has reserved the right, on the conditions stated in the Ordinance, to issue additional bonds of prior and senior or equal standing and priority of lien with this bond as to the Net Revenues.

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds payable from the Net Revenues of the System, as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the City, duly executed by the registered owner or the registered owner's attorney, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City, by its City Council, has caused this bond to be executed by its Mayor and its City Clerk and the corporate seal or a facsimile to be impressed or printed hereon, all as of the Date of Original Issue.

CITY OF OWOSSO
By _____ [Mayor to sign bond]
Mayor

(seal)
Countersigned:
Its _____ [City Clerk to sign bond]
City Clerk

Name of Issuer: City of Owosso
Project No.: DWRP 7457-01
Approved Amt: \$[amount]

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the "Order") approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
----------	--

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date such portion is disbursed, until paid, at the rate of 2.00% per annum, payable [date], and semi-annually thereafter.

The Issuer agrees that it will deposit with [Bank], or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

* Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

SECTION 12. General Covenants. The City covenants and agrees with the holders of the Bonds that as long as any of the Bonds remain Outstanding and unpaid as to either principal or interest:

- (a) The City will cause the Series 2020 Project to be acquired and constructed promptly and in accordance with the plans and specifications therefor.
- (b) The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Series 2020 Bond from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, and to prevent the Series 2020 Bond from being or becoming a "private activity bond" as that term is used in Section 141 of the Internal Revenue Code.

SECTION 13. Conditions Permitting Issuance of Senior or Prior Lien Bonds. The City reserves the right to issue Additional Bonds of senior or prior standing and priority of lien on the Net Revenues of the System (the "Senior Lien Bonds"). If Senior Lien Bonds are issued, then Net Revenues of the System would be used first to pay debt service on the Senior Lien Bonds prior to providing for payment of the Series 2020 Bond and Series 2012 Bond.

SECTION 14. Negotiated Sale; Application to EGLE and Michigan Finance Authority. The City Council has considered the option of selling the Series 2020 Bond through a competitive sale and a negotiated sale and determines that it is in the best interest of the City to negotiate the sale of the Series 2020 Bond to the Michigan Finance Authority because the State Revolving Fund financing program provides significant savings to the City compared to competitive sale in the municipal bond market. The Authorized Officer and the Public Utilities Director are authorized to apply to the Michigan Finance Authority and to the EGLE for placement of the Series 2020 Bond with the Michigan Finance Authority. The actions taken by the Authorized Officer and the Public Utilities Director with respect to the Series 2020 Bond prior to the adoption of this ordinance are ratified and confirmed. The Authorized Officer and/or the Public Utilities Director are authorized to sell the Series 2020 Bond to the Michigan Finance Authority and to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate in the forms provided by the Michigan Finance Authority. The Authorized Officer and the Public Utilities Director are further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2020 Bond for the State Revolving Fund program.

SECTION 15. Approval of Bond Details. The Authorized Officer is authorized to determine final bond details for the Series 2020 Bond to the extent necessary or convenient to complete the transaction authorized by this ordinance, to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of

issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters.

SECTION 16. Repeal, Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.

SECTION 17. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. The paragraph headings in this ordinance are furnished for convenience of reference only and shall not be considered to be part of this ordinance.

SECTION 18. Publication and Recordation. This Ordinance shall be published in full in the *Argus-Press* or other newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the City and such recording authenticated by the signatures of the Mayor and the City Clerk.

SECTION 19. Effective Date. This Ordinance is hereby determined to be immediately necessary for the preservation of the peace, health and safety of the residents of the City, and is adopted to provide for the adequate operation of the System, which was established under Act 94 and therefore, pursuant to Section 6 of said Act 94, shall be in full force and effect from and after its passage and publication as required by law.

Adopted and signed this 3rd day of February, 2020.

Motion supported by Councilmember Fear.

Roll Call Vote.

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

NAYS: None.

Strike Delinquent Personal Property Taxes

Councilmember Bailey said she was happy to see that the amount proposed for write-off was a small percentage of what was originally owed.

Motion by Councilmember Bailey to approve the following resolution authorizing the removal of \$2,490.63 in delinquent personal property taxes from the City tax rolls for years 2010-2013 due to uncollectibility and further authorize the City Treasurer to proceed with the procedure to strike taxes from the appropriate tax rolls for said years:

RESOLUTION NO. 27-2020

AUTHORIZING THE WRITE OFF OF 2010-2013 DELINQUENT PERSONAL PROPERTY TAXES

WHEREAS, delinquent personal property taxes for businesses that were located in the City remain outstanding for the 2010-2013 tax years; and

WHEREAS, per public Act 206 of the State of Michigan, delinquent personal property taxes that have been outstanding for five years may be written off; and

WHEREAS, the Treasurer's office has made a diligent attempt to collect the outstanding balances and believe that the delinquent amounts will not be recovered; and

WHEREAS, the Treasurer's office is requesting City Council to approve the write off of \$2,490.63 in delinquent 2010-2013 personal property ad valorem taxes.

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 authorize the write off of \$2,490.63 in delinquent personal property taxes.

SECOND: The Treasurer is authorized to proceed with the procedure to have these taxes stricken from the appropriate tax rolls.

Motion supported by Councilmember Law.

Roll Call Vote.

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

NAYS: None.

Fee Schedule Amendment – Marihuana Establishments & Facilities

Motion by Councilmember Pidek to amend the Fee Schedule adding an annual renewal fee for marihuana related establishments as follows:

RESOLUTION NO. 28-2020

**AUTHORIZING CHANGES TO THE FEE SCHEDULE
ADDING RECREATIONAL MARIHUANA ESTABLISHMENT FEES**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, wishes to adopt fees related to Adult Use Recreational Establishments to mitigate applications and administrative costs; and

WHEREAS, the City seeks to help defray administrative and enforcement costs associated with the operation of an adult use marihuana establishment through imposition of an annual, nonrefundable fee as listed on the City's Fee Schedule; and

WHEREAS, authority for the enactment of these provisions is set forth in the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq.

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

FIRST: the annual renewal fee for a marihuana related establishment or facility is set at \$5,000.00.

SECOND: said changes to be effective immediately.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

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

NAYS: None.

Capital Improvement Plan Adoption

Councilmember Fear noted that the Planning Commission was impressed with the level of planning and detail included in the plan.

Councilmember Pidek inquired whether there were any significant changes to this year's CIP. City Manager Henne indicated there were not, the plan was simply updated.

Motion by Councilmember Pidek to approve the 2020-2026 Capital Improvement Plan as adopted and recommended by the Planning Commission.

Motion supported by Councilmember Law.

Roll Call Vote.

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

NAYS: None.

COMMUNICATIONS

Joshua D. Adams, DDA/Main Street Director. Owosso Main Street 2020 IMPACT Report. Downtown Development Authority/Main Street. Minutes of January 8, 2020.

Downtown Historic District Commission. Minutes of January 15, 2020.
Planning Commission. Minutes of January 27, 2020.

CITIZEN COMMENTS AND QUESTIONS

Tom Manke, 2910 W. M-21, inquired about the status of the remaining medical marijuana provisioning centers, asking how long they had before they needed to open.

Randy Woodworth, 1110 Riverside Drive, noted that the old Trading Post will be a provisioning center and the center in Westtown is slowly working to improve their building. He went on to thank the Council for approving the OPRA exemption for his building at 114-116 W. Main Street. He also thanked them for taking time out to serve the community.

Larry Sullivan, 446 Abbott Street, said he was surprised to see the City out trimming trees recently.

Kevin Blair, attorney for Lume, asked if his client could take action to obtain the proper licenses and permissions between now and the effective date of the recreational marijuana establishments ordinance.

Eddie Urban, 601 Glenwood Avenue, said he has lived in Owosso all his life and it is a unique town with lots of positive things going on.

Mayor Pro-Tem Osika commended Woodworth Commercial representative Rick Hebert for the good job he did during the OPRA public hearing held at the last meeting. She went on to remind everyone that the Chocolate Walk will be held this Friday and should be a great event downtown.

Councilmember Bailey announced the chili dinner fund raiser being held for Community Cats at the VFW this Friday. She also noted the spay/neuter event scheduled for later in the week and this weekend's adoption event at Magoo's.

City Manager Henne answered Mr. Blair's question saying the company was free to do everything but open the store before the effective date of the recreational marijuana establishments ordinance.

Councilmember Fear noted that the process for conducting City business is important to her and she hoped that her "No" vote on the emergency ordinance would not be taken as an objection to marijuana businesses but it would be seen as her objection to the process for adopting the ordinance.

Mayor Eveleth thanked everyone at Memorial Healthcare Center for their care and service during his unexpected stay last weekend. He said the hospital is a great asset to the community.

NEXT MEETING

Tuesday, February 18, 2020

BOARDS AND COMMISSIONS OPENINGS

Brownfield Redevelopment Authority – County Representative – term expires 06-30-2020
Building Board of Appeals – Alternate - term expires June 30, 2022
Building Board of Appeals – Alternate - term expires June 30, 2021
Brownfield Redevelopment Authority – term expires June 30, 2022
Downtown Loan Committee – Bank Representative - term expires June 30, 2021
Historical Commission – 2 terms expire December 31, 2020
Planning Commission – term expires June 30, 2020
Planning Commission – term expires June 30, 2022

ADJOURNMENT

Motion by Councilmember Bailey for adjournment at 8:46 p.m.

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

Christopher T. Eveleth, Mayor

Amy K. Kirkland, City Clerk