

OWOSSO CITY COUNCIL

FEBRUARY 21, 2012

7:30 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

OPENING PRAYER: PASTOR JOHN WALWORTH
MEMORIAL HEALTHCARE SPIRITUAL DIRECTOR

PLEDGE OF ALLEGIANCE: STEVE STARR
LEADERSHIP SHIAWASSEE, CLASS OF 2012

PRESENT: Mayor Benjamin R. Frederick, Mayor Pro-Tem Cindy S. Popovitch, Councilpersons Loreen F. Bailey, Thomas B. Cook, Michael J. Erfourth, Christopher T. Eveleth and Burton D. Fox.

ABSENT: None.

APPROVE AGENDA

Motion by Councilperson Fox to approve the agenda as presented.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF FEBRUARY 6, 2012

Motion by Councilperson Cook to approve the Minutes of the Regular Meeting of February 6, 2012 with the following additions to the discussion regarding the registration of abandoned and foreclosed homes:

1. Noting the ordinance would not apply to snow birds
2. Noting that maintenance of abandoned home is required

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

SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

None.

CITIZEN COMMENTS AND QUESTIONS

There were no citizen comments.

Councilperson Bailey announced an event for the Child Abuse Prevention Council and encouraged everyone to support their efforts.

Mayor Pro-Tem Popovitch noted the passing of crossing guard Don Smith. She also noted that she had attended the presentation of the sub-regional plan by the Chamber of Commerce. She was excited about it and hoped that everyone would get involved in some way.

Councilperson Erfourth inquired whether Arialink would be tearing up City streets to install their cable. City Manager Crawford indicated he was under the impression they would bore beneath the streets rather than tearing them up.

Councilperson Fox gave an update on the fireman's memorial fund saying it was up to \$620. He also presented some architectural renderings of a potential structure to house the completed memorial fire truck.

Mayor Frederick congratulated the Key Club and the Builders Club on their successful fund raiser for the Bentley Park playscape.

CITY MANAGER REPORT

City Manager Crawford detailed the project status report and noted the March 15th 7:00 pm meeting to discuss the potential for regional parks.

There was discussion regarding the type of LED lights that will be employed in the downtown, the late snow removal over the last weekend, plans for the 2012 Street Program, and the status of the grant for paid on-call firefighters.

CONSENT AGENDA

Motion by Councilperson Eveleth to approve the Consent Agenda as follows:

METRO Act Permit. Approve the application of Arialink Telcom, LLC for METRO Act Permit for the installation of telecommunication facilities in the City right-of-way as follows:

RESOLUTION NO. 09-2012

A RESOLUTION GRANTING A METRO ACT PERMIT BY THE CITY OF OWOSSO TO ARIALINK TELCOM, LLC FOR INSTALLATION OF TELECOMMUNICATION FACILITIES IN THE CITY'S RIGHT-OF-WAY

Whereas, the city of Owosso on January 23, 2012 received a METRO Act permit application dated December 6, 2002 from Arialink Telcom, LLC, 230 North Washington Square, Lansing, Michigan;

Whereas, as provided for under the Metropolitan Extension Telecommunications Rights-of-way Oversight Act, Act No. 48 of the Public Acts of 2002, as amended, Arialink Telcom, LLC is seeking a Bilateral METRO Act Permit to place telecommunication facilities in the city's right-of-way in accordance with plans to be submitted at a later date;

NOW THEREFORE BE IT RESOLVED that:

FIRST: the city of Owosso hereby grants a Bilateral METRO Act Permit to Arialink Telcom, LLC under the terms and conditions set forth in the permit. Said permit grants to Arialink Telcom, LLC the right of access to, and ongoing use of, the public right-of-way upon approval by the public works director of plans for the purpose of constructing, installing, and maintaining telecommunications facilities under the terms and conditions within the city's right-of-way;

SECOND: the city manager is authorized to sign the required documents which shall be submitted to the state of Michigan and to Arialink Telcom, LLC.

Warrant No. 437. Accept Warrant No. 437 as follows:

Vendor	Description	Fund	Amount
Johnson Controls Inc	Planned Service Agreement-February 1, 2012 – July 31, 2012	General/Historical	\$ 11,302.00
ERES International	Pavement Condition Survey-Payment for Professional Services –period ending January 31, 2012	Street Improvement Bond Fund	\$ 35,268.20
Shiawassee Economic Development Partnership	Economic Development Semi-Annual Investment FY 2011/2012	General/Water	\$ 15,713.00
Michigan Municipal League Workers' Compensation Fund	Workers' Compensation Insurance 4 th Installment	All Applicable	\$ 26,987.00
Brown & Stewart, PC	Professional Services – January 10, 2012 – February 8, 2012	General	\$ 10,520.26
Detroit Cornice & Slate Co., Inc.	Library Roof Repairs-Payment #1	General	\$ 41,625.00

*Check Register. Received and approved the Check Register for January 2012.

*Revenue & Expenditure Report. Accepted the January 2012 Revenue & Expenditure Report.

Motion supported by Councilperson Cook.

Roll Call Vote.

AYES: Councilpersons Eveleth, Cook, Fox, Erfourth, Mayor Pro-Tem Popovitch, Councilperson Bailey and Mayor Frederick.

NAYS: None.

*Full text of these items are on file in the Clerk's Office.

ITEMS OF BUSINESS

NOTICE OF INTENT TO ISSUE LIMITED TAX WATER REFUNDING BONDS AND RIGHT TO REFERENDUM

City Manager Donald Crawford explained the purpose in issuing the new bonds was to take advantage of lower interest rates and refinance water bonds originally issued in 2002. He went

on to say that the resolution in front of Council offered flexibility in the issuance of Revenue Bonds or General Obligation bonds in order to further take advantage of savings in interest.

Motion by Councilperson Eveleth to adopt the following resolution of Notice of Intent to Issue Limited Tax Water Refunding Bonds and Right to Referendum thereof to refund the existing 2002 Water Revenue Bonds for interest savings.

RESOLUTION NO. 10-2012

**City of Owosso
County of Shiawassee, State of Michigan**

**NOTICE OF INTENT RESOLUTION
GENERAL OBLIGATION BONDS TO REFUND THE
WATER SUPPLY SYSTEM REVENUE BOND, SERIES 2002**

WHEREAS, the City of Owosso, County of Shiawassee, State of Michigan (the "City") has previously acquired and constructed various water system extensions and improvements, including replacement of the water treatment plant and ground water supply wells and new water mains, and appurtenances and attachments thereto and related site acquisition and improvements (the "Improvements"); and

WHEREAS, the City paid costs of acquisition and construction of the Improvements through issuance of its \$4,800,000 Water Supply System Revenue Bond, Series 2002 dated July 1, 2002 (the "2002 Revenue Bond"), and the 2002 Revenue Bond is payable solely and only from and secured by the revenues of the Water Supply System of the City; and

WHEREAS, the City has been advised that it may be able to accomplish a net savings of debt service costs by refunding the 2002 Revenue Bond through issuance of bonds secured by the general funds of the City; and

WHEREAS, under the provisions of Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") a City may issue municipal securities to pay the cost of any capital improvement items within the limitations provided by law; and

WHEREAS, the issuance by the City of bonds under Section 517 of Act 34 in an amount not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) (the "Bonds"), for the purpose of financing costs of Improvements previously financed by the 2002 Revenue Bond through refunding all or a portion of the outstanding 2002 Revenue Bond, is in the best interest of the City if market conditions will result in a net savings of debt service costs; and

WHEREAS, Act 34 requires that the aggregate outstanding balance of municipal securities issued under Section 517 of Act 34 by a City shall not exceed 5% of the state equalized valuation of the property assessed in that City, and after the issuance of the Bonds the outstanding balance of all municipal securities issued under Section 517 of Act 34 by the City will not exceed this limit; and

WHEREAS, a notice of intent to issue the Bonds must be published in order to comply with the requirements of Section 517 of Act 34 and Section 5(g), Act 279, Public Acts of Michigan, 1909, as amended.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue the Bonds in the *Argus Press*, a newspaper of general circulation in the City, as a one-quarter (1/4) page display advertisement (as required by Act 34) in substantially the following form:

**NOTICE TO ELECTORS OF THE CITY OF OWOSSO
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING
POWER OF THE CITY AND RIGHT OF REFERENDUM THEREON**

PLEASE TAKE NOTICE that the City Council of the City of Owosso, County of Shiawassee, Michigan, intends to issue and sell general obligation capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an amount not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000), for the purpose of paying costs of acquisition and construction of water system extensions and improvements previously financed with the Water Supply System Revenue Bond, Series 2002. **The Bonds will be issued only if the City is able to realize debt service savings** through refunding the 2002 bond. The Bonds may be issued in one or more series and may be combined with bonds for other purposes as shall be determined by the City Council. Each series of the Bonds will mature in annual installments not to exceed twenty (20) in number, with interest on the unpaid balance from time to time remaining outstanding on said Bonds to be payable at rates to be determined at sale of the Bonds.

SOURCE OF PAYMENT OF BONDS

The City intends to pay the principal and interest of the Bonds from the revenues received by the City from the operations of the water supply system. The revenues will consist of rates and charges billed to the users of the water supply system, a schedule of which is presently on file in the office of the City Clerk. The rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the water supply system, to pay the principal of and interest on the Bonds and to pay other obligations of the water supply system and to provide reserves therefor. **In case of the insufficiency of the water supply system revenues, the principal of and interest on the Bonds shall be payable from the general funds of the City lawfully available for such purposes including property taxes levied within applicable charter, statutory and constitutional limitations.**

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS, RESIDING WITHIN THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such a petition is filed, the Bonds cannot be issued unless approved by a majority vote of the electors of the City voting on the question of their issuance.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended, and Section 5(g), Act 279, Public Acts of Michigan, 1909, as amended. Additional information can be obtained from the City Clerk's office.

Amy K. Kirkland, City Clerk
City of Owosso

2. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds, and the manner of publication directed, is adequate notice to the electors of the City and is the method best calculated to give them notice of the City's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, the newspapers named for publication are hereby determined to reach the largest number of persons to whom the notice is directed, and the newspapers comply with the requirements of Act No. 247, Public Acts of Michigan, 1963.

3. The Finance Director is his authorized to take the following actions as necessary and convenient to facilitate sale of the Bonds prior to adoption by this City Council of a resolution authorizing issuance and sale of the Bonds.

(a) The Finance Director is authorized to retain a Financial Advisor to advise the City with respect to issuance and sale of the Bonds. If the Finance Director recommends that the most cost effective way to sell the Bonds is by competitive sale, then he is authorized to fix a date for sale of the Bonds and publish notice of sale of the Bonds in *The Bond Buyer*, of New York, New York.

(b) If the Finance Director determines that the most cost effective way to sell the Bonds is by negotiated sale, then he is authorized to negotiate with potential underwriters of the Bonds, provided that the City assumes no obligations or liability to any underwriter for any loss or damage that may result to any underwriter from the adoption of this resolution, and all costs and expenses incurred by any underwriter in preparing for sale of the Bonds shall be paid from the proceeds of the Bonds, if the Bonds are issued, except as may be otherwise provided in the resolution authorizing issuance and sale of the Bonds or the bond purchase agreement.

(c) The Finance Director is authorized to approve circulation of a Preliminary Official Statement describing the Bonds and to deem such Preliminary Official Statement "final" for purposes of compliance with Securities and Exchange Commission Rule 15c2-12.

(d) The Finance Director is authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate and to negotiate with insurers regarding acquisition of municipal bond insurance.

4. The City recognizes that Miller, Canfield, Paddock and Stone, P.L.C., has represented from time to time, and currently represents, financial institutions and other potential participants in the bond financing process for unrelated projects, any of which might offer to purchase the Bonds or to act as transfer agent for the Bonds. The City appoints Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel for the Bonds, notwithstanding the potential concurrent representation of any such bidder regarding any unrelated matter.

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

Motion supported by Councilperson Fox.

Roll Call Vote.

AYES: Mayor Pro-Tem Popovitch, Councilpersons Erfourth, Fox, Eveleth, Bailey, Cook and Mayor Frederick.

NAYS: None.

COMMUNICATIONS

- Gary Palmer, Building Official. January 2012 Building Department Report.
- Gary Palmer, Building Official. January 2012 Code Violations Report.
- Michael T. Compeau, Public Safety Director. January 2012 Police Department Report.
- Michael T. Compeau, Public Safety Director. January 2012 Fire Department Report.
- Owosso Main Street/Downtown Development Authority. Minutes of February 1, 2012.

There was discussion regarding the police and fire department reports and the rental inspection program. Public Safety Director Compeau noted they rental inspection program was seeing good compliance and that he had met with the landlords association and was addressing some of their concerns as well.

CITIZEN COMMENTS AND QUESTIONS

Jerilyn Strein of the County Veteran’s Administration Office introduced herself to the Council. She went on to indicate the County is exploring different ways to increase assistance to Veterans via her office.

Mayor Pro-Tem Popovitch inquired whether the annual crime report marked an increase or a decrease from the previous year. It was noted the statistics were virtually identical to last year. Councilperson Fox indicated he felt the incident in Westown over the weekend was being blown out of proportion and he believed it to be an isolated incident. He commended the police department for their work on the incident.

Assistant City Manager Adam Zettel updated the Council on the progress of the Master Plan process saying they were at a point where research was complete and they would begin drafting the content of the plan. He said he was hoping for Council input at this juncture and invited Council members to join him for a visual tour of the City on March 12th.

NEXT MEETING

Monday, March 5, 2012

BOARDS AND COMMISSIONS OPENINGS

Zoning Board of Appeals – Alternate, term expiring June 30, 2013

ADJOURNMENT

Motion by Councilperson Eveleth for adjournment at 8:29 p.m.

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

Benjamin R. Frederick, Mayor

Amy K. Kirkland, City Clerk