

**CITY OF OWOSSO
SPECIAL MEETING OF THE CITY COUNCIL
MINUTES OF APRIL 23, 2016
9:00 A.M.**

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

PLEDGE OF ALLEGIANCE: MAYOR BENJAMIN R. FREDERICK

PRESENT: Mayor Benjamin R. Frederick, Mayor Pro-Tem Christopher T. Eveleth, Councilpersons Loreen F. Bailey, Burton D. Fox, Elaine M. Greenway, Michael J. O'Leary, and Robert J. Teich, Jr.

ABSENT: None.

Motion by Mayor Pro-Tem Eveleth to set an ending time for the meeting of 12:00 p.m.

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

CITIZEN COMMENTS AND QUESTIONS

There were no citizen comments.

DISCUSSION ITEMS

General Fund Revenues

1. **General property tax**
2. **Revenue sharing**
3. **Ambulance charges**
4. **Miscellaneous**

City Manager Donald D. Crawford briefly detailed the City's sources of revenue. He noted that property taxes are flat compared to last year but he hoped the City would receive a small bump in revenue sharing this year. Ambulance charges continue to be a major source of income, though it should be noted that a significant amount of the charges are uncollectible.

General Fund Transfers

Mr. Crawford explained that these transfers are payments to other funds and reimbursements from other funds (such as the water fund reimbursing the general fund for administrative costs).

General Fund Balances

1. **Appropriation of \$600,000**

The City Manager indicated that approximately \$600,000 was appropriated from the fund balance this year to maintain a balanced budget. The source of this funding was unanticipated income received two years ago along with reduced spending that same year. Because of this appropriation the City Manager encouraged Council to consider making a request for a change in the City's bond rating in the near future, saying interest rates are very favorable right now and he anticipates the year ending in 2015 will have the best audit the City can expect in the next few years given the way revenues have been declining.

Council inquired about the amount of fund remaining in the account. Mr. Crawford explained that much of the fund balance is working capital such as accrued vacation and sick time, special assessments, funds to cover the on-going land-fill remediation, and the required budget stabilization monies. The unassigned balance of the fund is approximately \$320,000.

Public safety

1. **Police--vehicle \$36,000 and building renovations \$50,000**
2. **Fire--building improvements \$66,275, pickup \$27,000, boiler upgrades \$5,000**
3. **Emergency medical--ambulance \$160,000, lead monitor \$28,000**

City Manager Crawford started the discussion by noting that operation of the Public Safety department is one of the City's largest expenses, with little change expected this year from a financial standpoint. He went on to briefly detail the major expenses noted above, highlighting the need for immediate repairs and renovations at the Public Safety building. The building is in very poor shape and needs a major rebuild or possibly the construction of an entirely new building. There was discussion among Council whether there were funds in the current budget to pay for a study of the building, estimated at \$25,000, to determine the potential options available for the building. Staff indicated they believed funds were available to fill the Council's request.

Next, Public Safety Director Kevin D. Lenkart said he had recently been approached by the Ovid-Middlebury Emergency Services Authority (OMESA) about taking over fire and ambulance services for Middlebury Township. OMESA has determined it is no longer financially possible for them to continue to provide service and as a result has approached neighboring communities about the possibility of providing service to the area. Mr. Lenkart noted that the number of ambulance runs to the Township averages about 3 runs per week, so profit for this service would be negligible. The union has been approached and they have no objections to the request. Mayor Frederick indicated that the City should accommodate the request if at all possible. Councilperson Fox inquired about expanding ambulance service to other neighboring townships. Public Safety Director Lenkart indicated that he had spoken with the Owosso Township Supervisor about that possibility and they have no interest in doing so. Councilperson Fox also inquired about the potential for hiring more paramedics so the City wouldn't have to turn down any ambulance transfers for staffing reasons. Mr. Lenkart indicated that there were more issues with ambulance transfers than simply staffing levels. He pointed out that negotiations are underway with Owosso and Caledonia Townships and the City of Corunna to establish automatic mutual aid agreements to fill any gaps in coverage without incurring extra costs.

Lastly, Mr. Lenkart noted the City is longer required to pay mic fees and he anticipates the purchase of new equipment to serve the County's 911 operation will started in the coming fiscal year.

Public works

1. **General–metal roof (\$30,000); street lighting (\$200,000)**
2. **Engineering**
3. **Leaf/brush collection–grinding, etc.**
4. **Parking–maintenance only**
5. **Parks–maintenance only**
6. **Fleet Maintenance**

City Manager Crawford noted that the DPW is currently down one employee and they would be starting the hiring process soon to bring on another laborer. Major expenses slated for this year include the replacement of the roof on one of the buildings at the DPW, the street lighting contract, and the brush and leaf collection programs. Council inquired whether it was possible to drastically reduce or remove the lighting expenses and staff indicated it would be next to impossible to remove it. There is also concern that the cost of the leaf & brush pickup programs are starting to exceed the 1 mil of funding dedicated to these efforts. Mr. Crawford suggested possibly cutting back the brush pickup during the winter months to save money. Mayor Frederick indicated that while the brush pickup program is very popular if a cut-back was absolutely necessary then we'll just have to explain that to people.

The group next moved on to discuss parking in the downtown, specifically the changing activities in the downtown and leased parking. With the increase in downtown apartments the City must find reasonable parking for tenants while balancing the needs of customers and the employees of downtown businesses. City Manager Crawford indicated there is no easy answer. Main Street Director Josh Adams, Public Safety Director Kevin Lenkart, and Assistant City Manager Susan Montenegro are working on revamping the downtown parking system. The desire is to remove much of the leased parking for employees, moving them to the parking lots on the outskirts of the downtown, finding reasonable 24-hour parking for those living in downtown apartments, and maintain prime customer parking. They are exploring the options available, including implementing a voucher system. Councilperson Fox said there is not a parking problem downtown, but a "walking problem."

Moving on the group discussed park maintenance. City Manager Crawford let Council know that this year they plan on letting the grass grow along the river and around Hopkins Lake in an effort to keep the geese off these areas, to help clean the water draining into the river, and to reduce the need to mow. He anticipated there were would be complaints regarding this decision. He also noted recent talks with the Friends of the Shiawassee River who suggested the installation of some stone steps at various points along the river to allow access for fisherman.

DPW Director Mark A. Sedlak very briefly detailed the purchases planned for the DPW fleet including two dump trucks with under-body scrapers and salt spreaders, two 4x4 trucks with plows, and an air compressor.

Mayor Frederick inquired about the total cost for snow removal this year, asking if there was any money remaining. Finance Director Richard C. Williams indicated that any unspent funds allocated to snow removal would be used this spring on major/local street maintenance.

General Fund Expenditures–few changes outside capital items (3-5%)

1. **City council**
2. **City manager**
3. **Finance**
4. **Assessing**
5. **Attorney**
6. **Clerk**

7. **Human resources**
8. **Treasurer**
9. **Information and technology**
10. **Building and grounds**
11. **General administration—Insurances and bad debt expenses (emergency medical \$98,000)**
12. **Community development**
 - a. **code enforcement**
 - b. **housing**

General Fund capital items

1. **Microfilm equipment-\$7,500**
2. **Election Equipment Replacement-\$16,000**
3. **Software-HR-\$7,750**
4. **Server upgrades-\$21,900**

City Manager Crawford indicated General Fund expenditures increased by approximately 3%-5% from last year. There was discussion regarding personnel changes and whether there was a need to increase funds allocated to personnel to allow new hires to work with key employees, like the City Manager, for a period of time. Mr. Crawford noted that the Council should be aware that the compensation for the city manager position is relatively low compared to other communities. Mayor Frederick then asked his fellow Council members if they preferred to undertake a search for a new city manager before the November election or to allow the new Council to take on the task. The Council agreed that due to the number of new members that may be seated in November it was important to maintain some continuity in the form of the City Manager. City Attorney William C. Brown noted that, in relation to a future search for a new city manager, he would caution against using a search firm that does not have experience in the hire of a city manager.

The Council briefly recessed from 10:40 a.m. until 10:49 a.m.

Community Development Block Grant Fund (CDBG)

Finance Director Williams introduced this topic saying the bulk of the funds in this account are from the construction of the Comstock Center parking lot in 1984. The City was allowed to collect and keep the CDBG money that was loaned out as a part of the project. Upon their return to the City the funds were used to establish a revolving loan account providing low interest loans to downtown businesses. Mayor Frederick inquired if the fund might be used for matching grants for the installation of fire safety systems in downtown buildings, suggesting the City could set aside \$50,000 per year for these matching grants to spur building owners into installing fire suppression systems. City Manager Crawford suggested the City consider a program to install new water lines capable of handling a sprinkler system to each building in the downtown, the cost of which could be recouped over time with a quarterly service charge. Combining the two ideas might provide enough of a carrot to make the investment in a fire suppression system worth it. Mr. Williams noted that the current guidelines governing use of the funds would need to be amended to accommodate the program.

Downtown Development Authority

City Manager Crawford indicated the DDA really has their act together, they simply lack funding. Mayor Frederick pointed out that the DDA has used a zero-based budget for the last few years and members understand that any projects they want to undertake will need to be financed by funds coming from outside the TIF.

Brownfield Authorities

1. **ConAgra (Tial Products)**
2. **Sugar Beet (Sonoco, Cargill, others)**
3. **Robbins Loft**
4. **Capitol Bowl**
5. **Woodard Station**
6. **Wesener Building**

Mr. Crawford indicated that most of the City's current Brownfield Districts are simple, money in-money out type of funds, though the Sugar Beet site (District No. 8) is a different story. The plan for this district is much more complex and is currently being reviewed by the MEDC.

Mayor Frederick wanted it noted the proposed Cargill plant is not an elevator, but a feed mill, and as such should generate much less dust and pose a much lower risk of combustion than an elevator. Councilperson Bailey said she felt the Council needed to be more proactive about disseminating information like this as there seems to be lots of bad information out there.

The Wesener Building rehabilitation is now complete and the Brownfield Authority is waiting for the TIF collection.

In relation to Woodard Station, City Attorney William C. Brown indicated that the property is in receivership and the City has started a lawsuit against them for monies owed to the City.

Historical Commission

- 1. Events
- 2. 501C3
- 3. Paintings

City Manager Crawford reminded the Council of the great report they received from Facilities Director Robert Doran at the last meeting. He went on to say that budgeting for an organization like the Historical Commission is difficult because you never know how much money will be raised throughout the year.

The OHC continues to work on the feasibility of forming an independent 501c(3) non-profit organization. The Cook Family Foundation is donating funds to pay for a professional consultant to help the Commission explore the idea. Mayor Pro-Tem Eveleth indicated the Commission is very dedicated in their efforts to become self-sustainable.

City Manager Crawford informed the Council the OHC was in possession of some valuable paintings, a number of which will require extensive restoration if the City wants to maintain the value of the paintings. Restoration costs are estimated at \$40,000. There was discussion about asking residents to “sponsor” the restoration of a painting and other means of raising the funds. It was noted that so many organizations are looking to raise money in the community that a fund raising effort would likely fall flat. Finance Director Williams agreed to earmark funds for the project when he undertakes the year-end fiscal adjustments.

Mr. Crawford mentioned that Facilities Director Doran was lucky enough to be the recipient of a raise recently only to discover that the raise moved him into a different tax bracket and caused the cancellation of his health insurance.

Library

- 1. Rent
- 2. Transfer

City Manager Crawford started the conversation saying the City needs to negotiate a new agreement for use of the library building that incorporates a rental charge. Councilperson Bailey noted her desire to transfer the building to the Library organization so they are entirely their own entity. There was a lengthy discussion regarding how such a transition could take place, providing financial assistance to the Library for a period of time if they agree to receive the building, and approaching the Library Board about the idea. Councilperson Teich, a Library Board Member, indicated he wanted to start looking into the matter further.

NEXT MEETING

Budget Meeting – Tuesday, April 26, 2016, 6:30pm – 8:30pm, Conference Room
Regular Meeting – Monday, May 2, 2016, 7:30pm, Council Chambers

BOARDS AND COMMISSIONS OPENINGS

Board of Review – term expires December 31, 2020
Building Board of Appeals – Alternate - term expires June 30, 2018

ADJOURNMENT

Motion by Mayor Pro-Tem Eveleth for adjournment at 12:00 p.m.

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

Benjamin R. Frederick, Mayor

Amy K. Kirkland, City Clerk