

**CITY OF OWOSSO
SPECIAL MEETING OF THE CITY COUNCIL
MINUTES OF APRIL 12, 2017
6:00 P.M.**

PRESIDING OFFICER: MAYOR CHRISTOPHER T. EVELETH

PRESENT: Mayor Christopher T. Eveleth, Mayor Pro-Tem Susan J. Osika, Councilmembers Elaine M. Greenway, Daniel A. Law, and Robert J. Teich, Jr.

ABSENT: Councilmembers Lori F. Bailey and Burton D. Fox

Mayor Eveleth called the meeting to order at 6 p.m.

Mayor Eveleth asked the city attorney if he needed to ask for citizen comments because there were not any citizens present. The city attorney responded that it wasn't necessary.

The Mayor turned the meeting over to the City Manager Don Crawford. Mr. Crawford introduced the new finance director Karen Ruddy to the council. He explained that Ms. Ruddy had worked on this budget along with help from former finance director Rick Williams.

Ms. Ruddy then began with a power point presentation. The presentation began with how the budget process begins. She explained how the numbers are obtained. She also detailed the difference between the private sector budget and a government budget.

DISCUSSION ITEMS

General Fund Revenues

Ms. Ruddy went on to explain property tax is the largest source of revenue for the city. The next highest is the intergovernmental revenue is made up of property tax reimbursement and revenue sharing [constitutional and CVT (City, Village and Township) revenue sharing]. The next source of revenue is charges for services which include mostly ambulance charges with a few other things the next highest revenue is interest income. City Manager Crawford pointed out that with ambulance charges a significant portion of the charges have to be written off. Other revenue includes returns from general liability insurance and rebates from MML pool. Ms. Ruddy then showed a graph explaining comparison in the revenue sharing and how much lower it is now.

Ms. Ruddy summarized the following departments in the general fund, highlighting the increases or decreases, if any: City Council; City Manager; Assessing; City Attorney; City Clerk; Human Resources; Treasury; Information Technology; Buildings and Grounds; General Administration; Police Department; Fire Department; Building and Safety; Public Works; Leaf and Brush; and Community Development.

City Manager Crawford explained to the council that even though some departments may be in general fund not all that department's budget may be under the general fund. He used the example of Public Works under general fund would be the parks but roads are under major and local roads.

Councilmembers and City Manager Crawford had a discussion regarding bonding out the pension obligation it would save the city about \$200,000 per year over 20 years. The state law will not allow that unless you have a double AA rating and the city has an A rating.

City Manager Crawford explained what a Redevelopment Ready Community means. One part requires as Ms. Montenegro explained a self-evaluation. This will allow the city to be eligible for MSHDA programs. The program forces you to address the City's Master Plan and the Zoning Ordinance.

Mayor Eveleth asked if the city is still budgeting \$2 per capita for SEDP. City Manager Crawford said City of Owosso is the only governmental unit to do that. Some governmental units only support them \$1 per capita or they were at \$2 and dropped and some units don't support it at all. Mayor Eveleth stated he felt it was a good value for the money.

Susan Montenegro, Assistant City Manager/Community Development Director explained there are 8 buildings that will be submitting for façade grant funding in the downtown.

Councilmember Law asked if the grant funding could be used in Westtown. She stated that someone in Westtown could apply for the funding.

Councilmembers had a short discussion regarding the Owosso Historical Commission and their pursuit to set them up with a 501C3. City Manager reported it would probably take a 1 to 1 ½ years to get the 501C3 in place and they could become self-sufficient in 3 – 5 years.

Councilmember Greenway reported that the Historical Commission voted to go ahead and pursue the 501C3. She stated she also advised them of possible pitfalls of doing this.

There was a short discussion when they would have to adopt the budget. The city manager stated that they even could adopt the budget in the June meeting because there isn't a penalty at that point.

Councilmembers also discussed the date of the next two budget workshops. The next workshop will be May 4, 2017 (from 6p.m. - 8 p.m.) and then the Saturday, May 13, 2017 (from 9 a.m. – Noon). Mayor Eveleth volunteered to bring Coffee, Timbits and Cream (after receiving a request from Pro-Tem Osika for this item) for the May 13th meeting. Councilmember Greenway is also bringing a veggie tray for this meeting.

Mayor Eveleth adjourned the meeting at 7:25 p.m.

Christopher T. Eveleth, Mayor

Roxane K. Cramer, Deputy City Clerk