

**CITY OF OWOSSO
REGULAR MEETING OF THE CITY COUNCIL
MINUTES OF JUNE 18, 2018
7:30 P.M.**

PRESIDING OFFICER: MAYOR CHRISTOPHER T. EVELETH

OPENING PRAYER: TOM MANKE
EDITOR, FACEBOOK.COM/FRIENDSANDNEIGHBORSOWOSSO

PLEDGE OF ALLEGIANCE: JUSTIN HORVATH
SEDP PRESIDENT/CEO

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

ABSENT: None.

APPROVE AGENDA

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

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF JUNE 4, 2018

Motion by Councilmember Fox to approve the Minutes of the Regular Meeting of June 4, 2018 as presented.

Motion supported by Mayor Pro-Tem Osika and concurred in by unanimous vote.

PROCLAMATIONS / SPECIAL PRESENTATIONS

Public Safety Building Analysis Presentation– Partners in Architecture, PLC

Fred Meinberg, Project Manager/Designer, and Andy Sowinski, RA of Partners in Architecture, PLC presented the results of their analysis of the Public Safety Building. After an in-depth analysis of the building, the needs of the department, and the options available to improve the situation the team recommended the City consider demolishing the current structure and constructing an entirely new building, saying it was the most cost effective solution to ensure the Public Safety department has appropriate facilities for the next 30 years.

PUBLIC HEARINGS

None.

CITIZEN COMMENTS AND QUESTIONS

Tom Manke, editor of facebook.com/friendsandneighborsowosso, informed Council that he had polled his readers and 74% of them support legalized marijuana. He encouraged them to think about that fact when they consider the proposed medical marijuana ordinance at the next meeting, alluding to the idea that they would not be re-elected if they did not support it.

Matt Lafferty, 1116 Buckley Drive, introduced himself saying he was hoping to become a member of the Planning Commission. He said he has a degree in Urban & Regional Planning and moved to the community with his wife about 3 years ago.

Justin Horvath, SEDP President/CEO, said he would be happy to work with the City on a public/private partnership to construct a new Public Safety building. He endorsed Mr. Lafferty's participation on the Planning Commission, announced the SEDP annual meeting on Thursday, June 21st at 3:00pm at Fortitude, and the SEDP's interest in growing housing opportunities in the community to attract new residents to fill the job opportunities in the area.

Councilmember Fox asked Mr. Horvath about the status of Project Tim. Mr. Horvath indicated that he is confident the project will progress but encouraged patience as large projects take significant time to come to fruition.

Mayor Eveleth noted that the Armory officially opened for business Curwood weekend. He said it is a wonderful redevelopment and he thanked Chamber of Commerce President/CEO Jeff Deason for his perseverance on the project.

CITY MANAGER REPORT

City Manager Nathan R. Henne reported that the last section of watermain on South Chipman Street had been installed but workers ran into issues when the new main was connected to the system. He said that, unfortunately, some people were without water for a number of hours but he was hoping things were back to normal now.

CONSENT AGENDA

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

Fund Balance Policy Amendment. Approve amendments to the Fund Balance Policy as follows:

RESOLUTION NO. 93-2018

AUTHORIZING REPLACEMENT OF THE FUND BALANCE POLICY ADOPTED UNDER RESOLUTION NO. 150-2011

WHEREAS, GASB 54 requires certain actions by the governing body in order to establish a means to segregate fund balance for reporting purposes. In addition, although not required by any accounting standard, in order to ensure that governments maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls, it is the recommended best practice that governments establish a minimum level of unrestricted fund balance in their general fund, along with policies related to use and replenishment of fund balance; and

WHEREAS, The City of Owosso believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the organization needs to maintain a fund balance in the General Fund that is sufficient to fund all cash flows of the organization, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances.

THEREFORE BE IT RESOLVED, by the city council of the city of Owosso, Shiawassee County, Michigan that the Fund Balance Policy attached as Exhibit A is hereby adopted and applied to financial statements for the fiscal year ended June 30, 2018.

EXHIBIT A

CITY OF OWOSSO FUND BALANCE POLICY

PURPOSE

To establish an appropriate level of fund balance in the General Fund, define the components of fund balance, and direct officials in the methods to be used for increasing or decreasing fund balance when trends indicate fund balance will fall outside the minimum levels.

POLICY

Fund balance is created from excess revenues over expenditures. It is a fund's net assets, mostly made up of cash and investments and, unless otherwise restricted, available for spending. There are five components of fund balance, namely:

1. **Nonspendable Fund Balance.** This portion of fund balance is *nonspendable* because its form, for example inventory and non-financial assets, or because legal or contractual requirements.
2. **Restricted Fund Balance.** This portion of fund balance is *restricted* due to external limitations place on the use of the funds. The restriction typically comes from outside the local government as a condition of revenue source.
3. **Committed Fund Balance.** Fund balance is *committed* if a limitation is set in place by formal action of the City Council prior to the end of the fiscal year. The limitation remains binding until the City Council takes formal action to remove it.
4. **Assigned Fund Balance.** Fund balance may be *assigned* to reflect the intended use of the resource. The assignment of funds may come from the City Council or from a designee of the City Council. The City Council's designee will be the Finance Director.

Less formality is needed to impose, remove or modify a constraint reflected in *Assigned Fund Balance*. No funds other than the General Fund may have Unassigned Fund Balance, therefore any amounts remaining in excess of Nonspendable, Restricted or Committed funds in funds other than the General Fund will automatically be reported as *Assigned Fund Balance*. If any portion of existing fund balance will be used to eliminate a projected deficit in the subsequent year's budget, this amount will also be categorized as *Assigned Fund Balance*.

5. **Unassigned Fund Balance.** The General Fund, and no other governmental fund, may have resources that cannot be classified in one of the four categories described above.

General Fund Unrestricted Fund Balance. General Fund Unrestricted Fund Balance is the total of Committed, Assigned and Unassigned Fund Balances. Because Nonspendable and Restricted fund balance are not available for spending due to external enforceable conditions, this fund balance policy is focused on the appropriate level of General Fund Unrestricted fund balances.

Financial flexibility, provided by adequate fund balance, is needed to cushion the impact of unanticipated emergencies and revenue shortfalls. These include loss of major taxpayers, loss of state revenue sharing, infrastructure emergencies and other economic distresses that serve to impair the City's ability to deliver essential community services. Without this cushion taxpayers would be subject to millage increases, cuts in services, and/or deferred investment in and maintenance of infrastructure.

Minimum Unrestricted Fund Balance

Minimum Unrestricted fund balance shall be 25% of General Fund Operating Expenses.

Remedy for Maintaining Minimum Fund Balance Range

When fund balance approaches its minimum threshold the following measures in no specific order, as directed by the City Council, shall be used to build up fund balance:

1. Cut and/or delay slated capital improvements from the Capital Improvement Plan.
2. Cut or delay road projects not funded through voted approved bond millage.
3. Cut general operating expenses.
4. Increase rates and charges funding specific services to make them self-sufficient where possible.
5. Increase millage where possible.

When fund balance exceeds the minimum threshold the following measures in no specific order, as directed by the City Council, can be used to reduce fund balance:

1. Reduce pension unfunded liability with catch-up contributions, if unfunded liability exists.
2. Accelerate capital improvement purchases in the Capital Improvement Plan.
3. Increase road project funding, if projects are available.
4. Forego debt financing and pay with current funds.
5. Move up the debt schedule for existing bond payments to lower the debt burden.

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

Name	Board/Commission	Term Expires
Matt Lafferty	Planning Commission filling unexpired term of T. Cook	06-30-2019
Kenn Cushman*	Downtown Development Authority/ Main Street Board	06-30-2022
Jerry Hebekeuser*	Parks & Recreation Commission	06-30-2020
Jeff Selbig*	Parks & Recreation Commission	06-30-2020
Michael Espich*	Parks & Recreation Commission	06-30-2020
Janae Fear*	Planning Commission	06-30-2021

*Indicates reappointment

Cruise the Pits Car Show Permission. Approve request from The Child Advocacy Center for the closure of Washington Street from Mason to just north of Main, Washington Street from just south of Main to Jerome, Exchange Street from Ball to Park, and Comstock Street from Ball to Park for the Cruise the Pits Car Show on Saturday, July 21, 2018 from 6:00 a.m. to 4:00 p.m. and authorize Traffic Control Order No. 1395 formalizing the action.

Contract Amendment No. 4 – 2018 Street Program Engineering Services Contract. Approve Amendment No. 4 to the 2018 Street Program Engineering Services Contract with Fleis & Vandenbrink Engineering, Inc. adding \$8,635.00 for making changes to the water main designs of project sites and to finish construction plans for Howard Street, and authorize payment to the contractor upon satisfactory completion of the additional work or a portion thereof as detailed below:

RESOLUTION NO. 94-2018

**AUTHORIZING AMENDMENT NO. 4 TO ADDENDUM NO. 4
TO THE CONTRACT FOR ENGINEERING SERVICES WITH
FLEIS & VANDENBRINK ENGINEERING, INC. FOR
THE 2018 STREET PROGRAM ENGINEERING SERVICES CONTRACT**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, approved a Contract with Fleis & Vandenbrink Engineering Inc. on July 3, 2017 for Engineering Survey and Design Services for the 2018 Street Program in the amount of \$251,000.00; and

WHEREAS, City Council approved Amendments Nos. 1 through 3 totaling \$42,700.00 to the Contract with Fleis & Vandenbrink Engineering, Inc. for additional engineering services, making the current Contract amount \$293,700.00; and

WHEREAS, the city requests additional services of the consultant in the amount of \$8,635.00 to provide water main design for Summit Street and road and storm sewer design for Howard Street projects, that are beyond the original contractual scope of services.

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

- FIRST: The city of Owosso has theretofore determined that it is advisable, necessary and in the public interest to amend the contract with Fleis & Vandenbrink Engineering Inc. for a cost to the city of Owosso of \$8,635.00 as outlined within its proposal.
- SECOND: The mayor and city clerk are requested and authorized to sign Contract Amendment No. 4 to Addendum No. 4 to the Contract between the City of Owosso, Michigan and Fleis & Vandenbrink Engineering, Inc. as attached.
- FOURTH: The Accounts Payable department is authorized to make payment up to the amended amount of \$302,335.00 to Fleis & Vandenbrink Engineering, Inc. upon successful completion of stated work.
- FIFTH: The above expenses shall be paid from the Water Mains & Hydrants Account No.591-901-972.000 (\$7,435.00) and the 2016 Unlimited Obligation Bond Proceeds Account (\$1,200.00).

General Engineering Services Contract Addendum No. 4 – Sanitary Sewer Rehabilitation.

Waive competitive bidding requirements and authorize Addendum No. 4 to the General Engineering Services contract with OHM Advisors for the development of repair specifications and the provision of construction oversight services as a part of the efforts to repair the most severe sanitary sewer structural deficiencies identified during the 2017 SAW Grant Project, in an amount not to exceed \$80,000.00, and further authorize payment to the engineer upon satisfactory completion of the project or portion thereof as follows:

RESOLUTION NO. 95-2018

**AUTHORIZING THE EXECUTION OF ADDENDUM NO. 4 TO
AN AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES
WITH ORCHARD, HILTZ & MCCLIMENT, INC. D/B/A OHM ADVISORS**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, entered into an agreement with Orchard, Hiltz & McClement, Inc. d/b/a OHM Advisors by the adoption of Resolution 69-2017 on May 15, 2017; and

WHEREAS, the city and Director of Public Services & Utilities desire to expand the contract to include additional services for sanitary sewer rehabilitation specification development and construction over-site, to make necessary structural repairs identified during the State of Michigan funded 2017 SAW Grant project.

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 expand the contract approved by Resolution 69-2017 on May 15, 2017 with Orchard, Hiltz & McClement, Inc. d/b/a OHM Advisors to include additional services for sanitary sewer rehabilitation specification development and construction over-site for correcting structural defects in the sewer collection system.
- SECOND: The mayor and city clerk are requested and authorized to sign Addendum No. 4 to the General Engineering Services Contract between the City of Owosso, Michigan and Orchard, Hiltz & McClement, Inc. d/b/a OHM Advisors in an amount not to exceed \$80,000.00, attached as Exhibit A.

THIRD: The accounts payable department is authorized to submit payment to OHM Advisors for professional services in an amount not to exceed \$80,000.00 for engineering additional services.

FOURTH: The above expenses shall be paid for from the wastewater capital fund account 590-901-973.000.

General Engineering Services Contract Addendum No. 5 – Retention Basin Analysis.

Waive competitive bidding requirements and authorize Addendum No. 4 to the General Engineering Services contract with OHM Advisors for the development of an alternatives analysis for a proposed retention basin on Beehler Street in the amount of \$28,455.00, and further authorize payment to the engineer upon satisfactory completion of the project or portion thereof as detailed:

RESOLUTION NO. 96-2018

**AUTHORIZING THE EXECUTION OF ADDENDUM NO. 5 TO
AN AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES
WITH ORCHARD, HILTZ & MCCLIMENT, INC. D/B/A OHM ADVISORS**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, entered into an agreement with Orchard, Hiltz & McClement, Inc. d/b/a OHM Advisors by the adoption of Resolution 69-2017 on May 15, 2017; and

WHEREAS, the city and Director of Public Services & Utilities desires to expand the contract to include additional services for performing alternatives analysis and engineering design services for construction of a sanitary sewer collection system retention basin, to pursue compliance with a Michigan Department of Environmental Quality (MDEQ) Consent Order regarding Sanitary Sewer Overflows (SSO's).

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 expand the contract approved by Resolution 69-2017 on May 15, 2017 with Orchard, Hiltz & McClement, Inc. d/b/a OHM Advisors to include additional services for the site analysis, engineering design, and construction alternatives for construction of a retention basin at 1000 Bradley Street, and a pump station located at 1122 Beehler Street.

SECOND: The mayor and city clerk are requested and authorized to sign Addendum No. 4 to the General Engineering Services Contract between the City of Owosso, Michigan and Orchard, Hiltz & McClement, Inc. d/b/a OHM Advisors in an amount not to exceed \$28,455.00, attached as Exhibit A.

THIRD: The accounts payable department is authorized to submit payment to OHM Advisors in an amount not to exceed \$28,455.00 for engineering services.

FOURTH: The above expenses shall be paid for from the wastewater fund account 590-549-818.000.

Emergency Repair Authorization – Oliver Street Sanitary Sewer. Approve emergency repair of 575' of sanitary sewer on East Oliver Street between Randolph Street and Dimmick Street by Monchilov Sewer Service LLC and authorize payment of up to \$33,600.00 upon satisfactory completion of the repairs as follows:

RESOLUTION NO. 97-2018

**AUTHORIZING PURCHASED SERVICES AGREEMENT AND PAYMENT TO
MONCHILOV SEWER SERVICES, LLC FOR EMERGENCY REPAIR OF SANITARY SEWER
PIPE AND SERVICE LATERALS ON E. OLIVER STREET**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, has budgeted from the Wastewater Collection Replacement Fund for the repair of sanitary sewer collection system piping, and

WHEREAS, the 10 inch sanitary sewer main located on E. Oliver Street between Randolph and Gimmick Streets are in need of immediate cleaning/televising/repair services, as delineated in the quoted price dated June 14, 2018 provided by Monchilov Sewer Services LLC in the amount of \$33,600.00; and

WHEREAS, the City Director of Public Services & Utilities has reviewed the quote and verified the repairs as necessary to restore the sanitary sewer main and attaching service laterals to original structural operating condition, and recommends authorizing Monchilov Sewer Service LLC to provide the required repair services in an amount not to exceed \$33,600.00.00.

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 enter into a services agreement with Monchilov Sewer Services, LLC for the emergency repairs of the sanitary sewer main and service laterals on the 10 inch sewer main located on E. Oliver Street between Randolph and Dimmick streets.
- SECOND: The accounts payable department is authorized to submit payment to Monchilov Sewer Services LLC, in an amount not to exceed \$33,600.00 upon completion of these repair services.
- THIRD: The above expenses shall be paid from account no. 590-901-973.000.

Bid Award – 2018 Sidewalk Replacement Program. Approve the low bid of Seifert Construction LLC for the 2018 Sidewalk Replacement Program in the amount of \$115,245.00, authorize an additional \$20,000.00 for miscellaneous restoration and replacement services required during the calendar year, and further authorize payment to the contractor according to unit prices upon satisfactory completion of the project or portion thereof as follows:

RESOLUTION NO. 98-2018

AUTHORIZING THE AWARD OF THE 2018 SIDEWALK RESTORATION AND REPLACEMENT SERVICES PROGRAM TO SEIFERT CONSTRUCTION LLC OF ASHLEY, MICHIGAN

WHEREAS, the city of Owosso, Shiawassee County, Michigan, has determined sections of the sidewalk on various streets in the City have become misaligned, deteriorated, or damaged and that replacement is advisable, necessary and in the public interest; and

WHEREAS, the city of Owosso sought bids for the replacement of these sections of sidewalk as part of the 2018 Sidewalk Replacement Program, and the low responsive and responsible bid was received from Seifert Concrete LLC in the amount of \$115,245.00; and

WHEREAS, Seifert Construction, LLC is hereby determined to be qualified to provide such services, and has performed the same type services in 2017.

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 Seifert Construction LLC for replacement of sections of damaged or misaligned sidewalk as part of the 2018 Sidewalk Replacement Program.
- SECOND: The mayor and city clerk are instructed and authorized to sign the necessary documents to execute the services contract with Seifert Concrete in the amount of \$115,245.00, plus additional restoration and replacement services required as contingency during the calendar year, in the amount of \$20,000.00, for a total of \$135,245.00.
- THIRD: The accounts payable department is authorized to pay Seifert Construction LLC for work satisfactorily completed on the project up to the initial contact amount of \$115,245.00 plus contingency in the amount of \$20,000.00 for a total of \$135,245.00.
- FOURTH: The above expenses shall be paid from the Major and Local Street Maintenance Funds accounts 203-463-728-000 and 202-463-728-000.

Professional Services Agreement – 2018 Audit. Approve an agreement with Gabridge & Company, PLC to provide an independent financial audit of the city for its 2018 fiscal year in an amount not to exceed \$27,960.00 as detailed:

RESOLUTION NO. 99-2018

AUTHORIZING THE EXECUTION OF A LETTER OF ENGAGEMENT WITH GBRIDGE & COMPANY, PLC, CERTIFIED PUBLIC ACCOUNTANTS, TO AUDIT FISCAL YEAR ENDING JUNE 30, 2018

WHEREAS, the city of Owosso, Michigan is required by the state of Michigan to have an independent audit performed annually according to generally accepted auditing standards; and

WHEREAS, obtaining certified public accountants to prepare the audit of the financial statements is necessary and it is hereby determined that Gabridge & Company, PLC, are qualified to provide such services.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OWOSSO, SHIAWASSEE COUNTY, MICHIGAN:

- FIRST: that the city of Owosso has heretofore determined that engaging Gabridge & Company, PLC, certified public accountants, is advisable and necessary, to conduct and prepare an audit of the basic financial statements for the city of Owosso, Michigan;
- SECOND: that the letter of engagement between the city of Owosso and Gabridge & Company, attached as Exhibit A for a cost not to exceed \$27,960 is hereby approved; and
- THIRD: that the city manager of the city of Owosso is hereby instructed and authorized to sign the document attached as Exhibit A for the city of Owosso.
- FOURTH: payment of \$27,960 is hereby approved with payment to be rendered monthly as work progresses.

Warrant No. 558. Authorize Warrant No. 558 as follows:

Vendor	Description	Fund	Amount
Michigan Municipal Risk Management Authority	Building and property insurance- 1 st of 3 installments for FY 18/19	Various	\$127,452.00
Shiawassee Area Transportation Agency	Annual local funding commitment for FY 18/19	General	\$75,315.23
Michigan Municipal League Workers' Compensation Fund	Workers' compensation insurance- 1 st of 3 installments for FY 18/19	Various	\$20,230.00

Check Register – May 2018.* Affirm check disbursements totaling \$926,742.58 for May 2018.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

AYES: Councilmembers Greenway, Bailey, Fox, Teich, Law, Mayor Pro-Tem Osika, and Mayor Eveleth.

NAYS: None.

ITEMS OF BUSINESS

City Budget Amendment

Motion by Councilmember Bailey to adopt the 2017-2018 Amended Budget as follows:

RESOLUTION NO. 100-2018
CITY OF OWOSSO
ADOPTION OF AMENDED 2017-2018 BUDGET

WHEREAS, the City Council of Owosso has adopted The General Appropriations Act Budget for 2017-2018 by Resolution, and

WHEREAS, Section 9 of the General Appropriations Act requires a departmental budget which stipulates that no transfers of departmental appropriations shall be made without prior approval of the Council, and

WHEREAS, MCL 141.437 states that the local legislative body of the local unit shall amend the general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary, and

WHEREAS, the Finance Director has made recommendations that include proposals for measures necessary to provide revenues sufficient to meet expenditures of the fund or both, and

WHEREAS, the City Council of Owosso has determined these changes in the 2017-2018 Owosso Budget (Act) is needed and necessary to monitor the financial operations of the City and to ensure the appropriations do not exceed the expenditures;

NOW THEREFORE BE IT RESOLVED that the City Council of Owosso hereby adopts the amended revenues and expenditures listed below to be reflected in the 2017-2018 Amended Annual Budget (Act).

GENERAL FUND	<u>Approved</u>	<u>Change</u>	<u>Amended</u>
<u>Revenues</u>			
License and Permits	193,000	40,500	233,500
Interest Income	23,000	<u>(8,500)</u>	14,500
Total Amendment		\$ 32,000	
<u>Expenditures</u>			
Clerk	221,889	11,000	232,889
Human Resources	207,609	3,000	210,609
Building/Grounds	175,469	20,000	195,469
General Administration	312,021	32,000	344,021
Public Works	588,607	(20,000)	568,607
Leaf & Brush	229,000	(7,000)	222,000
Parking	43,000	(4,000)	39,000
Parks	302,900	<u>(3,000)</u>	299,900
Total Amendment		\$ 32,000	

MAJOR STREETS FUND	<u>Approved</u>	<u>Change</u>	<u>Amended</u>
<u>Expenditures</u>			
Street Maintenance	\$ 215,000	(56,875)	\$ 158,125
Snow & Ice Control	125,000	25,000	150,000
Tree Trimming	30,500	4,030	34,530
Admin & Engineering	171,375	13,540	184,915
Trunkline Roadside Cleanup	200	100	300
Trunkline Snow & Ice Control	17,317	14,205	31,522
Transfers Out	332,070	4,000	336,070
Other Financing-Fund Balance	30,649	<u>(4,000)</u>	26,649
Total Amendment		\$ -0-	

LOCAL STREETS FUND	<u>Approved</u>	<u>Change</u>	<u>Amended</u>
<u>Revenues</u>			
Transfers In	\$ 252,650	233,909	\$ 486,559
<u>Expenditures</u>			
Contractual Services	\$ 629,850	233,909	\$ 863,759
Snow & Ice Control	60,500	17,550	78,050
Tree Trimming	64,000	<u>(17,550)</u>	46,450
Total Amendment		\$ 233,909	

Motion supported by Councilmember Greenway.

Roll Call Vote.

AYES: Councilmembers Bailey, Teich, Mayor Pro-Tem Osika, Councilmembers Law, Fox, Greenway, and Mayor Eveleth.

NAYS: None.

Credit Card Policy Approval

City Manager Henne explained the need for city credit cards saying travel and conference expenses can be difficult to handle under the current purchasing policy and the use of City-issued credit cards would resolve the matter. He said the intent is to issue credit cards to department heads upon request, with said cards to be used only for travel and conference expenses. Anyone violating the policy will lose credit card privileges and face disciplinary action.

There was brief discussion regarding the securing of rental car insurance through the credit card company. City Manager Henne noted this is not necessary as staff very rarely rent cars for conferences.

Motion by Councilmember Fox to approve the proposed Credit Card Policy governing the use of City-owned credit cards for travel/conference purposes only as follows:

RESOLUTION NO. 101-2018

**CITY OF OWOSSO, MICHIGAN
CREDIT CARD POLICY**

WHEREAS, the City of Owosso wishes to use a credit card, restricted for payment of travel and conference expenditures for all departments in conducting official business of the City; and

WHEREAS, the City of Owosso wishes to use a credit card restricted for use by only designated personnel approved by the City Manager; and

WHEREAS, in accordance with Public Act 266 of 1995 the City is required to adopt a Credit Card Use policy.

NOW THEREFORE BE IT RESOLVED by the city council of the city of Owosso, Shiawassee County, Michigan that:

- FIRST: the Finance Director or designee is responsible for credit card issuance, accounting, monitoring, retrieval and for overseeing compliance with credit card policies and procedures.
- SECOND: that the credit card will be issued and used only by authorized City of Owosso employees.
- THIRD: that the user of the credit card will submit documentation, in a timely organized manner, for every purchase which includes in detail the goods or services purchased, the date of purchase and the official business for which purchased.
- FOURTH: that the employee issued the credit card is responsible for its protection and custody and will immediately notify the City of Owosso Finance Department if the card is lost or stolen and will turn in the card prior to termination of employment.
- FIFTH: that the Finance Director for the City of Owosso will establish internal controls including proper approval(s) of invoices before payment and that statements will be paid in full within not more than 60 days of the statement date.
- SIXTH: that the misuse of the credit card by an employee could result in revocation of the card and/or criminal charges and/or termination of employment.
- SEVENTH: that the total combined authorized credit limit of the credit cards issued by the City of Owosso shall not exceed the credit limit of \$10,000.
- EIGHTH: that the policy and procedures adopted by this resolution will be separately compiled and made available to the public by the City Clerk.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

AYES: Councilmembers Law, Teich, Fox, Bailey, Greenway, Mayor Pro-Tem Osika, and Mayor Eveleth.

NAYS: None.

Osburn Lakes Lots – Purchase Agreement

The Council carefully considered a purchase agreement from J. Harrison Properties, LLC for the sale of the remaining 23 city-owned parcels in the Osburn Lakes Subdivision in the amount of \$92,000.00, \$60,000.00 of which would be financed by the City over a period of 10 years, among other provisions.

There was significant discussion of the proposal with some Councilmembers anxious sell the properties and rid the City of the “developer” title, while others took issue with the terms of the offer saying they overwhelmingly favored the buyer. There was further discussion regarding making a counter-offer and posting the deal in an effort to solicit other offers.

A motion was made by Councilmember Fox to place a counter-offer of \$110,000, half-price discount for the first 10 water/sewer hookups, and requirement of a balloon payment after 24 months.

There was further discussion regarding the holding costs to the City, effects of the sale on the HOA, the feeling that the offer unfairly favors the buyer, whether the City could approve the 21-day posting period to encourage other bids, the fact that profit margins on such a project are not as high as people think, and the trying to make the best decision for the common good.

Councilmember Fox's motion died for lack of support.

The Council moved on to discuss the following related item.

Osburn Lakes Lots – Realtor Selection

The Council discussed the details of the proposal recommended by the Osburn Lakes Realtor Selection Committee to hire Shannon Howansky of Century 21 Looking Glass for the marketing and future sale of the remaining city-owned lots in the development. Ms. Howansky was present and they asked her about the developer included in the proposal and how their plan might progress. She indicated the builder typically functions on a cash basis purchasing one lot at a time (for full price), building a home, and purchasing the next lot after the first home is contracted for sale. Her plan is to market 5 specific lots, suggesting a particular model home for each lot. Prospective buyers will be able to tour any of the homes they have under construction at the time. She also indicated her offer does not have an exclusivity requirement with the developer she works with.

Motion by Councilmember Teich to approve the recommendation of the Osburn Lakes Realtor Selection Committee to hire Shannon Howansky of Century 21 Looking Glass for the marketing and future sale of the remaining city-owned lots in the development, and require her selected builder to commit to the purchase of two lots as detailed:

RESOLUTION NO. 102-2018

**AUTHORIZING THE EXECUTION OF A CONTRACT WITH
LOOKING GRAND, INC. D/B/A CENTURY 21 LOOKING GLASS
FOR PROVIDING REAL ESTATE BROKER SERVICES
FOR CITY-OWNED LOTS IN OSBURN LAKES, PHASE 1**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, sought proposals for the marketing and sale of approximately 30 vacant lots in a single-family residential condominium development known as Osburn Lakes Phase 1; and

WHEREAS, the City of Owosso received three proposals which were reviewed and analyzed; and it is hereby determined that Looking Grand, Inc. d/b/a Century 21 Looking Glass, specifically realtor Shannon Howansky, is qualified to provide such services and submitted a responsible and responsive proposal; and

WHEREAS, the proposal received offered the cooperation of a local builder to build five new homes in the subdivision; and

WHEREAS, the City of Owosso desires to have said builder start the construction of two homes immediately.

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

FIRST: The City of Owosso has theretofore determined that it is advisable, necessary and in the public interest to secure real estate broker services to market and sell vacant lots in Osburn Lakes Phase 1 from Looking Grand, Inc. dba Century 21 Looking Glass.

SECOND: The mayor and city clerk are instructed and authorized to sign the document substantially in the form attached, Contract for Services between the City of Owosso, Michigan and Looking Grand, Inc. d/b/a Century 21 Looking Glass.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

AYES: Councilmember Fox, Mayor Pro-Tem Osika, Councilmembers Bailey, Law, Greenway, Teich, and Mayor Eveleth.

NAYS: None.

After the vote Mayor Pro-Tem Osika asked that the realtor see to it the wetlands are marked on the vacant parcels.

COMMUNICATIONS

- Karen K. Ruddy, Finance Director. May 2018 Finance Report.
- Building Department, Building Official. May 2018 Building Department Report.
- Building Department, Building Official. May 2018 Code Violations Report.
- Kevin D. Lenkart, Public Safety Director. May 2018 Police Report.
- Kevin D. Lenkart, Public Safety Director. May 2018 Fire Report.
- Historical Commission. Minutes of May 14, 2018.
- Parks & Recreation Commission. Minutes of May 23, 2018.
- Planning Commission. Minutes of May 29, 2018.

CITIZEN COMMENTS AND QUESTIONS

Justin Horvath, President/CEO of the SEDP, praised Council saying they made the right decision regarding the Osburn Lakes properties. He said the developer involved in the deal is the largest home builder in the county, understands the market, and has the cash flow to undertake the project.

Tom Manke, Owosso Township resident, said he built homes for 25 years and experience tells him the realtor deal is “just smoke and mirrors”. He said Council made the wrong decision by not taking the opportunity to sell all the lots at once.

Mayor Pro-Tem Osika highlighted the new downtown map that is now available. She thanked those that designed the map saying it was a much needed item.

Councilmember Law noted that the fence along the rear of the parking lot behind the Korner Pub appears to be falling over into the neighbor’s driveway. He asked that someone take a look to remedy the situation. Mayor Eveleth noted loose planks on the railings of the boardwalk along the Voight Loop Trail. Staff indicated they will look into both situations.

NEXT MEETING

Monday, July 02, 2018

BOARDS AND COMMISSIONS OPENINGS

- Building Board of Appeals – Alternate - term expires June 30, 2019
- Building Board of Appeals – Alternate - term expires June 30, 2021
- Historical Commission – term expires December 31, 2020
- Parks & Recreation Commission – term expires June 30, 2019
- Zoning Board of Appeals – term expires June 30, 2021

ADJOURNMENT

Motion by Councilmember Bailey for adjournment at 10:00 p.m.

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

Christopher T. Eveleth, Mayor

Amy K. Kirkland, City Clerk

*Due to their length, text of marked items is not included in the minutes. Full text of these documents is on file in the Clerk's Office.