

**CITY OF OWOSSO  
REGULAR MEETING OF THE CITY COUNCIL  
MINUTES OF JULY 16, 2018  
7:30 P.M.**

**PRESIDING OFFICER:** MAYOR CHRISTOPHER T. EVELETH

**OPENING PRAYER:** JOSHUA ADAMS  
DDA/MAIN STREET EXECUTIVE DIRECTOR

**PLEDGE OF ALLEGIANCE:** JOHN HORVATH

**PRESENT:** Mayor Christopher T. Eveleth, Mayor Pro-Tem Susan J. Osika, Councilmembers Burton D. Fox, Elaine M. Greenway, and Daniel A. Law.

**ABSENT:** Councilmembers Loreen F. Bailey and Robert J. Teich, Jr.

**APPROVE AGENDA**

Motion by Councilmember Fox to approve the agenda with the addition of the following item:

Consent 10. Boards and Commissions Appointment. Approve appointment of Andrew Workman to the Parks & Recreation Commission to fill the unexpired term of Nell Anne Hebekeuser expiring June 30, 2019.

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

**APPROVAL OF THE MINUTES OF REGULAR MEETING OF JULY 2, 2018**

Motion by Mayor Pro-Tem Osika to approve the Minutes of the Regular Meeting of July 2, 2018 as presented.

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

**PROCLAMATIONS / SPECIAL PRESENTATIONS**

None.

**PUBLIC HEARINGS**

None.

**CITIZEN COMMENTS AND QUESTIONS**

Ann Mabry, 1331 N. Ball Street, told the story of how her dog had recently experienced an after-hours emergency situation that required emergency treatment and hospitalization. She said she went to the Fire Department with her dog to see if she could purchase some oxygen to assist his breathing while she figured out what to do. She said the EMTs and paramedics at the Fire Department gave her dog first aid, assisted her in finding an after-hours emergency vet, and even loaned her a GPS unit so that she wouldn't get lost on her way. She said she was very thankful for their efforts, saying they didn't need to do the things they did.

City Manager Nathan R. Henne introduced the City's new Assistant City Manager/Community Development Director Amy Cyphert to the Council.

**CITY MANAGER REPORT**

City Manager Henne indicated he had nothing to report at this time.

**CONSENT AGENDA**

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

**Non-Profit Organization Recognition Request – Action for Child Care.** Approve local governing body resolution recognizing Action for Child Care as a non-profit organization operating in the City of Owosso for the purpose of obtaining a charitable gaming license from the State of Michigan Lottery as follows:

**RESOLUTION NO. 109-2018**

**LOCAL GOVERNING BODY RESOLUTION RECOGNIZING LOCAL NON-PROFIT ORGANIZATION FOR CHARITABLE GAMING LICENSE**

The Owosso City Council hereby approves the request of Action for Child Care asking they be recognized as a non-profit organization operating in the community for the purpose of obtaining a charitable gaming license from the State of Michigan Lottery.

**ArtWalk Permission.** Approve the application of Owosso Main Street/DDA for use of Main Street Plaza September 8, 2018 from 8:00am to 5:00pm for the ArtWalk event, waive the insurance requirement, and authorize Traffic Control Order No. 1397 formalizing the requested closure.

**Vintage Motorcycle Days Permission.** Approve the request from Owosso Main Street for the closure of Washington Street from Main to Williams and Exchange Street from Washington to Park for the Vintage Motorcycle Days event on Saturday, August 25, 2018 from 7:00 am to 5:00 pm, waive the insurance requirement, and authorize Traffic Control Order No. 1398 formalizing the action.

**Bid Award - Sand and Gravel, Selection #1.** Accept the low bid of Constine Gravel Company for Class II Backfill Sand in the amount of \$4.98 per ton, 22A gravel in the amount of \$8.98 per ton, and 6A limestone in the amount of \$22.75 per ton for the fiscal year ending June 30, 2019, authorize payment in accordance with unit prices up to 2,500 tons, 1,800 tons, and 150 tons respectively, and further authorize a contingency amount of \$4,000.00 for a total amount not to exceed \$36,026.50. (The resolution for this item is combined with the following item.)

**Bid Award - Sand and Gravel, Selection #2.** Accept the low bid of Ocenasek, Inc. for 21AA limestone in the amount of \$19.50 per ton and H1 limestone chip in the amount of \$31.00 per ton for the fiscal year ending June 30, 2019, authorize payment in accordance with unit prices up to 300 tons and 250 tons respectively, and further authorize a contingency amount of \$1,000.00 for a total amount not to exceed \$14,601.00 as follows:

**RESOLUTION NO. 110-2018**

**AUTHORIZING THE PURCHASE AND DELIVERY OF A SAND AND GRAVEL FROM CONSTINE GRAVEL COMPANY OF OWOSSO, MICHIGAN AND OCENASEK, INC. OF PERRY, MICHIGAN**

WHEREAS, the city of Owosso, Shiawassee County, Michigan requires backfill sand to fill underground trenches and gravel for use in permanent street patches and other city projects; and

WHEREAS, the city sought bids for Class II backfill sand, 22A gravel, 21AA limestone, 6A limestone, and H1 limestone chip for the fiscal year 2018-2019; and

WHEREAS, it is hereby determined that Constine Gravel Company and Ocenasek, Inc. are qualified to provide such products and have submitted the lowest responsible and responsive bids.

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 award the following Bids to Constine Gravel Company of Owosso, Michigan: Class II Sand in the amount of \$4.98 per ton, 22A gravel in the amount of \$8.98 per ton, and 6A limestone in the amount of \$22.75 per ton for the fiscal year ending June 30, 2019.
- SECOND The City of Owosso has heretofore determined that it is advisable, necessary and in the public interest to award the following bids to Ocenasek, Inc. of Perry, Michigan: 21AA limestone in the amount of \$19.50 per ton and H1 chip limestone in the amount of \$31.00 per ton for the fiscal year ending June 30, 2019.
- THIRD: The agreement governing the purchase of these materials will be in the form of City of Owosso Purchase Orders.
- FOURTH: The accounts payable department is authorized to pay Constine Gravel Company up to the bid amount of \$32,026.50, plus a contingency amount of \$4,000.00 with prior written approval.
- FIFTH: The accounts payable department is authorized to pay Ocenasek, Inc. up to bid amount of \$13,600.00, plus a contingency amount of \$1,000.00 with prior written approval.

SIXTH: The above expenses shall be paid from the Water and Wastewater Annual Operating Fund, and Local and Major Street Annual Operating Funds.

**Bid Award – Parking Enforcement & Ticket Management System**. Approve contract with Complus Data Innovations, Inc. of Tarrytown, New York for the provision of a parking ticket management system including software, equipment, and on-going maintenance and authorize payment based on the contract unit prices for actual quantities required as detailed below:

**RESOLUTION NO. 111-2018**

**AUTHORIZING THE EXECUTION OF SERVICE AGREEMENT  
WITH COMPLUS DATA INNOVATIONS, INC.**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, provides parking enforcement services for the benefit of residents and businesses in Owosso; and

WHEREAS, the current software being used to track parking tickets will no longer be supported after December 31, 2018; and

WHEREAS, the city sought bids for professional software and hardware services in the form of a new parking ticket management system; and

WHEREAS, it is hereby determined that Complus Data Innovations, Inc., is qualified to provide such a system and has submitted the sole 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 the firm Complus Data Innovations, Inc. to provide professional software, hardware, and maintenance services for the management of parking enforcement.

SECOND: The mayor and city clerk are hereby instructed and authorized to sign the document attached, FastTrack Services Agreement between Complus Data Innovations, Inc, and the city of Owosso.

THIRD: The accounts payable department is authorized to pay Complus Data Innovations, Inc. in accordance with contract unit prices for actual quantities required, with an estimated annual cost of \$6,025.00.

**Professional Service Agreements – School Liaison Officers**. Authorize professional service agreements with Michael Ash and Michael Wheeler for the provision of services related to the school liaison officer position for the Owosso Public Schools as detailed in the following two resolutions:

**RESOLUTION NO. 112-2018**

**AUTHORIZATION THE EXECUTION OF AN INDEPENDENT CONTRACTOR AGREEMENT  
WITH MICHAEL L. ASH**

WHEREAS, the City of Owosso, Michigan, has determined that it is advisable, necessary and in the public interest to have school liaison officers; and

WHEREAS, it has been determined that Michael L. Ash is qualified to serve as a school liaison officer.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Owosso as follows:

FIRST: that the city of Owosso has heretofore determined that it is advisable, necessary and in the public interest to employ Michael L. Ash as a school liaison officer.

SECOND: that the mayor and city clerk are hereby instructed and authorized to sign the document attached as Independent Contractor Agreement between the City of Owosso and Michael L. Ash effective July 16, 2018.

**RESOLUTION NO. 113-2018**

**AUTHORIZATION THE EXECUTION OF AN INDEPENDENT CONTRACTOR AGREEMENT  
WITH MICHAEL G. WHEELER**

WHEREAS, the City of Owosso, Michigan, has determined that it is advisable, necessary and in the public interest to have school liaison officers; and

WHEREAS, it has been determined that Michael G. Wheeler is qualified to serve as a school liaison officer.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Owosso as follows:

FIRST: that the city of Owosso has heretofore determined that it is advisable, necessary and in the public interest to employ Michael G. Wheeler as a school liaison officer.

SECOND: that the mayor and city clerk are hereby instructed and authorized to sign the document attached as Independent Contractor Agreement between the City of Owosso and Michael G. Wheeler effective July 16, 2018.

**Warrant No. 559.** Authorize Warrant No. 559 as follows:

Vendor	Description	Fund	Amount
Caledonia Charter Township	Caledonia Utility Fund payment- 3/1/18-6/30/18	Water	\$21,588.25
Owosso Charter Township	Owosso Charter Township 2011 Water Agreement- 3/1/18-6/30/18	Water	\$11,931.39

**Check Register – June 2018.**\* Affirm check disbursements totaling \$590,505.00 for June 2018.

**Boards and Commissions Appointment.** Approve the appointment of Andrew Workman to the Parks & Recreation Commission to fill the unexpired term of Nell Anne Hebekeuser expiring June 30, 2019.

Motion supported by Mayor Pro-Tem Osika.

Roll Call Vote.

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

NAYS: None.

ABSENT: Councilmembers Bailey and Teich.

### **ITEMS OF BUSINESS**

#### **Downtown Parking Lot Regulation Amendments\***

(Postponed from the meeting of July 2, 2018.)

DDA/Main Street Executive Director Joshua Adams described the steps taken by the Board to ensure that all interested parties had the opportunity to make their opinions and desires for downtown parking known. He said the Board plans on reviewing the traffic control orders in question every few years to make sure they continue to meet the needs of everyone downtown, from customers to residents. He also noted a correction to Traffic Control Order No. 1173.7, correcting the leased parking signs to reflect that the lease provision will be in effect seven days per week from 5:00pm – 8:00am.

Motion by Mayor Pro-Tem Osika to approve the recommendations of the DDA/OMS Board regarding changes to the regulations governing use of downtown parking lots, involving Traffic Control Order Nos. 1168 and 1171-1173 eliminating employee parking permits, amending residential parking regulations, and correcting Traffic Control Order No. 1173.7 to reflect that the lease provision will be in effect seven days per week from 5:00pm – 8:00am.

Motion supported by Councilmember Greenway.

Roll Call Vote.

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

NAYS: None.

ABSENT: Councilmembers Bailey and Teich.

**Set Medical Marihuana Provisioning Center License Application Window & Drawing**

City Manager Henne explained the City's plan to use the Michigan Daily 3 & 4 evening drawings to determine the winners of the four available provisioning center licenses.

He went on to explain that according to the ordinance the window to receive applications would be thirty days in length and the drawing would be conducted during a public meeting, the dates and times of which are now in question. The ordinance requires applicants to be pre-qualified by the State, but the department responsible for processing pre-qualification applications is extremely backed up, significantly limiting the number of candidates eligible to participate in the drawing. Mr. Henne said he felt the proposed dates for the application window and drawing were too early and could possibly exclude many local applicants. Mayor Eveleth suggested an application window stretching from October 1, 2018 to October 30, 2018 and reassessment of the timing of the window at the end of September.

Motion by Mayor Pro-Tem Osika to authorize setting a 30-day window in which to receive applications from qualified applicants seeking one of four provisioning center licenses and further set the date, time, and process for the lottery to determine the four winning applicants as follows:

**RESOLUTION NO. 114-2018**

**SETTING THE PROCESS FOR HOLDING A LOTTERY  
TO DETERMINE WHO SHALL BE ELIGIBLE TO HOLD A LICENSE  
FOR A MEDICAL MARIHUANA PROVISIONING CENTER  
IN THE CITY OF OWOSSO**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, approved its medical marijuana ordinance on July 2, 2018; and

WHEREAS, the City of Owosso medical marijuana facilities licensing ordinance requires a lottery system for the selection of up to four (4) provisioning center licenses; and

WHEREAS, staff has recommended the use of the Michigan Daily 3 and Daily 4 evening lottery drawings to aid in the selection of the four (4) provisioning center licenses to reduce the possibility or perception of bias in conducting said lottery drawing for provisioning centers; and

WHEREAS, each interested applicant must submit one three (3) digit number and one four (4) digit number to the Building Department between October 1, 2018 and October 30, 2018 along with the requisite five thousand dollar (\$5,000) application fee to be entered into the lottery drawing; and

WHEREAS, the date of the Michigan Daily 3 and Daily 4 evening drawings that shall be utilized to conduct the provisioning center lottery selection will be determined at a later date, a viewing of which will be held in the City Hall Council Chambers; and

WHEREAS, the closest four numbers to the Daily 3 drawing result will be issued a local provisioning center license; and

WHEREAS, the Daily 4 drawing result will be utilized in a similar fashion to break any ties from the Daily 3 drawing; and

WHEREAS, those who do not win the drawing will receive two thousand five hundred (\$2,500) of their application fee back; and

WHEREAS, the medical marijuana facilities licensing ordinance further requires applicants entering the drawing be pre-qualified by the State of Michigan in order to participate; and

WHEREAS, the City acknowledges the State department responsible for pre-qualifying medical marihuana facilities license holders is extremely backed up artificially limiting the number of candidates qualified to participate in the drawing; and

WHEREAS, the City wishes to have a robust drawing involving all parties that are interested participating.

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 adopt a medical marijuana provisioning center license lottery as described above.

SECOND: The timing of the application window shall be reexamined at the end of September to determine whether the backlog of applications has been sufficiently processed by the State.

THIRD: The above revenue from license applications shall be paid to a General Fund revenue account for medical marijuana license fees to be created by the Finance Director.

Motion supported by Councilmember Law.

Roll Call Vote.

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

NAYS: None.

ABSENT: Councilmembers Bailey and Teich.

### **Fire Truck Steering Committee**

Motion by Councilmember Fox to authorize the creation of a 5-member steering committee to oversee the effort to create a firemen's memorial using the City's 1921 LaFrance fire truck with the authority to recommend a plan, drawings, location, etc. for the permanent display as detailed below:

#### **RESOLUTION NO. 115-2018**

#### **AUTHORIZING THE CREATION OF A STEERING COMMITTEE TO OVERSEE THE EFFORT TO CREATE AN OWOSSO FIREMEN'S MEMORIAL**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, Public Safety Department seeks guidance on the disposition of the 1921 LaFrance Fire Engine; and

WHEREAS, the Owosso City Council reaffirmed at its regular meeting of July 2, 2018 that it wishes to preserve the fire engine as a memorial for fallen Owosso fire fighters; and

WHEREAS, there is community interest in raising funds for the preservation and display of the fire engine as a memorial; and

WHEREAS, a steering committee would be useful in organizing the effort and managing the process to develop said memorial.

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 form a fundraising and memorial design steering committee to preserve the 1921 LaFrance fire engine as a memorial to Owosso fire fighters.

SECOND: The mayor is instructed to appoint a five (5) member steering committee consisting of City Councilmembers and/or community members.

THIRD: Said steering committee is to have the power to raise funds and recommend a design to City Council for the fire truck memorial.

Motion supported by Councilmember Law.

Roll Call Vote.

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

NAYS: None.

ABSENT: Councilmembers Bailey and Teich.

### **2018-19 Water & Sewer Rates**

Utilities Director Glenn M. Chinavare gave an overview of the proposed rate hike for water & sewer effective July 1, 2018. He said every effort had been made to explore available alternatives in an effort to keep the increase as small as possible, but maintenance, replacements, and new work mandated by the State made it impossible to do so. He went on to list some of the reasons why the proposed 13.5% increase was quite a bit higher than previous years:

**Water Utility:**

These increases are necessary to replenish depleted water capital reserve fund balances. The minimum fund balance for a three to four month operating expense contingency is \$500,000.00. Projected water main replacements in coordination with the Street Rehabilitation Program for 2019 thru 2021 are expected to be at least \$2,600,000.00, which does not yet include the cost of lead and galvanized water service line replacement now mandated by the State of Michigan effective June 14, 2018. Additionally, asset management plans now mandated by the State of Michigan also require an additional skilled staff employee to manage and maintain this information as part of regulatory compliance.

**Wastewater Utility**

While the wastewater capital reserve fund has a positive balance, these reserves have been depleted significantly the past two years to renovate and replace plant processes that expended their useful service life. This includes the two primary clarifiers at \$632,059.00, new HVAC system at \$101,000.00, new influent debris screening units and waste compactor at \$239,300.00, sludge thickener rehabilitation (currently in process) at \$539,000.00, and centrifuge rehabilitation at \$26,500.00. The next plant processes of concern are 1) Influent screw pumps estimated at \$725,000.00, 2) Grit Chamber estimated at \$1,000,000.00, 3) Emergency Generator at \$350,000.00, and 4) Main building roof at \$350,000.00.

He said he had tried hard to come up with a rate that resulted in positive cash flow while not increasing rates too much. He went on to warn that if Council did not pass this increase the City would not be able to do all the projects being proposed, including replacing lines under new streets.

There was discussion between Council and Mr. Chinavare regarding: how our water rates compare to others, the status of the lead water service line replacement grant, neglected maintenance, how the rates for use of the waste water treatment plant are determined, increasing the rates to the townships for use of the waste water treatment plant, and seeking other sources of revenue.

Members of Council expressed their concern over the amount of the increase and the effect it would have on low-income residents. Mayor Eveleth summed it up by saying he felt that staff had put significant effort into formulating a good plan but he needed more time to assess whether residents could handle the increase. He went on to note that two members of Council were not present and he would like the opportunity for them to weigh in on the subject.

Motion by Councilmember Fox to postpone the item regarding water and sewer rates for the 2018-19 fiscal year until the August 6, 2018 meeting.

Motion supported by Councilmember Law.

Roll Call Vote.

AYES: Councilmembers Greenway, Fox, Law, and Mayor Eveleth.

NAYS: Mayor Pro-Tem Osika.

ABSENT: Councilmembers Bailey and Teich.

**COMMUNICATIONS**

- N. Bradley Hissong, Building Official. June 2018 Building Department Report.
- N. Bradley Hissong Building Official. June 2018 Code Violations Report.
- Kevin D. Lenkart, Public Safety Director. June 2018 Police Report.
- Kevin D. Lenkart, Public Safety Director. June 2018 Fire Report.
- Parks & Recreation Commission. Minutes of June 27, 2018.

**CITIZEN COMMENTS AND QUESTIONS**

Tom Manke, 2910 W. M-21, thanked Council for waiting until August 6<sup>th</sup> to make a decision on the water and sewer rates. He also thanked the Council for their action on the old fire truck and welcomed the City's new Assistant City Manager.

Mark Hanna, 220 W. Main Street, suggested that Council take the opportunity to restructure the entire cost framework of the water and sewer systems. He said having water is a must and the issue is bigger than the City. He suggested that the City may be able to take in more money to fund the systems if they charge all users the same rate.

Councilmember Fox said that he had experienced a lot of turmoil in his life lately with his wife's failing health. He said he wanted to focus all his time on being with her and tendered his resignation. His fellow Councilmembers expressed shock and sadness, but said they understood his decision. He was given a standing ovation for his service to the community over the years.

On a lighter note, Mr. Fox said that he had found someone willing to store the old fire truck on his property, as well as a firm to tow the vehicle to the new location. He further said he is willing to help with the Firemen's Memorial Committee as long as he's here.

Motion by Mayor Pro-Tem Osika to accept, with regret, the resignation of Councilmember Burton Fox.

Motion supported by Councilmember Greenway.

Roll Call Vote.

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

NAYS: None.

(It was later determined that per Charter Section 4.11 Mr. Fox's resignation was not official until such time as it is submitted in writing to the Clerk. Said resignation was received by the Clerk's Office July 20, 2018.)

### **NEXT MEETING**

Monday, August 06, 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 Mayor Pro-Tem Osika for adjournment at 8:52 p.m.

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

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Christopher T. Eveleth, Mayor

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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.