

OWOSSO CITY COUNCIL

JUNE 19, 2006

7:30 P.M.

PRESIDING OFFICER: MAYOR LINDA L. ROBERTSON

OPENING PRAYER: CITY MANAGER GREGG G. GUETSCHOW

PLEDGE OF ALLEGIANCE: MAYOR LINDA L. ROBERTSON

PRESENT: Mayor Linda L. Robertson, Mayor Pro-tem Mark D. Owen, Councilpersons Michael E. Bruff, Michael N. Cline, Joane E. Ford, Matthew B. Harvey, and Justin R. Horvath.

ABSENT: None.

APPROVE AGENDA

Motion by Councilperson Bruff to approve the agenda as presented with the change of Consent Agenda Item # 3, Change Order, to become Items of Business #7.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF JUNE 5, 2006

Motion by Councilperson Ford to approve the Minutes of the Regular Meeting of June 5, 2006 as presented.

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

PUBLIC HEARINGS

SPECIAL ASSESSMENT DISTRICT NO. 2006-04

SOUTH STREET FROM CHIPMAN STREET TO CHESTNUT STREET

The public hearing was conducted to receive citizen comment regarding authorization of Resolution No. 5 for Special Assessment District No. 2006-04, for South Street from Chipman Street to Chestnut Street for street reconstruction.

The following person addressed the City Council:

Larry Latunski, 1420 South Street voiced his objections to the project. He commented that he felt 1) it was not fair to assess a property owner for a third time in a six year period; 2) that the amount of the assessments have not increased his property value; 3) that the way grant money is being divided is not fair; and 4) his assessment is incorrect because he isn't getting a 25% corner lot discount.

There was council/staff discussion regarding the accurateness of the assessment for Mr. Latunski. It was found that Mr. Latunski's property had been combined (after the first special assessment roll was prepared) and should be assessed with a 25% discount on the whole parcel.

There was further discussion regarding the grant, how the cost is allocated, and the cost of asphalt increasing total project costs.

The following preamble and resolution were offered by Councilperson Ford and supported by Councilperson Harvey:

WHEREAS, the City Council has met, after due and legal notice, and reviewed the special assessment roll prepared for the purpose of defraying the special assessment district's share of the following described public improvement: South Street from Chipman Street to Chestnut Street for street reconstruction, and

WHEREAS, after hearing all persons interested therein and after carefully reviewing said special assessment roll the Council deems said special assessment roll to be fair, just and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with the benefits to be derived by the parcel of land assessed.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll as prepared by the City Assessor in the amount of \$73,312.06 is hereby confirmed and shall be known as Special Assessment Roll No. 2006-04.
2. Said special assessment roll shall be divided into ten (10) equal annual installments, the first of which shall be due and payable on September 1, 2006, and the subsequent installments shall be

due on September 1st of each and every year thereafter. Payment of the amount of the special assessment may be made in full without interest or penalty by December 1, 2006.

3. The installments of the special assessment rolls shall bear interest at the rate of 8% per annum; provided, however, if the bonds are issued in anticipation of said special assessments, then such unpaid special assessment shall bear interest at a rate of interest equal to 1% above the average rate of interest borne by said bonds. Such interest shall commence on September 1, 2006 and shall be paid annually on each installment due date.
4. Said special assessment roll shall be placed on file in the office of the City Clerk who shall attach his warrant to a certified copy thereof within ten (10) days commanding the Assessor to spread the various sums shown thereon as directed by the City Council.

Further, this resolution is adopted with the provision that Mr. Latunski's property at 1420 West South Street be recalculated to show lot combination with a 25% corner lot discount.

Roll Call Vote.

AYES: Councilpersons Bruff, Ford, Mayor Pro-Tem Owen, Councilperson Horvath, and Mayor Robertson.

NAYS: Councilpersons Cline and Harvey.

ORDINANCE AMENDMENT – SIGNS

ORDINANCE NO. 673

The public hearing was conducted to receive citizen comment regarding proposed ordinance amendment to Chapter 26, *Signs*, Article III, *Definitions*, Section 26-9, *Definitions and Interpretation*, and Article VI, *Schedule of Sign Regulations*, Section 26-30, *Permitted sign characteristics by zoning district-Chart VI*, of the Code of Ordinances of the City of Owosso.

The following persons addressed the City Council regarding the proposed amendment:

Mark Agnew, Agnew Graphics at 642 North Shiawassee Street, commented in support of the ordinance but requested a change in the time limitations in the B-1 district from 6 a.m. to 5 a.m.

Betty Coon, 1204 Palmer Street, commented in opposition to this type of signs; she felt that they were a traffic distraction.

Shevla Cebulski, 1243 Marion Street, commented in support of this type of sign.

There was general Council discussion regarding the animated, programmable display signs in certain districts, the hours of operation, maintaining a good neighbor relationship, and concerns with allowing the 5 a.m. starting time in a B-1 district.

Whereas, the Council, after due and legal notice, has met and having heard all interested persons, motion by Councilperson Cline that the following ordinance be adopted with a change in the starting time to 5 a.m. in the B-1 zoning district.

Motion supported by Mayor Pro-Tem Owen.

Motion by Councilperson Cline to amend the motion to read "with a change in the starting time to 5 a.m. in the B-1 zoning district along State Highways.

Motion supported by Councilperson Ford.

Roll Call Vote.

AYES: Councilpersons Horvath, Cline, Bruff, Harvey, Mayor Pro-Tem Owen, Councilperson Ford, and Mayor Robertson.

NAYS: None.

Roll Call Vote to adopt the following ordinance as amended:

AYES: Councilperson Ford, Mayor Pro-Tem Owen, Councilpersons Bruff, Cline, Harvey, Horvath, and Mayor Robertson.

NAYS: None.

ORDINANCE NO. 673

AN ORDINANCE TO AMEND SECTIONS 26-9 and 26-30 OF CHAPTER 26 OF THE CODE OF ORDINANCES OF THE CITY OF OWOSSO, MICHIGAN.

THE CITY OF OWOSSO ORDAINS:

Section 1. That Chapter 26, *Signs*, Article III, Definitions, Section 26-9, Definitions and interpretation, and Article VI, Schedule of Sign Regulations, Section 26-30, Permitted sign characteristics by zoning district-Chart VI, of the Code of Ordinance of the City of Owosso, Michigan, shall be and the same is hereby amended to read as follows:

Section 26-9. Definitions and interpretation.

Animated sign. Any sign that uses movement or change of lighting, either natural or artificial, to depict action or create a special effect or scene. For the purposes of this chapter, this term does not refer to flashing, changeable copy signs or programmable message centers.

Programmable Display Sign. An animated sign, including LED's, made up of a field of individual electronic elements or mechanical grids that, when programmed and activated, create still or moving images or words. The elements may be internally illuminated or may be illuminated by reflected light. The sign may be framed by permanent, nonmoving signage.

Section 26-30. Permitted sign characteristics by zoning district-Chart VI.

CHARACTERISTIC	ZONE DISTRICT											
	R-1, R-2, R-T	RM-1, RM-2	OS-1	B-1	B-2	B-3	B-4	I-1	I-2	C-OS	PUD	INS
Animated	N	N	N	N	N	S	N	N	N	N	N	N
Changeable Copy	N	N	N	S	S	S	S	S	S	N	S	S
Illumination, internal (a)	N	N	S	S	S	S	S	S	S	N	S	S
Illumination, external (a)	N	N	S	S	S	S	S	S	S	N	S	S
Illumination, exposed bulbs	N	N	N	N	N	S	N	N	N	N	N	N
Programmable display sign (a) (e)	N	N	S(b), (d)	S(b)	S	S	S	S	S	N	S(c)	S(b), (d)

S-Allowed only with sign permit.

N-Not allowed.

- (a) No direct light or significant glare from the sign shall be cast onto any adjacent zone lot that is zoned and used for residential purposes.
- (b) Except for an unanimated, fixed message, the sign functions shall be turned off between the hours of 10:00 p.m. and 6:00 a.m. for all locations other than state highways. On state highways the hours of restricted lighting are between 10:00 p.m. and 5:00 a.m.
- (c) A programmable display sign is subject to approval and standards established within the site plan review provisions of Chapter 38, Zoning, Section 38-390.
- (d) A programmable display sign shall have a 75-foot setback from a residentially zoned and occupied structure.
- (e) The message interval shall be three seconds and the flashing background feature behind changeable copy shall not be activated.

Section 2. This ordinance shall take effect July 9, 2006.

Section 3. This ordinance may be purchased or inspected in the City Clerk's office Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

ORDINANCE AMENDMENT – UTILITIES AND SERVICES

ORDINANCE NO. 674

The public hearing was conducted to receive citizen comment regarding proposed ordinance amendment to Chapter 34, *Utilities and Services*, Article III, Water, Section 34-82, Water supply cross connection rules, and Section 34-83, Violations, of the Code of Ordinances of the City of Owosso.

There were no citizen comments.

Whereas, the Council, after due and legal notice, has met and there being no one to be heard, motion by Councilperson Bruff that the following ordinance be adopted:

ORDINANCE NO. 674

AN ORDINANCE TO AMEND SECTION 34-82 OF THE CODE OF ORDINANCES OF THE CITY OF OWOSSO, MICHIGAN, TO UPDATE PROVISIONS FOR THE CITY WATER SUPPLY CROSS CONNECTION PROGRAM TO PROTECT THE CITY WATER SUPPLY THROUGHOUT THE DISTRIBUTION SYSTEM FROM CONTAMINATION, AND TO ADD SECTION 34-83 TO CLARIFY HOW VIOLATIONS OF ARTICLE 3 OF CHAPTER 34 ARE TO BE HANDLED.

THE CITY OF OWOSSO ORDAINS:

Section 1. That Chapter 34, *Utilities and Services*, Article III, *Water*, Section 34-82, Water supply cross connection rules, and Section 34-83, Violations, of the Code of Ordinance of the City of Owosso, Michigan, shall be and the same is hereby amended to read as follows:

Sec. 34-82. Water supply cross connection rules.

(a) The Water Supply Cross Connection Rules of the Michigan Department of Environmental Quality, being R 325.11401 to R 325.11407 of the Michigan Administrative Code, are adopted by reference as part of this article.

(b) It shall be the duty of the city to cause inspections to be made of all properties served by the public water supply where cross connections with the public water supply is deemed possible. The frequency of inspections and reinspections based on potential health hazards involved shall be as established by the public services department and as approved by the Michigan Department of Environmental Quality.

(c) A representative of the city shall have the right to enter at any reasonable time any property served by a connection to the public water supply system of the city for the purpose of inspecting the piping system or systems thereof for cross connections. On request, the owner, lessees or occupants of any property so served shall furnish to the inspection agency any pertinent information regarding the piping system or systems on such property. The refusal of such information or refusal of access, when requested, shall be deemed evidence of the presence of cross connections.

(d) The public services department of the city is hereby authorized and directed to discontinue water service after reasonable notice to any property wherein any connection in violation of this article exists, and to take such other precautionary measures deemed necessary to eliminate any danger of contamination of the public water supply system. Water service to such property shall not be restored until the cross connection(s) has been eliminated in compliance with the provisions of this article.

(e) All testable backflow prevention devices shall be tested initially upon installation to assure the device is working properly. Subsequent testing of devices shall be conducted at the time interval specified by the public services department and in accordance with requirements of the Michigan Department of Environmental Quality and the Michigan Plumbing Code. The owner of the water service and device shall be responsible for testing and maintenance or replacement of the device. Device testing is to be done by an individual approved by the public services department. Approval is to be based on evidence of proper training, equipment, and certification as required and issued by the State of Michigan. The approved tester shall certify the device test results to the public services department on forms provided or approved by the department.

(f) The potable water supply made available on the properties served by the public water supply shall be protected from possible contamination as specified by this article and by the Michigan Plumbing Code. Any water outlet which could be used for potable or domestic purposes and which is not supplied by the potable system must be labeled in a conspicuous manner as:

WATER UNSAFE FOR DRINKING

(g) This article does not supersede, but is supplementary to, the Michigan Plumbing Code.

Sec. 34-83. Violations.

(a) Any person found to be violating any provision of this article shall be served by the public services director with a written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations.

(b) A violation of the provisions of this article shall be considered a public nuisance per se and any action authorized or permitted by law for the abatement of public nuisances may be instituted by the city in regard to such violation.

(c) Whenever a person has violated any provision of this article, the city may take any legal action necessary to recover damages sustained by the city as a result thereof.

Section 2. This ordinance shall take effect July 9, 2006.

Section 3. This ordinance may be purchased or inspected in the City Clerk's office Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

Motion supported by Councilperson Ford.

Roll Call Vote.

AYES: Councilpersons Harvey, Ford, Mayor Pro-Tem Owen, Councilpersons Horvath, Cline, Bruff, and Mayor Robertson.

NAYS: None.

CITIZEN COMMENTS AND QUESTIONS

Mike Huckleberry, 1738 Vining Road, Greenville, candidate for U.S. Congress, addressed the City Council regarding his candidacy.

James Griesen, president of Target Industry at 222 South Elm Street, commented regarding his concerns with the tentative schedule for repairs on the building at the 317 South Elm Street. Mr. Griesen distributed pictures of the adjacent building to Councilmembers.

Burton Fox, 216 East Oliver Street, commented in opposition of continued discussion about the property at 317 South Elm Street. He commented that there are many good things going on in Owosso.

Bob Teich, 317 West Williams Street, thanked the City and Council for having the DPW yard open every Saturday for brush and leaf disposal.

Steven Grady, 713 West Oliver Street, commented in support of HB 5895 as it relates to local cable franchises.

Ed Urban, 601 Glenwood Avenue, inquired about the removal of the playground equipment at Hopkins Lake and the Holman Pool Sunday hours.

City Manager Gregg Guetschow reported that the playground equipment was taken out because it wasn't safe and will be replaced. He also commented about the contracted hours on Sunday are between the Friends of Holman Pool and the YMCA and that Mr. Urban should contact Doug Saunders at the YMCA.

Councilperson Bruff asked Mr. Grady who he worked for. Mr. Grady answered AT&T.

Mayor Robertson commented about the City's invitation for local cable provider competition and not receiving any response.

City Manager Guetschow responded that "we would invite a proposal from AT&T".

Mr. Grady commented regarding the "non-truth" of some areas not getting service.

Mayor Pro-Tem Owen commented about the need for companies to become competitive.

Councilperson Cline asked when the Dollar Store in the old Burlington building plans to open. He also told Mr. Urban he will call the YMCA to get an answer about the Sunday hours.

Councilperson Horvath asked Building Official John Archer if he would like to respond to Mr. Griesen's comments. City Manager Guetschow asked Mr. Archer not to.

CONSENT AGENDA

Motion by Mayor Pro-Tem Owen to approve the Consent Agenda as follows:

Conduct First Reading and Set Public Hearing

The First Reading on the proposed ordinance amendment was held.

A public hearing was scheduled for July 3, 2006 to receive citizen comment regarding proposed changes to Chapter 2, *Administration*, Article VI, *Finance*, Section 2-348, "Lowest qualified bidder" defined, of the Code of Ordinances of the City of Owosso, as follows:

AN ORDINANCE TO AMEND CHAPTER 2, ADMINISTRATION, ARTICLE VI, *FINANCE*, DIVISION 3, PURCHASES, CONTRACTS AND SALES, SECTION 2-348, "LOWEST QUALIFIED BIDDER" DEFINED, OF THE CODE OF ORDINANCES OF THE CITY OF OWOSSO, MICHIGAN, TO EXTEND THE SUNSET DATE OF LOCAL PREFERENCE PROVISIONS.

THE CITY OF OWOSSO ORDAINS:

Section 1. That, Chapter 2, Administration, Article Vi, *Finance*, Division 3, Purchases, Contracts And Sales, Section 2-348, "Lowest Qualified Bidder" Defined, of the Code of Ordinances of the City of Owosso, Michigan shall be and the same is hereby amended to read as follows:

Sec. 2-348. "Lowest qualified bidder" defined.

The term "lowest qualified bidder," as used in this division, shall mean the lowest bidder having qualifications to perform the work which are satisfactory to the council. The lowest bidder shall be determined based on an adjusted bid tabulation which shall be prepared in the following manner:

- (1) To the bid of any bidder which is neither a city-based business nor a county-based business shall be added an amount equal to six (6) percent of the bid or two thousand five hundred dollars (\$2,500.00), whichever is less.
- (2) To the bid of any bidder which is a county-based business shall be added an amount equal to three (3) percent of the bid or two thousand five hundred dollars (\$2,500.00), whichever is less; provided, however, that if no bid is received from a city-based business, no additional amount shall be added to the bid of a county-based business.
- (3) "Owosso-based business" shall be interpreted to mean a business registered with the county clerk or a corporation registered with the state having a business address within the city limits which pays real and/or personal property taxes levied by the city.

"County-based business" shall be interpreted to mean a business other than a city-based business registered with the county clerk or a corporation registered with the state having a business address within the county which pays real and/or personal property taxes levied by the county.

- (4) If twenty-five (25) percent or more of a contract for construction or other services is to be subcontracted by a city-based business bidder to a non-city-based business or businesses, or by a county-based business bidder to a non-county-based business or businesses, the adjusted bid shall be calculated by applying the provisions of this section separately to each portion of the contract based on the status of the contractor or subcontractor performing that portion of the contract as a city-based or county-based business.

This section shall be deemed to have been repealed as of June 30, 2010 unless re-enacted by the council.

Section 2. This Ordinance shall become effective 20 days following its adoption.

Section 3. This Ordinance may be purchased or inspected in the City Clerk's Office Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

Set Public Hearing. Set public hearing for July 3, 2006 to receive citizen comments for site plan amendment for Robbins Loft at 1231 West Main Street.

Contract Payment. Authorized Payment No. 6 to Classic Concrete in the amount of \$4,889.50 for work done on the Residential Sidewalk Replacement Project.

Contract Payment. Authorized Payment No. 2 to Glaeser Dawes Corporation in the amount of \$3,187.55 for work done on the West South Street Water Main Project.

Boards and Commissions Appointments. Accepted Mayoral appointment/re-appointment of the following:

<i>Appointee (a) / Re-appointee (r)</i>	<i>Board/Commission</i>	<i>Term Expiration</i>
Bryan Fitch (a) (To fill unexpired term of Mike Rohde)	Building Board of Appeals	06/30/2008
Elizabeth Frasier (a) (Regular member status to fill unexpired term of Mike Rohde)	Zoning Board of Appeals	06/30/2007
Dan Jozwiak (r)	Zoning Board of Appeals	06/30/2009
William Wascher (r)	Planning Commission	06/30/2009

Warrant No. 327. Accepted Warrant No. 327 as follows:

Vendor	Description	Fund	Amount
Brown & Stewart, PC	Professional Services covering the period of May 10, 2006 to June 9, 2006.	General	\$15,249.83

Motion supported by Councilperson Bruff.

Roll Call Vote.

AYES: Councilpersons Cline, Ford, Horvath, Harvey, Bruff, Mayor Pro-Tem Owen, and Mayor Robertson.

NAYS: None.

ITEMS OF BUSINESS

WATER DISTRICT AGREEMENT

Motion by Mayor Pro-Owen to approve a water district agreement with Caledonia Charter Township as follows:

WATER DISTRICT AGREEMENT

Agreement

This agreement made this first day of July, A.D., 2006, by and between the City of Owosso, a municipal corporation organized under the laws of the State of Michigan, party of the first part hereinafter called "City"; and Caledonia Charter Township, hereinafter called "Township", a Public Body Corporate organized under the enabling laws of the State of Michigan; party of the second part.

Witnesseth:

Whereas, City maintains and operates a water supply system, and is authorized by law to make the facilities and services of said water system available to other legal entities; and

Whereas, Township has the authority to contract with City for the purpose of securing extensions of water mains throughout adjacent portions of Caledonia Charter Township and to provide water service by the continued operation of such mains by City; and

Whereas, for the purposes of public health, welfare, and safety it appears that it is necessary and desirable to provide for water supply for portions of Caledonia Charter Township; and

Whereas, City and Township are authorized by P.A. 35 of 1951, as amended, and P.A. 34 of 1917, as amended, to enter into contracts for the provision of municipal services, including water supply and transmission;

Now, therefore, in consideration of the premises and the mutual undertakings of the parties hereto, it is agreed:

1. City agrees to sell and deliver water to customers in Caledonia Charter Township that are located within the boundaries of the following described water service districts, hereinafter called districts subject to conditions stated herein.

2. Township agrees to constitute the districts described in paragraph 20 and to construct, at no capital expense to City, the water distribution system and appurtenances including storage as needed within said districts. Title to the water distribution system, constructed by Township at no capital expense to City, shall be in Township.

3. The extension of water mains to any customers or areas outside the corporate boundaries of the City shall be limited solely to those customers or areas within the boundaries of water service districts or other municipal entities contracting with City for water service; provided, however, that provision of water service to customers on the boundaries of water districts when such service does not require the extension of water mains may be permitted by mutual consent of the parties.

4. City, to the best of its ability, shall deliver water to customers within the districts at such rates of flow as may be required to meet ordinary needs, and as may be required to meet peak hour demand to the same extent that peak hour demand is met within the boundaries of the City.

5. After the distribution system, or portion thereof, has been installed and accepted by Township and City, City will operate said system, furnishing water to the water customer within the districts in the same manner used in furnishing water to the water customers within the city boundaries except as hereinafter provided. All water furnished shall be measured by meters located on the premises of each customer in the same manner as is required by the Code of Ordinances and rules and regulations of City for measurement of water used by water customers in the city. Water meters shall be furnished, maintained and replaced by City, and title to the water meters shall remain in City. The initial meter cost shall be included in the customer connection charge.

6. City agrees as part of its operation to keep the water distribution system in said districts in good repair, including maintenance of fire hydrants, the repair of leaks and items of similar nature usually associated with the routine maintenance and operation of a public water supply system; except, that Township shall reimburse City for the costs of all changes in or damages to the distribution system and service connections as may be incurred by highway or street redevelopment or grading programs, sewer constructions, or other public works or public utility activities other than damage caused by the activities of City or its contractors.

7. Township agrees to adopt ordinances conforming to City's water utility ordinances to enforce utility operation within the districts in compliance with City's Water Ordinances, Water Bond Ordinances and sound public health and engineering practice. Township further agrees that City shall have full access to all of its streets, rights-of-way and utility easements within and without said water districts for the purposes of repairs and maintenance to the water system. City shall give reasonable notice to Township for any projects in which streets will be closed for repairs to water system.

8. Township may extend or expand the water distribution system as provided for in paragraph 10 within the established limits of a district at the expense of Township or through applicable special assessment procedures established by law. All water main sizes and arrangements, valve locations, and reserve storage shall be established by mutual consent of the parties, subject however, to a master plan meeting good engineering precepts for equalization of supply and pressure throughout the total distribution system.

9. All specifications, construction methods and installations of water mains, taps, service connectors, fittings, meters, and other appurtenances of the water distribution system in the districts shall comply with all City standards, specifications, and rules and regulations from time to time in effect for the distribution system in the city; and all rules and regulations of City pertaining to the control of, or restriction of, the use of water taken from City's water system shall apply in the districts; and all rules of the Michigan State Plumbing Code and Michigan Department of Environmental Quality pertaining to water systems shall apply in the district. Provisions of this paragraph to the contrary notwithstanding, standards and specifications for fire equipment connections to fire hydrants installed within the districts shall conform to those used for such connections in the city of Corunna.

10. Township agrees that no extensions or additions of water mains shall be made and no pumping, regulating, storage, or other facilities shall be installed in the districts' water systems until clear and complete plans and specifications for such work shall have been submitted to and approved by City. Such approval shall not be unreasonably withheld but may be withheld if such extensions or additions might render the City unable to meet its obligations under the provisions of paragraph 4 above. When it appears that approval might be withheld, City agrees to notify Township and to meet and confer with Township officials to discuss the reasons for such action and to consider potential remedies.

11. It is understood and agreed that City shall have the right through its City Manager, or his appointed agent, to inspect all water pipes, taps, service connections, fittings, meters, and appurtenances, during installation, installed, or intended for use in the system, during the continuance of this contract, for the purpose of insuring a uniform standard of construction for all areas served by City's water supply system, and to avoid any damage to City's system as a whole, arising from inferior material or workmanship in the component parts.

12. Township shall carefully guard against all forms of contamination. If at any time contamination should occur, the area or areas affected shall immediately be shut off and isolated and remain so until such conditions shall have been abated and the water declared again safe and fit for human consumption by the properly constituted governmental health agencies having jurisdiction of the areas affected. Further, it is provided that if it appears that an area within the supply system of a district is contaminated and Township fails to timely act to isolate said contamination, then City shall have the right to shut off and terminate water service or isolate the same as City shall deem necessary for the protection of the general health, safety, and welfare of the public.

13. City expressly reserves the right to discontinue temporarily the supply of water to any of the pipes laid or to be laid by any district and to discontinue temporarily the entire water supply to the district whenever in the judgment of City it is necessary to do so to insure the public health, safety and welfare and/or to maintain or repair the water system. No claims for damages for such discontinuance shall be made by Township against City, its agents, servants or employees.

14. It is understood and agreed that Township will not, under any circumstances, permit water from any other source or supply to be introduced into a district's water system, nor any part thereof, to be mixed or mingled with the water from the water system of City, without prior written approval of City.

15. It is mutually agreed that the 16 inch transmission main on M-21 may be extended to serve other districts within the Township and outside of the Township. Each party agrees to negotiate in good faith as to the extension of said 16 inch transmission main and as to reimbursement of both parties for their initial capital expenditures in said main. Consent for said use shall not be unreasonably withheld, and if agreement cannot be reached, the parties may agree to mediate as described in paragraph 24 or either party may petition the Circuit Court of the County of Shiawassee for a final determination as to extended use of said main and reimbursement for initial capital expenditures.

16. City will use reasonable diligence to provide and maintain regular uninterrupted service, but it does not guarantee uninterrupted service, and shall not be liable for damages caused by accident, repairs, or other causes.

17. This Agreement shall be in full force and effect for twenty (20) years from the date of the agreement; provided, however, that it may be terminated as follows:

- A. By mutual agreement of both parties.
- B. After twenty (20) years, at the option of either party upon one year's prior written notice thereof to the other party, and then only with the consent and approval of the Michigan Department of Environmental Quality, provided such approval or consent is then required.
- C. At the option of either party for any breach of this Agreement continuing after sixty (60) days written notice to the breaching party demanding conformance.
- D. Upon the implementation of provisions of an agreement between City and Township pursuant to which City would provide water to Township on a wholesale basis.

Prior to the termination of this Agreement, City and Township shall meet to discuss the manner in which water service to existing customers in Caledonia Charter Township and interconnections with the City of Corunna water system, if any, are to be maintained.

18. It is hereby agreed that no failure or delay in performance shall be deemed to be a breach hereof when such failure or delay is occasioned by or due to any Act of God, Strike, Lockout, War, Riot, Epidemic, Explosion, Sabotage, Breakage, or Accident to Machinery or Lines of Pipe, the Binding Order of any Court or Governmental Authority, or any other cause whether of the kind herein enumerated or otherwise not within the control of the party against whom a breach is alleged, provided that no cause or contingency shall relieve the Township residents of their obligation to make payment for services rendered.

19. Township specifically agrees that the performance by City of all terms and conditions herein found shall be considered to be in lieu of all liens, fees, rentals, taxes, or charges which the Township or District or other governmental unit might otherwise levy or impose.

20. District Descriptions. Districts Numbers I, II, III and IV as described in Attachment A are hereby established and each district shall be subject to all the provisions of this agreement. District boundaries may be expanded or separate districts may be added by mutual agreement between City and Township.

21. Rates. The rates for water supplied by City shall be such as City may establish from time to time, it being mutually understood that such rates shall always be reasonable in relation to costs incurred by City for the supply of water. Monthly water charges by City directly to customers in Caledonia Township shall be two times the rates charged directly to customers in City. Fire hydrant service charges shall be billed to Township.

City shall quarterly deposit in a separate account, entitled "Caledonia Utility Fund", twenty-five percent (25%) of the revenue from the metered sale of water in Caledonia Charter Township. This fund may be used for making replacements and improvements to the utility distribution system in Caledonia Charter Township, including provision of system storage. The need for replacements and improvements, and the priority and means of their accomplishment, shall be determined by Township after consideration of and response to any input from City. An annual summary report on this fund shall be made to Township. Records of water sales in Caledonia Charter Township and utilization of the fund shall be made available upon request of Township.

Any bad debt expense experienced by City in the sale of water to customers in Caledonia Charter Township shall be deducted from the quarterly deposit to the Caledonia Utility Fund account after other customary collection methods employed by City, including the establishment of liens for the collection of unpaid utilities, have proven unsuccessful. City will cooperate with Township in establishing and enforcing liens for collection of bad debts. Funds recovered through these collection methods shall be deposited in the Caledonia Utility Fund account as part of the quarterly deposit for the quarter during which these funds are recovered.

Water service charges shall be collected by City. The rates and charges as established herein shall constitute a lien on the properties located in an established Township water district or receiving water services of the same type and character as provided for water and sewer charges by the provisions of Sec. 21, Act 94, Public Acts of Michigan, 1933, as amended, and it is agreed that said lien may be enforced by City in the same manner that mechanic's liens are enforced under the provisions of the laws of the State of Michigan. It is also hereby agreed that City shall have the power to effect direct collection of the charges set forth herein, which remain due and unpaid more than 30 days, by any means permitted by law.

22. Connection Charges. City and Township may each, from time to time, establish water service connection charges. Water service connection charges shall be billed by City directly to customers in Caledonia Charter Township upon application for connection to the water system. Township connection charges billed and collected by City shall be deposited at least quarterly into the Caledonia Utility Fund account created pursuant to the provisions of paragraph 21 above. At the time of each deposit, City shall deliver to Township a report detailing the Township connection charge receipts, showing for each property address to which a water service connection has been made the amount of the Township connection charge collected.

23. Amendments. This agreement may be amended from time to time by mutual consent of the parties. Such amendments may only be made in writing. It is acknowledged and understood by the parties that the provision of adequate supplies of water to one or more districts might be enhanced by an interconnection between water systems within these districts and the City of Corunna water system. When it is determined that the system would benefit from such interconnection, the parties agree to negotiate in good faith such amendments to this agreement as are necessary to effectuate such interconnection.

24. Dispute Resolution. If a dispute should arise regarding the meaning or application of the terms of this agreement, or if the parties are unable to reach agreement when the provisions of this agreement require it, City and Township agree to submit such matters to mediation pursuant to the rules and procedures of the dispute resolution center serving Shiawassee County. If mediation fails, either party may seek its appropriate remedies in Shiawassee County Circuit Court.

25. Assignment. This agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

26. Notice. Whenever this agreement requires the provision of written notice, that notice shall be deemed to have been given when a letter is sent via first class mail addressed to the following:

A. For Township:
Caledonia Charter Township Supervisor
135 North State Road
Owosso, MI 48867

B. For City:
Owosso City Manager
301 West Main Street
Owosso, MI 48867

In witness whereof, the parties have hereunto set their hands this twentieth day of June, 2006.

CITY OF OWOSSO
Linda L. Robertson, Mayor
Gail L. Schultz, City Clerk

CHARTER TOWNSHIP OF CALEDONIA
John J. Orin, Supervisor
Meredith A. Thompson, Clerk

ATTACHMENT A

CALEDONIA TOWNSHIP

WATER SUPPLY

DISTRICT NO. I

THAT AREA OF CALEDONIA TOWNSHIP BOUNDED ON THE WEST BY THE OWOSSO CITY LIMITS, ON THE NORTH BY STATE HIGHWAY M-21, ON THE EAST BY THE CORUNNA CITY LIMITS, AND ON THE SOUTH BY THE SHIAWASSEE RIVER.

DISTRICT NO. II

THAT AREA OF CALEDONIA TOWNSHIP BOUNDED ON THE WEST BY THE OWOSSO CITY LIMITS, ON THE NORTH BY THE SHIAWASSEE RIVER, ON THE EAST BY THE CORUNNA CITY LIMITS, AND ON THE SOUTH BY THE GRAND TRUNK-ANN ARBOR RAILROAD LINES.

DISTRICT NO. III

THAT AREA OF CALEDONIA TOWNSHIP BOUNDED ON THE WEST BY THE OWOSSO CITY LIMITS, ON THE NORTH BY A LINE PARALLEL TO AND 100 FEET SOUTH OF THE NORTH LINE OF SECTIONS 15, 16, 17 AND 18, ON THE EAST BY ESCOTT ROAD, AND ON THE SOUTH BY STATE HIGHWAY M-21.

DISTRICT NO. IV

THAT AREA OF CALEDONIA TOWNSHIP BOUNDED ON THE WEST BY OWOSSO TOWNSHIP, ON THE NORTH BY A LINE PARALLEL TO AND 200 FEET NORTH OF VELMA AVENUE, AND ON THE EAST AND SOUTH BY THE OWOSSO CITY LIMITS.

Motion supported by unanimous voice of the Council.

Roll Call Vote.

AYES: Mayor Pro-Tem Owen, Councilpersons Harvey, Horvath, Ford, Cline, Bruff, and Mayor Robertson.

NAYS: None.

State Representative Richard Ball congratulated everyone involved on this agreement.

Councilperson Ford expressed "thanks" to Mayor Robertson, Mayor Pro-Tem Owen, and City Manager Guetschow for their part in the negotiating process.

Caledonia Charter Township Supervisor John Orin commented regarding the agreement and the positive negotiating process.

AMEND MILLAGE RATE

Motion by Mayor Pro-Tem Owen to adopt the following resolution amending the 2006-2007 operating millage rate approved in the general appropriations resolution passed May 15, 2006:

Whereas, the City Council passed a general appropriations resolution on May 15th 2006 providing for an operating millage rate of 13.0593 for the fiscal year beginning July 1, 2006; and

Whereas, the allowable rate is determined by a formula which includes, in part, the prior year losses and current year additions of property values to the current assessment roll; and

Whereas, the above factors for the 2006 assessment roll have been adjusted requiring the millage reduction fraction to be recalculated; and

Whereas, the adjustment results in a reduction to the operating millage rate from 13.0593 to 13.0540, or \$1,435, an amount not sufficient to require an adjustment to the fiscal 2007 budget;

Now, Therefore, Be It Resolved, that the operating millage rate for the fiscal year 2006-07 be amended to 13.0540 per 1,000 of taxable value of the 2006 assessment roll with a revenue yield of \$3,535,163 and hereby affirm the General Appropriations Resolution adopted May 15, 2006 is otherwise unchanged.

Motion supported by Councilperson Bruff.

Roll Call Vote.

AYES: Councilpersons Bruff, Horvath, Harvey, Mayor Pro-Tem Owen, Councilpersons Ford, Cline, and Mayor Robertson.

NAYS: None.

PROPERTY SALE – 102 SOUTH WASHINGTON STREET

Philip Hathaway, Director of Community Development, commented about extending the terms of the agreement another 14 days to allow for due diligence.

Mr. Hathaway introduced Bill Voorhies of Dixie Development. Mr. Voorhies gave a presentation and displayed a preliminary drawing of the proposed building.

Councilperson Bruff commented that he appreciated that Mr. Voorhies brought a preliminary drawing of the building facade.

Councilperson Cline commented that he is not against the development but is against the sale to Dixie Development. He commented about local interest in the property and the lack of allowing local interest the time to develop detailed plans.

Motion by Councilperson Bruff to approve the Purchase Agreement transferring the city-owned vacant parcel at 102 South Washington Street legally described as *The East 87.32 feet of Lots 3 and 4, Except the South 20 feet of Lot 3, Block 26 of the Original Plat of the City of Owosso*, for the sum of \$45,000 to Dixie Development, LLC and to authorize the Mayor and City Clerk to execute the appropriate documents.

Motion supported by Councilperson Ford.

Motion by Councilperson Bruff to amend the motion by adding 14 days to all references to required due dates in the Purchase Agreement, as posted, for the Due Diligence Period in Paragraph 4 and 4c and Paragraph 12, Closing.

Motion supported by Councilperson Ford.

Roll Call Vote to amend the motion.

AYES: Councilpersons Cline, Ford, Horvath, Bruff, Mayor Pro-Tem Owen, Councilperson Harvey, and Mayor Robertson.

NAYS: None.

Roll Call Vote to approve the Purchase Agreement transferring the city-owned vacant parcel at 102 South Washington Street legally described as *The East 87.32 feet of Lots 3 and 4, Except the South 20 feet of Lot 3, Block 26 of the Original Plat of the City of Owosso*, for the sum of \$45,000 to Dixie Development, LLC; to add 14 days to all references in the Purchase Agreement to required due dates for the Due Diligence Period in Paragraph 4 and 4c and Paragraph 12, Closing; and to authorize the Mayor and City Clerk to execute the appropriate documents.

AYES: Councilpersons Ford, Bruff, Horvath, Mayor Pro-Tem Owen, and Mayor Robertson.

NAYS: Councilpersons Harvey and Cline.

Clerk's Note: An executed copy of the Purchase Agreement, as amended, will be kept on file in the office of the City Clerk.

WATER RATE REVISIONS

There was general Council/Staff discussion regarding policy changes; possible increased revenues resulting from new agreement with Caledonia Township; looking at other ways to raising the revenue; welcoming new customers with positive approach; capital improvements fund; and timing of request for rate increase.

Motion by Mayor Pro-Tem Owen to review the water rate schedule in six months (second meeting in December).

Motion supported by Councilperson Harvey.

Roll Call Vote.

AYES: Councilpersons Bruff, Harvey, Horvath, Mayor Pro-Tem Owen, Councilpersons Cline, Ford, and Mayor Robertson.

NAYS: None.

SANITARY SEWER OVERFLOW PROGRAM GRANT APPLICATION

Motion by Mayor Pro-Tem Owen to adopt the following resolution authorizing submission of a grant application for the Sanitary Sewer Overflow Program:

City of Owosso
County of Shiawassee

Resolution Authorizing the S2 Grant Agreement

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204a that the Michigan Municipal Bond Authority (the "Authority") in consultation with the Michigan Department of Environmental Quality (the "DEQ", collectively with the Authority, the "State") shall establish a strategic water quality initiatives grant program to provide assistance to governmental units to complete the application for a loan under the State Revolving Fund ("SRF") program or Strategic Water Quality Initiatives Fund ("SWQIF") program; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended (the "Act"), Part 52, and other applicable provisions of law, the Authority, the DEQ, and a governmental unit (the "Governmental Unit") that is a grant recipient shall enter into a grant agreement (the "S2 Grant Agreement") that requires the Governmental Unit to repay the grant under certain conditions as set forth in MCL 324.5204a; and

WHEREAS, the Government does hereby determine it necessary to undertake planning and/or design activities related to a future project for which an SRF or SWQIF loan will be sought; and

WHEREAS, it is the determination of the Governmental Unit that at this time, a grant in the aggregate principal amount not to exceed \$176,220 ("Grant") be requested from the Authority and the DEQ to pay for the planning and/or design activities; and

WHEREAS, the Governmental Unit shall obtain this Grant by entering into the S2 grant Agreement with the Authority and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Gregg Guetschow and Gary Burk are each designated as an Authorized Representative for purposes of the S2 Grant Agreement.

2. The proposed form of the S2 Grant Agreement between the Governmental Unit and the State (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the S2 Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.

3. As stated in the S2 Grant Agreement, the Grant shall become a repayable obligation (the "Repayable Obligation") if any of the following occur:

(a) the Governmental Unit fails to submit an administratively complete loan application for assistance from the SRF or the SWQIF for the project within 3 years of the Grant award;

(b) the project has been identified as being in the fundable range and the Governmental Unit declines loan assistance from the SRF or the SWQIF in that fiscal year; or

(c) the Governmental Unit is unable to, or decides not to, proceed with constructing the project or opts to finance construction by means other than a loan from the SRF or the SWQIF.

4. The Governmental Unit hereby pledges its limited tax full faith and credit for payment of the Repayable Obligation subject to applicable constitutional, statutory and Governmental Unit tax rate limitations.

5. The Governmental Unit shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for general local government administrative activities or activities performed by municipal employees.

6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the State in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the State or as may be otherwise necessary to effect the approval and delivery of the Grant.

7. The Governmental Unit acknowledges that the S2 Grant Agreement is a contract between the Governmental Unit and the State.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

Motion supported by Councilperson Cline.

Roll Call Vote.

AYES: Councilpersons Harvey, Horvath, Ford, Cline, Bruff, Mayor Pro-Tem Owen, and Mayor Robertson.

NAYS: None.

CITY BUDGET AMENDMENT

Motion by Councilperson Ford to adopt the 2005-2006 Amended Budget as follows:

	2004-2005	2005-2006	2005-2006	2006-2007
	ACTUAL	ADOPTED	AMENDED	ADOPTED
GENERAL FUND				
<i>REVENUE SUMMARY:</i>				
Property Taxes	3221493	3323450	3342900	3471650
Local Sources	878325	1098900	1334925	1685700
Federal Grants	151829	0	1350	0
State Shared	1831314	2418000	1801825	1819000
TOTAL REVENUES	6082961	6840350	6481000	6976350
<i>EXPENDITURES by function</i>				
General Services	1705680	1719750	1787150	1711150
Public Safety	3096803	3242775	3306350	3985250
Community Development	248416	263600	268375	265375

Public Services	1008016	1104100	1148900	1067750
Recreation	307558	889875	277625	271400
Transfers	161032	244400	310700	333900
Administrative Reimbursement	-610595	-624150	-618100	-658475
TOTAL EXPENDITURES	5916910	6840350	6481000	6976350

SPECIAL REVENUE

REVENUE SUMMARY:

Major	1348966	1011300	1153175	1312350
Local	623687	776100	757000	851375
CDBG	117310	605650	89200	685000
Historical	62060	47450	63650	43225
TOTAL REVENUE	2152023	2440500	2063025	2891950

EXPENDITURES:

Major	1348966	1011300	1153175	1312350
Local	623687	776100	757000	851375
CDBG	115370	605650	64925	685000
Historical	62060	47450	46775	43225
TOTAL EXPENDITURES	2150083	2440500	2021875	2891950

COMPONENT UNITS

REVENUE SUMMARY:

Brownfield Authority	247890	1409400	18225	2018725
LDFA	107005	115300	115325	79625
DDA	362988	363425	464450	653550
TOTAL REVENUE	717883	1888125	598000	2751900

EXPENDITURES:

Brownfield Authority	301004	1409400	17050	2019600
LDFA	107005	115300	115325	44175
DDA	358413	363425	464450	641700
TOTAL EXPENDITURES	766422	1888125	596825	2705475

Motion supported by Councilperson Cline.

Roll Call Vote.

AYES: Councilperson Cline, Mayor Pro-Tem Owen, Councilpersons Harvey, Bruff, Ford, Horvath, and Mayor Robertson.

NAYS: None.

CHANGE ORDER

Motion by Councilperson Ford to authorize a Change Order to the purchase order with Fisher Redi-Mix for supply of concrete for the sidewalk in front of the Osburn Lakes Subdivision from \$65.00 per cubic yard to \$73.00 per cubic yard.

Motion supported by Councilperson Harvey.

Roll Call Vote.

AYES: Councilpersons Cline, Ford, Harvey, Horvath, Mayor Pro-Tem Owen, Councilperson Bruff, and Mayor Robertson.

NAYS: None.

COMMUNICATIONS

Charter Communications. 2006 Annual Customer Notification.

Bob Bluedorn, Shiawassee Council on Aging. Letter regarding August 8, 2006 millage request.

Michigan Municipal League. MML Convention information.

John F. Archer, Building Official. Owosso Casket building tentative repair schedule.

John F. Archer, Building Official. May 2006 Building Department Report.

John F. Archer, Building Official. May 2006 Code Violations Report.

Michael T. Compeau, Public Safety Director. May 2006 Police Division Report.
Michael T. Compeau, Public Safety Director. May 2006 Fire Division Report.
Downtown Development Authority. Minutes of Meeting of June 7, 2006.
Shiawassee Area Transportation Agency. Minutes of Meeting of April 11, 2006.
Shiawassee Area Transportation Agency. Minutes of Meeting of April 20, 2006.
Shiawassee District Library. Minutes of Meeting of April 26, 2006.

There was general council discussion regarding the Police and Fire Departments reports.

City Manager Guetschow distributed the current Holman Pool expenditure report.

Utilities Director Gary Burk distributed copies of the 2006 Water Quality Report.

CITIZEN COMMENTS AND QUESTIONS

Burton Fox, 216 East Oliver Street, commented regarding traffic enforcement and ways to increase water revenues.

Ed Urban, 601 Glenwood Avenue, commented regarding the decline in vandalism because of activities available. He also commented that the showers at Holman Pool are too hot.

Betty Coon, 1204 Palmer Street, commented regarding heavy equipment on Palmer Street and the curb alignment at the Baker College driveway. Mrs. Coon commended Council for their work on the water rates.

William Owen, 1309 Herman Street, commented about a public restroom in the downtown.

City Manager Guetschow commented about the amount of money needed to construct and maintain a public restroom.

James Griesen, 222 South Elm Street, commented further about the building at 317 South Elm Street; that he felt that the City Manager restricting open dialogue is rude; and that he is tired of the way the city is handling this issue.

Joni Forster, 1221 North Adams Street, commented that she is tired of hearing about this issue and Mr. Griesen's defaming of individuals.

Dave Bacon, 661 Mayflower, Saginaw, congratulated the City on the water district agreement with Caledonia Township and also commented that he would like to see the City work with Mr. Griesen.

Dale Strimple, 12143 West Coldwater Road, Flushing, commented regarding his concerns with the schedule of repairs for the building at 317 South Elm Street.

Patrick Kirby, attorney for Kahuna Properties, LLC - current owners of the building at 317 South Elm Street, addressed the Council regarding the "recent" development of complaints against the building and asked to be allowed for the processes to occur and to let his client continue to rehabilitate the building.

Mayor Pro-Tem Owen commented regarding the frustration on both sides. He commented that he doesn't see the need to continue to discuss this issue and the need to let the process take place. He also responded to Mr. Fox's comments that he is concerned about our downtown and doesn't want people avoiding our downtown.

Councilperson Cline responded to Mr. Griesen's statement about the City Manager and said that he did not hush the Council.

ADJOURNMENT

Motion by Councilperson Harvey for adjournment at 9:41 p.m.

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

Linda L. Robertson, Mayor

Gail L. Schultz, City Clerk