

OWOSSO CITY COUNCIL

DECEMBER 18, 2006

7:30 P.M.

PRESIDING OFFICER: MAYOR PRO-TEM MARK D. OWEN

OPENING PRAYER: REVERAND RAY STRAWSER
FIRST BAPTIST CHURCH

PLEDGE OF ALLEGIANCE: COUNCILPERSON MICHAEL E. BRUFF

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

ABSENT: Mayor Linda L. Robertson.

APPROVE AGENDA

Motion by Councilperson Ford to approve the agenda as presented.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF DECEMBER 4, 2006

Motion by Councilperson Harvey to approve the Minutes of the Regular Meeting of December 4, 2006 as presented.

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

SPECIAL PRESENTATIONS

AUDIT PRESENTATION

Jean Young and Shaun Krick, representatives from Plante & Moran, LLP, addressed the City Council with the 2005-2006 Audit Report. The City was given a "clean" audit report.

SATA INFORMATIONAL PRESENTATION

SATA Presentation. Presentation by SATA Executive Director Larry Alpert regarding operations, ridership, and funding for SATA. Mr. Alpert provided handouts comparing SATA to similar operations throughout the state.

There was general discussion regarding the following: private business funding, increasing the passengers per vehicle hour, limiting the service area, and using established routes.

Mr. Alpert invited all Council members to the SATA dispatch office to observe operations.

PUBLIC HEARINGS

ORDINANCE AMENDMENT – REZONING REQUEST

Director of Community Development Philip Hathaway reported the Planning Commission recommended approval of the rezoning request based upon the following finding of fact:

- The conditions for land use in the area have changed since the area was zoned in 1970.

The public hearing was conducted to receive citizen comment regarding request to rezone the parcel described as LOTS 1-15, BLK 1, INGERSOLLS ADDITION TO THE CITY OF OWOSSO, SHIAWASSEE COUNTY, MICHIGAN, EXCEPT LOT 3, CONSISTING OF 3.87 ACRES from R-1 One Family Residential District and R-2 Two Family Residential District to OS-1 Office Service District.

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

Matthew Jones, 600 Clark Avenue, indicated he was encouraged by the growth of the hospital and hoped neighborhood residents would be involved in the development of the project.

Linn Back, 630 Clark Avenue, inquired as to the effects of the rezoning.

Gale Criner, 647 North Shiawassee Street, indicated he was in favor of the rezoning and felt the current development plan for the area was good.

Director of Community Development Philip Hathaway indicated that he was planning a direct mailing with site plan review documents to area residents due to neighborhood concern regarding how the proposed development will change the neighborhood.

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

ORDINANCE NO. 684

AN ORDINANCE TO AMEND SECTION 38-27 OF CHAPTER 38 OF THE CODE OF ORDINANCES OF THE CITY OF OWOSSO, MICHIGAN.

THE CITY OF OWOSSO ORDAINS:

SECTION 1. That Section 38-27 of Chapter 38 of Article II of the Owosso City Code, District Boundaries, is hereby amended by changing the designation of the following lots and parcels of land designated in a zoning map of the City of Owosso, and referred to in said Section and made a part thereof, which said lots and parcels hereby intended to be redesignated are not described in body of said Section as in certain zone districts; said designation being as follows:

APPLICANT: Memorial Healthcare

PROPERTY ADDRESS: 701, 703, 715, 719, 727-729, 803, 819, 825 North Shiawassee Street;
614, 616 West King Street;
714, 720, 728, 804, 814, 820 Ada Street

PROPOSED REZONING: FROM: R-1, Single Family Residential, in part and
R-2, Two Family Residential, in part

TO: OS-1, Office Service District

PROPERTY DESCRIPTION: LOTS 1-15, BLK 1, INGERSOLLS ADDITION TO THE CITY OF
OWOSSO, SHIAWASSEE COUNTY. MICHIGAN, EXCEPT LOT 3.

LOT SIZE: 3.87 ACRES

SECTION 2. The changes made in the zoning in the lots and parcels of land hereinbefore described are hereby ordered to be redesignated on said map in accordance with this Ordinance.

SECTION 3. This Ordinance shall take effect January 7, 2007.

Motion supported by Councilperson Harvey.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

PERSONAL PROPERTY TAX EXEMPTION – OWOSSO AUTOMATION INC.

Director of Community Development Hathaway introduced the manager for Owosso Automation, Inc., Earnest Rivers. Mr. Rivers commented on the nature of his business and their intention to purchase the property 1650 East South Street and expand operations.

The Public Hearing was held to receive citizen comment regarding the Application for Exemption of New Personal Property as requested by Owosso Automation, Inc. at 1650 East South Street.

There were no citizen comments.

Councilperson Cline inquired as to whether the company plans to hire locally.

Mr. Rivers indicated they would do so.

Motion by Councilperson Horvath to adopt the following resolution:

RESOLUTION 17-2006

**New Personal Property Tax Exemption
1650 East South Street -- Owosso, Michigan**

WHEREAS, State law P.A. 328 of 1998, as amended by P.A. 20 of 1999, provides for personal property tax exemption when certain conditions are met; and,

WHEREAS, The City of Owosso, as a Year 2006 Eligible Distressed Area in the State of Michigan, is qualified to offer exemptions for new personal property; and,

WHEREAS, The City of Owosso, in support of economic development efforts, has adopted criteria to determine eligibility for industrial property tax abatements; and

WHEREAS, Owosso Automation, Inc. of 503 South Chestnut Street and its proposed relocation to its property at 1650 East South Street, with the land description of the new facility site more particularly described below, has applied to the City of Owosso, to acquire a personal property tax abatement for an investment in industrial equipment and machinery exceeding \$600,000 over a two-year period with new employment opportunities estimated at 20 persons; and

WHEREAS, on April 18, 1977, after a public hearing and notice, the City of Owosso established a Brownfield Redevelopment Zone, as provided for in Act 381, Public Acts of the State of Michigan of 1996 as amended, that includes the property at 1650 East South Street, more particularly described below; and,

WHEREAS, local taxing jurisdictions, the city assessor and the general public have been offered the opportunity to make public comment on the application and were afforded a public hearing at a regular meeting of the Owosso City Council on December 18, 2006; and

WHEREAS, the City Council of the City of Owosso has found that this inducement for economic development will have an effect at Owosso Automation, Inc of increasing employment in the area, creating a capital investment in the State of Michigan, and promoting economic growth for the region and State; Now Therefore,

BE IT RESOLVED, that the City of Owosso, after public hearing and comment, finds that the application of Owosso Automation, Inc qualifies for a eight (8) year new personal property tax exemption for personal property acquired after the date of this resolution with an ending date on December 30, 2014; Furthermore,

BE IT RESOLVED, that the City Council authorizes, subject to State Tax Commission review and approval, a new personal property tax exemption to the eligible business, Owosso Automation, Inc, on applicant's premises at 1650 East South Street more particularly described as a parcel of land situated in the City of Owosso, Shiawassee County and State of Michigan, to wit:
LOT 5 (EX E 30' & W 24') FO THE OWOSSO INDUSTRIAL PARK, PART OF THE N ½ OF N ½ OF NE ¼ SEC 30 T7N R3E, CITY OF OWOSSO, SHIAWASSEE COUNTY, MICHIGAN.

Motion supported by Councilperson Bruff.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

SPECIAL ASSESSMENT DISTRICT NO. 2005-1- HAZARDS AND NUISANCES

The public hearing was conducted to receive citizen comment regarding Resolution No. 2 for Special Assessment District No. 2006-1, Hazards and Nuisances, as it relates to unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances.

The following persons addressed the City Council regarding the special assessment roll:

Attorney Clifford Knaggs, out of Lansing, commented on the charges assessed to the property at 123 West Exchange Street and on Council's legal authority to establish liens.

Cassie Bigelow, 2450 Krouse Road, Lot 337, commented on the charges to her property at 411 Randolph Street indicating she had received no notice of the charges.

Betty Coon, 1204 Palmer Avenue, inquired regarding the status of the lien resulting from the City's removal of underground storage tank on North Ball Street.

There was general discussion regarding the process in which property owners are notified of hazards and nuisances and specific charges for property located at 501 East King Street, 411 Randolph Street, and 123 West Exchange Street. It was noted that payment is pending for the invoice charged to 501 East King Street. There was further discussion regarding possible court proceedings to resolve the invoice issued for 123 West Exchange Street.

The following letters were submitted prior to the Council meeting*:

Jane Justice for property located at 501 East King Street

Attorney Clifford Knaggs on behalf of the owners of the property at 123 West Exchange Street

*for full text please see the letters on file in the Clerk's Office

Motion by Councilperson Ford to adopt Resolution No. 2 as follows deferring the property at 411 Randolph Street for further investigation:

RESOLUTION NO. 18-2006

WHEREAS, the City Council has met, after due and legal notice, and reviewed the Special Assessment Roll-Hazards and Nuisances prepared for the purpose of defraying the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances of the following described property described as follows:

Parcel Number	Address	Amount
050-113-008-031-00	1229 Milwaukee	\$198.63
050-115-004-015-00	1214 Palmer	\$1,439.00
050-602-005-013-00	822 Isham	\$530.15
050-580-000-099-00	834 E. Comstock	\$128.95
050-420-001-009-00	538 Corunna	\$309.24
050-390-004-015-00	1330 Adams	\$185.12
050-011-020-005-00	910 Corunna	\$370.49
050-470-007 -005-00	421 N. Saginaw	\$278.30
050-660-018-008-00	716 Clinton	\$234.00
050-622-002-012-00	920 Grace	\$241.90
050-622-002-009-00	835 Ament	\$486.98
050-622-002-015-00	810 Grace	\$478.50
050-010-016-020-00	616 Glenwood	\$396.15
050-621-001-002-00	209 State	\$890.48
050-470-022-001-00	123 W. Exchange	\$49,188.14
050-310-001-017-00	820 Ada	\$1,513.43
050-113-008-007-00	715 Martin	\$213.98
050-113-015-006-00	1401 W. Main	\$68.42
050-010-016-020-00	616 Glenwood	\$76.93
050-660-009-010-00	207 N. Lansing	\$68.16
050-391-000-001-00	404 E. Mason	\$84.61
050-541-000-018-00	501 E. King	\$103.24
050-050-000-035-00	125 S. Lansing	\$93.95
050-050-000-033-00	209 S. Lansing	\$93.95
050-537 -000-006-00	1221 N. Chipman	\$93.95
050-660-006-009-00	734 River	\$84.61
050-580-000-089-00	201 Oakwood	\$161.57
050-070-002-014-00	714 Ament	\$642.73
050-150-000-009-00	425 Abbott	\$403.61
050-570-000-018-00	713 Nafus	\$285.18
050-011-020-005-00	910 Corunna	\$100.08
050-320-000-054-00	111 E. King	\$100.08
050-660-008-001-00	1000 Bradley	\$212.69
050-450-000-039-00	1484 W. King	\$104.38
050-115-004-015-00	1214 Palmer	\$224.16
050-720-000-018-00	1459 W. King	\$71.45
050-603-004-012-00	1426 Stinson	\$344.16
050-140-005-003-00	918 Summit	\$218.91
050-660-012-019-00	202 N. Cedar	\$229.20
050-652-008-005-00	810 Division	\$113.04
050-010-033-002-00	1101 Corunna	\$261.90
050-602-036-009-00	1408 Nelson	\$261.88
050-090-002-016-00	1419 Cleveland	\$150.66
050-622-002-015-00	810 Grace	\$153.08
	Total Roll	\$61,419.90

and

WHEREAS, after hearing all persons interested therein and after carefully reviewing said Special Assessment Roll-Hazards and Nuisances the Council deems said Special Assessment Roll-Hazards and Nuisances to be fair, just and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances of said properties.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said Special Assessment Roll-Hazards and Nuisances as prepared by the City Assessor in the amount of \$61,419.90 is hereby confirmed and shall be known as Special Assessment Roll-Hazards and Nuisances No. 2006-1.
2. Said Special Assessment Roll-Hazards and Nuisances No. 2006-1 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.

And, further, asked staff to investigate the process for 411 Randolph Street.

Motion supported by Councilperson Cline.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

Mayor Pro-Tem Owen directed staff to bring the North Ball Street/West Exchange Street item before Council for review in one month.

CITIZEN COMMENTS AND QUESTIONS

Gary Martenis, 705 Lingle Avenue, commented on semi parking at the former Vaungarde site and expanding the skate park.

Mayor Pro-Tem Owen commented on past efforts to raise funds for the skate park.

City Manager Guetschow indicated the City has no control over the former Vaungarde site.

Betty Coon, 1204 Palmer Avenue, commented on the storage tank on North Ball Street, the Curwood Festival paying for police overtime and a house being torn down in her neighborhood.

It was indicated that the Curwood Festival would pay for police overtime in the future.

Councilperson Bruff commented on parking in the downtown and the removal of ash trees.

Public Safety Director Compeau indicated he would report to Council the number of parking tickets issued in the downtown in the month of December per their request.

CONSENT AGENDA

Motion by Councilperson Harvey to approve the Consent Agenda as follows:

Special Assessment District No. 2007-01 Alta Vista Drive from Center Street to Shady Lane Drive

RESOLUTION NO. 19-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**Alta Vista Drive from Center Street to Shady Lane Drive
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-02 Alturas Drive from Center Street to Shady Lane Drive

RESOLUTION NO. 20-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**Alturas Drive from Center Street to Shady Lane Drive
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-03 Chipman Street from Harding Street to North Street

RESOLUTION NO. 21-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**Chipman Street from Harding Street to North Street
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-04 North Street from Shiawassee Street (M-52) to Hickory Street

RESOLUTION NO. 22-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**North Street from Shiawassee Street (M-52) to Hickory Street
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-05 Oliver Street from Shiawassee Street (M-52) to First Street

RESOLUTION NO. 23-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**Oliver Street from Shiawassee Street (M-52) to First Street
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-06 Oliver Street from First Street to Chipman Street

RESOLUTION NO. 24-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**Oliver Street from First Street to Chipman Street
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-07 Shady Lane Drive from Meadow Drive to Alta Vista Drive

RESOLUTION NO. 25-2006

WHEREAS, the City Council of the City of Owosso deems it necessary to acquire and construct the following described improvement:

**Shady Lane Drive from Meadow Drive to Alta Vista Drive
Street Reconstruction**

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The matter of making said public improvement is hereby referred to the City Manager, who shall prepare a report thereon, which shall include plans and detailed estimates of the cost thereof and a description of the special assessment district and such other pertinent information as will permit the City Council to decide the cost, extent and necessity of the public improvement and what proportion of the cost should be paid by the City at large.

The City Manager shall present said report to the City Council when same has been prepared.

Special Assessment District No. 2007-01 Alta Vista Drive from Center Street to Shady Lane Drive

RESOLUTION NO. 26-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**Alta Vista Drive from Center Street to Shady Lane Drive
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$36,000.00 and determines that \$13,819.50 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$22,180.50 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the

records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.

7. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

Alta Vista Drive from Center Street to Shady Lane Drive

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction**.

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Special Assessment District No. 2007-02 Alturas Drive from Center Street to Shady Lane Drive

RESOLUTION NO. 27-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**Alturas Drive from Center Street to Shady Lane Drive
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$40,000.00 and determines that \$16,710.45 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$23,289.55 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

Alturas Drive from Center Street to Shady Lane Drive

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction.**

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Special Assessment District No. 2007-03 Chipman Street from Harding Street to North Street

RESOLUTION NO. 28-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**Chipman Street from Harding Street to North Street
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$92,800.00 and determines that \$41,965.80 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$50,834.20 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

Chipman Street from Harding Street to North Street

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction.**

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Special Assessment District No. 2007-04

North Street from Shiawassee Street (M-52) to Hickory Street

RESOLUTION NO. 29-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**North Street from Shiawassee Street (M-52) to Hickory Street
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$112,800.00 and determines that \$34,194.00 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements (with \$10,926.00 to be assessed to Owosso Charter Township) and determines that \$67,680.00 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

**NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN**

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

North Street from Shiawassee Street (M-52) to Hickory Street

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction**.

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Special Assessment District No. 2007-05

Oliver Street from Shiawassee Street (M-52) to First Street

RESOLUTION NO. 30-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**Oliver Street from Shiawassee Street (M-52) to First Street
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$66,400.00 and determines that \$30,790.05 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$35,609.95 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

Oliver Street from Shiawassee Street (M-52) to First Street

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction.**

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Special Assessment District No. 2007-06 Oliver Street from First Street to Chipman Street

RESOLUTION NO. 31-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**Oliver Street from First Street to Chipman Street
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$155,870.00 and determines that \$62,348.00 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$93,522.00 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

Oliver Street from First Street to Chipman Street

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction**.

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Special Assessment District No. 2007-07 Shady Lane Drive from Meadow Drive to Alta Vista Drive

RESOLUTION NO. 32-2006

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

**Shady Lane Drive from Meadow Drive to Alta Vista Drive
Street Reconstruction**

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth is necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$20,200.00 and determines that \$6,088.05 thereof shall be paid by special assessment imposed

on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$14,111.95 of the cost thereof shall be paid by the City at large because of benefit to the City at large.

4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Tuesday, January 16, 2007 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

**NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN**

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

Shady Lane Drive from Meadow Drive to Alta Vista Drive

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Reconstruction.**

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Tuesday, January 16, 2007 for the purpose of hearing any person to be affected by the proposed public improvement.

Contract Payment. Authorized payment to Sungard HTE, Inc. for software maintenance and licensing fees for the police division computer system covering the 2007 calendar year in the amount of \$7,193.42.

Payment Authorization. Authorized Progress Payment No. 1 to Gould Engineering for conceptual engineering work for Cass Street reconstruction between South Cedar Street and South Shiawassee Street in the amount of \$7,500.00.

Payment Authorization. Authorized Progress Payment No. 6 to Fishbeck, Thompson, Carr, and Huber for preliminary engineering work for the Oliver Street bridge reconstruction in the amount of \$20,998.27.

Boards and Commissions Appointments. Approved the following Mayoral boards and commissions appointments:

Member	Board/Commission	Term
Bob Bluedorn*	SATA Board of Directors	10-01-2009
Krista Strong	Downtown Development Authority	06-30-2008 – to fill the unexpired term of Craig Wright
Jerry Jones*	Board of Review	12-31-2011

*indicates reappointment

Traffic Control Order No. 1180. Authorized Traffic Control Order No. 1180 for one 15-minute parking space in front of 111 East Main Street.

Traffic Control Order No. 1181. Authorized Traffic Control Order No. 1181 for a permanent "No Left Turn" sign on the west side of the street in the 1200 block of Palmer Avenue across from the entrance to Baker College.

Warrant No. 336. Accepted Warrant No. 336 as follows:

Vendor	Description	Fund	Amount
Brown & Stewart, PC	Professional services covering the period from 11-13-2006 to 12-13-2006	General	\$15,104.56

State of Michigan – Michigan Department of Environmental Quality	NPDES Annual Permit Fee	WWTP	\$5,500.00
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Motion supported by Councilperson Ford.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

ITEMS OF BUSINESS

2007 SCHEDULE OF REGULAR MEETINGS

Motion by Councilperson Harvey to approve the proposed 2007 Schedule of Regular Meetings for boards and commissions as presented with the following correction: change Downtown Development Authority start time from 7:45 am to 7:30 am.

**CITY OF OWOSSO
301 WEST MAIN STREET
OWOSSO, MICHIGAN 48867
COUNTY OF SHIAWASSEE, STATE OF MICHIGAN**

**SCHEDULE OF REGULAR MEETINGS
FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2007**

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Act 267, Public Acts of 1976, of the schedule of Regular Meetings of the City of Owosso, County of Shiawassee, State of Michigan for the calendar year beginning January 1, 2007. The Board, dates, time and place of said regular meetings shall be as follows:

CITY COUNCIL					
The 1 st and 3 rd Monday of each month, except as noted – 7:30 p.m., local prevailing time					
Owosso City Hall, Council Chambers					
JAN 02*	MAY 07		SEP 17		
JAN 16*	MAY 21		OCT 01		
JAN 29	JUN 04		OCT 15		
FEB 05	JUN 18		OCT 29		
FEB 20*	JUL 02		NOV 05		
MAR 05	JUL 16		NOV 19		
MAR 19	JUL 30		DEC 03		
APR 02	AUG 6		DEC 17		
APR 16	AUG 20				
APR 30	SEP 04*				
PLANNING COMMISSION			ZONING BOARD OF APPEALS		
The 4 th Monday of each month, except as noted – 7:30 p.m., local prevailing time			The 3 rd Tuesday of each month, except as noted – 9:30 a.m., local prevailing time		
Owosso City Hall, Council Chambers			Owosso City Hall, Council Chambers		
JAN 22	MAY 29*	SEP 24	JAN 16	MAY 15	SEP 18
FEB 26	JUN 25	OCT 22	FEB 20	JUN 19	OCT 16
MAR 26	JUL 23	NOV 26	MAR 20	JUL 17	NOV 20
APR 23	AUG 27	DEC 10*	APR 17	AUG 21	DEC 18
DOWNTOWN DEVELOPMENT AUTHORITY			OWOSSO HISTORICAL COMMISSION		
The 1 st Wednesday of each month, except as noted – 7:30 a.m., local prevailing time			The 3 rd Tuesday of each month, except as noted – 7:00 p.m., local prevailing time		
Chamber of Commerce, 215 North Water Street			Gould House, 100 West Oliver Street		
JAN 03	MAY 02	SEP 05	JAN 16	MAY 15	SEP 18
FEB 07	JUN 06	OCT 03	FEB 20	JUN 19	OCT 16
MAR 07	JUL 05	NOV 07	MAR 20	JUL 17	NOV 20
APR 04	AUG 01	DEC 05	APR 17	AUG 21	DEC 18
OWOSSO MID-SHIWASSEE COUNTY WWTP REVIEW BOARD			EMPLOYEES RETIREMENT SYSTEM BOARD		
The 4 th Tuesday of each month, except December – 5:15 p.m., local prevailing time			7:00 a.m., local prevailing time		
Wastewater Treatment Plant			Owosso City Hall, Council Chambers		
JAN 23	MAY 22	SEP 25	FEB 15	JUN 21	OCT 18
FEB 27	JUN 26	OCT 23	APR 19	AUG 16	DEC 20
MAR 27	JUL 24	NOV 27			
APR 24	AUG 28				

*Rescheduled due to legal holiday on regular meeting date

Motion supported by Councilperson Ford.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

2007 INCOME THRESHOLD POVERTY EXEMPTIONS

Motion by Councilperson Horvath to adopt the following 2007 Income Threshold Poverty Exemptions, as required by Public Act No. 390 of 1994 and further amended by Public Act No. 620 of 2002:

2006 Federal Income Standards Poverty Threshold

<i>Number of Persons residing in Homestead</i>	<i>Annual Allowable Income</i>
1 person	\$ 9,800
2 persons	13,200
3 persons	16,600
4 persons	20,000
5 persons	23,400
6 persons	26,800
7 persons	30,200
8 persons	33,600
Each additional person, add	3,400

Income of students under the age of 18 years **shall not** be included as income.

Motion supported by Councilperson Harvey.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

ENGINEERING SERVICES AGREEMENT

Motion by Councilperson Ford to approve an engineering services agreement with Environmental Consulting & Technology, Inc for environmental services for a portion of the proposed Sugar Beet Industrial Roadway on a cost basis not to exceed \$8,545.00 and to extend the purchase agreement with Frank Fisher for 6 months.

Motion supported by Councilperson Harvey.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

PROFESSIONAL SERVICES AGREEMENT

Motion by Councilperson Ford to authorize a Professional Services Agreement with Layne Christensen to replace one feed pump for the intermediate roughing tower treatment process at the Wastewater Treatment Plant in the amount of \$34,082.00 as follows:

AGREEMENT

THIS AGREEMENT is made the ____ day of December, 2006 by and between Layne Northern, a division of Layne Christensen, 3126 N. Marin Luther King Blvd., Lansing, MI48906, and the City of Owosso, Michigan. Layne Northern and the City of Owosso agree as follows:

1. That Layne Northern shall provide the equipment and perform the services as detailed in their December 13, 2006 Proposal to the City of Owosso for the replacement of the West Intermediate Process Pump at the City's Wastewater Treatment Plant. A copy of the proposal is attached hereto and made a part of this agreement.
2. That the City of Owosso shall pay Layne Northern upon completion and acceptance of the

work a lump sum amount of \$34,082.

PROPOSAL

December 13, 2006

Mr. Gary Burk, Utilities Director
City of Owosso
301 West Main Street
Owosso, MI 48867

RE: WASTE WATER PUMP REMOVAL & REPLACEMENT

Dear Mr. Burk:

As requested, during our recent job site visit, Layne-Northern, a division of Layne Christensen Company is pleased to submit the following proposal to remove and replace your existing waste water pump. This proposal includes a new 100 HP inverter duty motor, column assembly, a bowl assembly with belled suction and a 14-inch Floway discharge head complete with product lubricated stuffing box.

PROPOSED PUMPING EQUIPMENT

- 1. Floway 14" cast iron discharge head & product lubricated stuffing box.
- 2. Christensen 16"DHLO-1 Stage cast iron bowl assembly, including a bronze impeller and stainless steel shafting throughout.
- 3. 20' of 12" x 1-1/2" water lubricated column assembly, including stainless steel shafting and couplings with stainless steel sleeves.
- 4. 100 HP 460 V 30 Inverter duty US Motor w/ NRR.

Layne-Northern will remove the existing pumping equipment; then, supply and install a complete new pump and motor for a total cost of Thirty Four Thousand Eighty Two Dollars (\$34,082.00), including post installation testing.

Motion supported by Councilperson Harvey.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

INVESTMENT POLICY AMENDMENT

There was general discussion regarding the risk of US Treasuries and updating the policy to give staff clear rules in regard to mitigating risk.

Motion by Councilperson Horvath to approve amendments to the City of Owosso Investment Policy as follows:

**CITY OF OWOSSO
INVESTMENT POLICY**

PURPOSE:

It is the policy of the City of Owosso to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the City and comply with all state statutes governing the investment of public funds.

SCOPE:

The investment policy applies to all financial assets of the City other than the pension fund. These assets are accounted for in the various funds of the City and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, other trust and agency funds, the Owosso Historical Commission, component units, and any new fund established by the City of Owosso.

OBJECTIVES:

The primary objectives of the City's investment activities, in priority, shall be:

Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the portfolio by diversifying holdings and maturities to mitigate both credit and interest rate risk.

Credit Risk - Credit risk is minimized by limiting the types of investments to those authorized by statute incorporated in this policy, pre-qualifying financial institutions, brokers, dealers or direct

investments and maintaining credit ratings on all holdings other than United States obligations or agencies thereof. Custodial credit risk for uninsured and uncollateralized deposits will be minimized by diversifying deposits. Investments in book entry or physical form will be insured, registered or held by the counterparty or agent in the City's name.

Interest Rate - The duration of investments will be modeled to match expected cash flow requirements for operations so that securities are held to maturity and any changes to fair market value will be unrealized. Maturities greater than three years will coincide with sinking fund type reserves, not for operations.

Diversification - The investments will be diversified by security type and institution in order that potential losses from concentration risk are minimized.

Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment - The investment portfolio shall be designed with the objective of obtaining a rate of return throughout economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

DELEGATION OF AUTHORITY:

Management responsibility for the investment program is delegated to the Finance Director pursuant to section 2-316 of the City Ordinances. The Finance Director shall establish a system of controls to regulate the operation of the program. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

AUTHORIZED FINANCIAL INSTITUTIONS, BROKER/DEALERS

No public deposit shall be made except in a qualified public depository as established by State law. An ongoing analysis of the financial condition, registration, institutional rating and Community Reinvestment Act rating of qualified firms will be conducted by the Finance Director.

Securities transactions and other investment services will only be conducted with brokers/ dealers that are eligible based on the following criteria:

1. recognized as a primary dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure; or
2. report voluntarily to the Federal Reserve Bank of New York; or
3. qualify under Securities and Exchange Commission Rule 15c3-1 (Uniform Net Capital Rule)
4. Licensed to do business in the State of Michigan

AUTHORIZED AND SUITABLE INVESTMENTS

Investments shall be made in accordance with Michigan Public Act 20 of 1943 as amended, MCL 129.91-129.96 and MCL 129.14.

- a. US Treasury Obligations - Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips.
- b. Federal Instrumentality Securities - debentures, discount notes, step-up and callable securities issued by Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Farm Credit Bank (FFCB)
- c. Repurchase Agreements - collateralized by US Treasury obligations or Federal Instrumentality Securities with maturities not exceeding ten years. Collateral shall mean purchased securities with a minimum market value of 102 percent of the transaction. If the fair market value of the collateral drops below 101 percent it shall immediately be marked to market at 102 percent. The collateral shall be held by the City's custodian bank for safekeeping.
- d. Certificates of Deposit - certificates and all other depository type accounts shall be made only with institutions defined in MCL 129.16. Deposits exceeding the federally insured amount shall be held only with institutions that have a minimum Highline Data Rating of 30 or an equivalent CAMEL rating from a recognized rating agency. No more than 25% of the total portfolio may be invested in certificates of deposit.
- e. Prime Commercial Paper - with a maturity of 270 days or less. At the time of purchase the issuer must be rated by at least two of the nationally recognized rating agencies - Moody's, Standard and Poor's or Fitch in the top two categories. Not more than 25% of the total portfolio may be invested in commercial paper.
- f. Bankers Acceptances - with maturities not exceeding 180 days. Rated by Moody's, Standard and Poor's and Fitch in the top two categories and issued by a state or nationally chartered bank with combined capital and surplus of at least \$250 million dollars and their deposits are insured by the FDIC. Not more than 25% of the total portfolio may be invested in bankers' acceptances at anyone time.
- g. Money Market Mutual Funds - must be registered under the Investment Company Act of 1940 and composed of securities that are legal for direct investment referenced herein. Only no-load fund with a constant net asset value per share of \$1.00 and have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Act. Not more than 35% of the total portfolio shall be invested in money market mutual funds at any time.
- h. Investment Pools - organized under the Surplus Funds Investment Act, P A 367, 1982 that are

no-load and have a constant net asset value per share of \$1.00; limit assets of the fund to securities authorized under MCL 129.91 and have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940 and are rated AAAm by S&P, Aaa by Moody's or AAA/V1 by Fitch. Not more than 25% of the total portfolio may be invested in investment pools at anyone time.

- i. Joint Interlocal Investment Ventures - organized under the Urban Cooperation Act of 1967 that are no-load, have a constant net asset value per share of \$1.00, limit assets authorized under MCL 129.91 and have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940 and have rated either AAAm by S&P, Aaa by Moody's or AAA/V1 by Fitch. Not more than 25% of the total portfolio may be invested in this category at anyone time.

SAFEKEEPING AND CUSTODY

All security transactions, including repurchase agreements shall be conducted on a delivery-versus-payment (DVP) basis.

All investment securities, except Certificates of Deposit, Money Market Mutual Funds, Investment Pools and Joint Interlocal Investment Ventures purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or the Depository Trust Company (DTC). Certificates of Deposit shall be evidenced by a Safekeeping Receipt or advice from the issuing bank.

All fed wireable book entry securities owned by the City shall be evidenced by a safekeeping receipt or advice issued to the City by the custodian bank stating that all securities are held in the Federal Reserve system for the custodian bank which names the City as "customer".

All physical delivery securities shall be held by the custodian bank's correspondent bank and all DTC eligible securities shall be held in the bank's account with the Depository Trust Company. The custodian bank shall issue a safekeeping receipt to the City evidencing that the securities are held by the correspondent bank or the DTC for the City.

PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Motion supported by Councilperson Harvey.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

LIQUOR LICENSE TRANSFER REQUEST – 113-115 SOUTH WASHINGTON STREET

Staff reported that a satisfactory inspection, as required by the City of Owosso Liquor License Rules and Regulations, had been completed.

Motion by Councilperson Bruff to approve the request from Teame, Inc. (Stockholder: Teame F. Berhe, 10506 East Potter Road, Davison, MI 48423) to transfer ownership of 2006 Class C licensed business with dance-entertainment permit located at 113-115 south Washington Street, Owosso, MI 48867, Shiawassee County, from Risto, Inc.

Motion supported by Councilperson Cline.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

WATER RATE REVIEW

There was general discussion regarding the following: the past practice of deferring capital outlays, the status of the water system expansion in Caledonia Charter Township, the need to raise water rates, tying rates to the Consumer Price Index, the desire to continually replace water mains without incurring debt, decreases in revenue, increases in operating expenses, and keeping the public informed in advance of changes.

Council directed staff to prepare by mid-January a proposal to increase water rates.

SATA FUNDING

There was general discussion regarding how SATA will be funded in the future, the desire to see more efficiency in the system, approaching private business for funding assistance, the pros and cons of providing funding, attaching conditions to the funding provided, how SATA is organized and governed, voter support for the system, and the challenges of making a county/small city system work efficiently.

Motion by Councilperson Ford to provide funding for the Shiawassee Area Transportation Agency for the 2006-2007 fiscal year in an amount not to exceed \$22,743.00.

Motion fails for lack of support.

There was further discussion regarding tabling the issue, not providing funding, voter support for the system, communicating Council desires to the SATA Board and leadership concerns with the organization.

Motion by Councilperson Ford to provide funding for the Shiawassee Area Transportation Agency for the 2006-2007 fiscal year in an amount not to exceed \$22,743.00.

Motion supported by Councilperson Cline.

Roll Call Vote.

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

NAYS: None.

ABSENT: Mayor Robertson.

COMMUNICATIONS

Philip B. Hathaway, Community Planning Director. Update on Fifth Third Bank proposal for old hotel site.

Richard C. Williams, Finance Director. November 2006 Revenue & Expenditure Comparison Report.

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

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

Michael T. Compeau, Public Safety Director. November 2006 Police Department Report.

Michael T. Compeau, Public Safety Director. November 2006 Fire Department Report.

Downtown Development Authority. Minutes of Meeting of December 6, 2006.

Owosso Zoning Board of Appeals. Minutes of Meeting of November 21, 2006.

Shiawassee District Library. Minutes of Meeting of September 27, 2006.

There was general discussion regarding the status of the Fifth Third proposal for the old hotel site.

Councilperson Ford left the meeting at 9:53 pm.

CITIZEN COMMENTS AND QUESTIONS

Gary Martenis, 705 Lingle Avenue, commented on the efficiency of the SATA system and asked for further comment on his previous comments.

It was indicated again that fund raising efforts for the skate park fell through and the City does not own the former Vaungarde site.

Betty Coon, 1204 Palmer Avenue, implored Council to remember senior citizens when considering water rate increases.

Councilperson Bruff commented on the bidding process.

Mayor Pro-Tem Owen inquired about the effects of the recently passed telecom bill.

Councilperson Horvath commented on MML lobbying efforts.

ADJOURNMENT

Motion by Councilperson Bruff for adjournment at 10:10 p.m.

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

Mark D. Owen, Mayor Pro-Tem

Amy K. Kohagen, City Clerk