

**OWOSSO CITY COUNCIL**

**MAY 19, 2008**

**7:30 P.M.**

- PRESIDING OFFICER:** MAYOR MICHAEL E. BRUFF
- OPENING PRAYER:** MAJOR HENRY TEMPEL  
SALVATION ARMY
- PLEDGE OF ALLEGIANCE:** COUNCILPERSON JONI M. FORSTER
- PRESENT:** Mayor Michael E. Bruff, Councilpersons Michael N. Cline, Joni M. Forster, Benjamin R. Frederick, Gary W. Martenis, and Jason D. Simmons.
- ABSENT:** Mayor Pro-Tem Mark D. Owen.

**APPROVE AGENDA**

Motion by Councilperson Simmons to approve the agenda as presented with the following additions:

**ITEMS OF BUSINESS**

- 6. Mootzie's Permit. Consider application of Mootzie's Gallery for use of alley behind their location at 112 West Main Street for temporary outdoor service on June 7, 2008 and August 16, 2008 and authorize Traffic Control Order No. 1205 formalizing such.
- 7. Boards and Commissions Appointments. Approve the following Mayoral appointments:

<b>Name</b>	<b>Board/Commission</b>
James Civile	Blue Ribbon Committee
Thomas Cook	Blue Ribbon Committee
Geoff Washburn	Blue Ribbon Committee
Terri Brown	Blue Ribbon Committee
TJ Gaffney	Blue Ribbon Committee
Jo Ann Goodson	Blue Ribbon Committee
Douglas Peterson	Blue Ribbon Committee
James Bartlett	Blue Ribbon Committee
Deborah Adams-Mills	Blue Ribbon Committee
John Orin	Blue Ribbon Committee
Cindy Popovitch	Blue Ribbon Committee
Christopher Bird	Blue Ribbon Committee

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

**APPROVAL OF THE MINUTES OF REGULAR MEETING OF MAY 5, 2008**

Motion by Councilperson Forster to approve the Minutes of the Regular Meeting of May 5, 2008 as presented.

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

Various formats were discussed to handle the anticipated volume of citizen comments during the meeting. It was agreed Council would open up citizen comment during the discussion of the burning ordinance in addition to the regularly scheduled Citizen Comments and Questions portions of the meeting.

**PUBLIC HEARINGS**

**STREETSCAPE IMPROVEMENT – WASHINGTON STREET**

City Engineer Ronald G. Baker gave a brief overview of the proposed streetscaping project. He indicated the proposed project is much like the improvement planned for Exchange Street. He further indicated the intent of the proposed project is to add more color and texture to the downtown in hopes it would create more foot traffic and would be more user friendly to pedestrians and shoppers.

The following people addressed the City Council in regard to the application for grant funding and the proposed improvements to Washington Street from Mason Street to Jerome Street:

Suzanne Carpenter, 122 North Washington Street, indicated she felt the proposed project would not improve the foot traffic and would actually hurt downtown businesses during

construction. She further indicated she would like to see the large trees remain in the downtown.

Steven Willis, 905 South Washington Street, commented on his feeling the removal of right turn only lanes would impede traffic and asked they not be considered in the final plan. It was noted there was no intention to remove any right turn only lanes.

Paul Schluckebier, business owner at 201 North Washington Street, indicated he would like to see a more detailed plan prior to making a determination on the project. He also applauded City Council for taking steps to make improvements in the downtown. It was noted the plan was only a proposal and a public hearing would be held at a later date to allow for citizen comment if grant funding were to be secured.

Burton Fox, 216 East Oliver Street, inquired as to whether the project would include raising the curb and reconstruction of the street. It was noted the curb would be raised, reconstruction of the street would take place at a later time.

City Manager Joseph A. Fivas indicated the City's goal in separating the two projects was to avoid the closing of the street in its entirety and to allow for the careful planning of the removal of the old brick street surface and the replacement of old water and sewer pipes during reconstruction.

Michelle Perry, 1418 Henry Street, inquired if the newly improved area would have to be torn up when the street is reconstructed. It was noted it would not.

Joseph Nowacki, 710 Ament Street, inquired as to whether anything would be done at the Washington Street and Stewart Street intersection. It was noted it would not.

There was general discussion regarding the elements required by MDOT for grant application, what type of modifications could be made to the proposal once the application is submitted and funding secured, and the timeline for grant approval/rejection.

Motion by Councilperson Forster to approve the proposed streetscape plans for Washington Street from Mason Street to Jerome Street and further authorize submission of a grant application to the Michigan Department of Transportation.

Motion supported by Councilperson Frederick.

Roll Call Vote.

AYES: Councilpersons Simmons, Martenis, Forster, Cline, Frederick, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

#### **CITIZEN COMMENTS AND QUESTIONS**

Mayor Bruff addressed the large audience in attendance, indicating he expected all comments to be addressed to the Council and all audience members would be required to remain civil or risk being removed from the meeting.

Burton Fox, 216 East Oliver Street, gave an update on improvements to the Veterans' Memorial in Fayette Square Park. He indicated the work would be completed in time for the dedication ceremony on Monday, May 26, 2008 at 5:00 pm. He thanked all those that had worked on the project for their efforts.

Thomas Johnson, 529 Adams Street, distributed a proposed initiatory petition to amend the ordinance limiting the number of pets allowed in each household. He also requested an abatement from a City order to remove a number of pets from his home until the proposed ordinance amendment was passed or citizens had been allowed to vote on the amendment.

Steven Willis, 905 South Washington Street, asked that care be taken when presenting the proposals for the Washington Street streetscape project. He indicated he would like to see plans published in the paper so citizens would be knowledgeable of the project and be able to provide meaningful comments.

Henrietta Sparkes, County Commissioner District 6, gave an update of issues recently addressed by the County Commission, including the setting of the summer meeting schedule.

Deborah Cline, 608 North Saginaw Street, introduced herself as a candidate for County Commissioner, District #2.

Michael Tillotson, 1299 South Shiawassee Street, Apt G318, thanked all veterans for their efforts in protecting our country.

Mayor Bruff asked all of the high school students in attendance to introduce themselves.

Marlette Wallace, 803 North Washington Street, inquired as to when the Council had established the practice of starting each Council meeting with a prayer and if anyone had objected to it. It was noted the prayer was a long standing tradition (28+ years) and that no one had insisted the practice stop.

Shelva Cebulski, 1243 Marion Street, inquired as to when the blacktop would be replaced around the newly rehabilitated manholes. It was noted the process of replacement had been started. She further inquired if the City was aware at the time of planting that the trees in the downtown would cause damage as they grew larger. It was noted a landscape architect had recommended that particular species of tree as appropriate for the downtown environment.

Suzanne Carpenter, 122 North Washington Street, indicated she likes the larger trees in the downtown, feels they provide a greater benefit to the environment, and feels the introduction of smaller trees would interfere with signage in the downtown.

Councilperson Cline asked Mr. Johnson how many pets he has in his home. He indicated he has 8 pets in all.

There was general discussion regarding the number of pets allowed by other communities, our current ordinance, and the status of the case with Mr. Johnson. It was noted the case started approximately one year ago, he was notified he would have to remove some pets from his home in order to comply with the ordinance. He was given time to do so and the complaints against him subsided. More complaints had been registered recently bringing the case back to light. There was some discussion regarding granting Mr. Johnson an abatement. City Attorney William Brown cautioned Council against an abatement indicating it could lead to a perception of unequal ordinance enforcement. The Council took no action on the matter.

### **CITY MANAGER REPORT**

City Manager Fivas indicated the proposed plan for the Washington Street streetscape was a preliminary plan to be utilized in applying for a grant from the Michigan Department of Transportation and citizens and business owners would have an opportunity to comment on the plan if funding was awarded. He also indicated he was looking forward to implementing the proposed 2008-2009 City budget should Council approve it.

### **CONSENT AGENDA**

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

Bid Rejection. Rejected the bid for the sale of 1987 Seagrave 100' ladder truck in the amount of \$ 826.00 from Rick Schneider.

Contract Payment. Authorized Progress Payment No. 1 to Ron Bretz Excavating, Inc. in the amount of \$90,649.35 for work completed on the Sanitary Sewer Manhole Rehabilitation Project for the time period ending April 30, 2008.

Contract Payment. Authorized Progress Payment No. 2 to Orchard Hiltz and McCliment for construction engineering services on the Sanitary Sewer Manhole Rehabilitation Project covering the 4-week period ending April 27, 2008 in the amount of \$20,257.50.

Change Order and Final Payment. Authorized Change Order to the contract with Lennox Electric for installation of pedestrian lights on Cass Street in the amount of \$95.86 to account for price estimations and further authorized Final Payment in the amount of \$2,640.00.

Warrant No. 362. Accepted Warrant No. 362 as follows:

<b>Vendor</b>	<b>Description</b>	<b>Fund</b>	<b>Amount</b>
Brown & Stewart, PC	Professional Services from April 15, 2008 – May 12, 2008	General	\$7,120.56
Memorial Healthcare	Lab fees for annual physicals – Fire Department	General	\$6,560.00

Motion supported by Councilperson Cline.

Roll Call Vote.

AYES: Councilpersons Martenis, Forster, Simmons, Frederick, Cline, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

**ITEMS OF BUSINESS**

**2008-2009 BUDGET ADOPTION**

Councilperson Frederick remarked he was in support of the budget but would like more information on SATA, specifically school ridership. There was a brief discussion regarding the desire to see SATA minutes in the agenda packet and asking a SATA representative to attend an upcoming Council meeting to answer questions.

Motion by Councilperson Cline to adopt the following resolution:

**RESOLUTION NO. 28-2008**

**GENERAL APPROPRIATIONS RESOLUTION**

WHEREAS, pursuant to Chapter 8, Section 5 of the Owosso City Charter, the City Council has received the proposed budget for the fiscal year beginning July 1, 2008 and held a public hearing on May 5, 2008; and

WHEREAS, it is the intent of the City Council to levy ad valorem property and specific taxes for the general operating purposes of the City, for payment of principal and interest on voted indebtedness, and for special voted millage to operate Holman Pool and support Shiawassee Area Transportation Authority, based on the budget summary for fiscal year 2008-09 attached hereto and made part of this resolution; and

WHEREAS, the general property tax laws, specifically, MCL 211.34(d) provide for a compound millage reduction calculation applied to the City Charter maximum authorized operating millage rate of fifteen mills per thousand of taxable value; and

WHEREAS, this millage reduction commonly known as the "Headlee" rollback results in a maximum operating millage rate of 13.0370 for which the City is authorized to levy; and

WHEREAS, the voters approved, by a majority, in an election held in November 2005, a millage, not to exceed .3846 mills per \$1,000 of taxable value to operate Holman Pool; and

WHEREAS, the Pool millage has been reduced by a "Headlee" rollback to .3841 mills per thousand of taxable value for which the City is authorized to levy; and

WHEREAS, the voters approved, by a majority, in an election held on November 6, 2007, a millage, not to exceed .25 mills per \$1,000 of taxable value to support public transportation; and

WHEREAS, the board of the Shiawassee Area Transportation Authority has requested funding from the City equating to a millage of .0882 mills per thousand of taxable value for which the City is authorized to levy; and

WHEREAS, it has been determined that a millage rate of .2894 mills is required for the annual debt service on unlimited general obligations bonds;

NOW THEREFORE, BE IT RESOLVED, that the tax levy for the fiscal year commencing July 1, 2008 shall be the rate of 13.7987 per 1,000 of taxable value of the 2008 assessment roll as approved by the Board of Review; and

The total levy shall be composed of the constituent rates for purposes and with revenue yields described as follows:

GENERAL OPERATING	13.0370	\$3,717,400
DEBT SERVICE	.2894	82,525
POOL	.3841	109,523
SATA	<u>.0882</u>	<u>25,150</u>
	13.7987	\$3,934,598

**GENERAL FUND REVENUE SUMMARY**

	2006-2007 ACTUAL	2007-2008 ADOPTED	2008-2009 ADOPTED
<b>GENERAL FUND REVENUE SUMMARY:</b>			
Property Taxes	3,486,219	3,670,725	3,649,225
Local Sources	1,205,311	1,110,300	1,180,100
Federal Grants	446	893,900	746,025
State Shared	1,751,458	1,500,000	1,825,000

Other Financing Sources	-	914,675	-
<b>TOTAL REVENUES</b>	<b>6,443,434</b>	<b>8,089,600</b>	<b>7,400,350</b>

**GENERAL FUND EXPENDITURE SUMMARY:**

Management	1,110,223	1,063,475	1,128,250
Public Safety	3,192,640	3,842,600	3,276,350
Community Development	259,549	262,650	338,200
Public Services	1,084,185	1,169,225	1,111,700
Recreation	310,667	1,169,200	1,307,425
Transfers	527,010	582,450	238,425
<b>TOTAL EXPENDITURES</b>	<b>6,484,274</b>	<b>8,089,600</b>	<b>7,400,350</b>

**SPECIAL REVENUE REVENUE SUMMARY:**

**Major Fund**

Special Assessments	85,964	184,125	24,300
Federal Grant	219,401	-	-
State Sources	937,708	2,524,700	802,600
Local Sources	294,464	566,325	37,450
Other Financing Sources	-	116,000	141,625
<b>Total Major Fund</b>	<b>1,537,537</b>	<b>3,391,150</b>	<b>1,005,975</b>

**Local Fund**

Special Assessments	88,235	74,700	87,550
State Sources	281,222	273,200	274,800
Local Sources	432,978	309,975	284,850
Other Financing Sources	-	-	176,900
<b>Total Local Fund</b>	<b>802,435</b>	<b>657,875</b>	<b>824,100</b>

**CDBG Fund**

State Grant	28,100	-	-
Local Sources	37,741	13,050	9,200
Other Financing Sources	-	521,950	62,300
<b>Total CDBG Fund</b>	<b>65,841</b>	<b>535,000</b>	<b>71,500</b>

**Housing Redevelopment**

Grant	-	-	128,500
Local Sources	-	-	71,500
<b>Total Housing Redevelopment</b>	<b>-</b>	<b>-</b>	<b>200,000</b>

**Historical Fund**

Local Sources	40,283	48,350	65,325
Other Financing Sources	-	9,000	33,200
<b>Total Historical Fund</b>	<b>40,283</b>	<b>57,350</b>	<b>98,525</b>

**SPECIAL REVENUE EXPENDITURE SUMMARY:**

Major	1,537,538	3,391,150	1,005,975
Local	802,435	657,875	824,100
CDBG	30,995	535,000	71,500
Housing/Redevelopment	-	-	200,000
Historical	38,636	57,350	98,525

**COMPONENT UNITS REVENUE SUMMARY**

**Brownfield Authority**

Property Taxes	78,829	27,300	53,375
Grant	-	-	-
Other Financing Sources	16,175	435,000	-
<b>Total Brownfield Authority</b>	<b>95,004</b>	<b>462,300</b>	<b>53,375</b>

**LDFA**

Property Taxes	79,911	90,850	107,425
Local Sources	-	-	-
Other Financing Sources	-	17,000	-
<b>Total LDFA</b>	<b>79,911</b>	<b>107,850</b>	<b>107,425</b>

**DDA**

Property Taxes	471,068	363,600	346,175
Local Sources	193	-	-
Other Financing Sources	-	-	27,275

Total DDA	471,261	363,600	373,450
<b>COMPONENT UNIT EXPENDITURE SUMMARY:</b>			
Brownfield Authority	119,593	462,300	53,375
LDFA	44,096	107,850	73,875
DDA	416,438	363,600	373,450

Motion supported by Councilperson Forster.

Roll Call Vote.

AYES: Councilpersons Frederick, Martenis, Forster, Cline, Simmons, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

**DOWNTOWN DEVELOPMENT AUTHORITY GENERAL APPROPRIATIONS RESOLUTION**

Motion by Councilperson Martenis to adopt the following resolution:

**RESOLUTION NO. 29-2008**

**GENERAL APPROPRIATIONS RESOLUTION FOR DOWNTOWN DEVELOPMENT AUTHORITY**

WHEREAS, the Authority board met to consider a proposed budget for fiscal year 2008-09, and after deliberations and public input approved a budget; and

WHEREAS, the Owosso City Council held a public hearing on the proposed budget on May 5, 2008; and,

WHEREAS, it is the intent of the Downtown Development Authority to levy a tax for general operating purposes pursuant to Public Act 197 of 1975 based on the budget summary attached hereto and made part of this resolution; and

WHEREAS, the general property tax laws, specifically MCL 211.34(d) provide for an annual compound millage reduction calculation applied to the maximum millage rate of two mills pursuant to MCL 125.1662; and

WHEREAS, the millage reduction commonly known as the "Headlee" rollback results in a maximum operating millage rate of 1.9484 for which the Authority is authorized to levy,

NOW THEREFORE, BE IT RESOLVED, that the tax levy for the fiscal year commencing July 1, 2008 shall be the rate of 1.9484 per \$1,000 of taxable value of the 2008 assessment roll for the district as approved by the Board of Review,

The levy will generate a revenue yield for operating purposes as follows:

GENERAL OPERATING	1.9484 MILLS	\$31,862
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Motion supported by Councilperson Frederick.

Roll Call Vote.

AYES: Councilpersons Frederick, Cline, Forster, Simmons, Martenis, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

**BONDING RESOLUTION – GENERAL OBLIGATION SEWER SYSTEM IMPROVEMENT BONDS**

Motion by Councilperson Simmons to approve the following resolution:

**RESOLUTION NO. 30-2008**

**City of Owosso  
County of Shiawassee, State of Michigan**

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF  
GENERAL OBLIGATION LIMITED TAX  
SEWER SYSTEM IMPROVEMENT BOND, SERIES 2008

A RESOLUTION TO PROVIDE FOR:

- Issuance of up to \$900,000 of Bonds to implement the Michigan Department of Environmental Quality approved combined sewer overflow control program;
- Sale of Bonds to the Michigan Municipal Bond Authority at an interest rate of 2.5% as part of the State Revolving Fund Program;
- Payment of Bonds from Net Revenues of the Sewage Disposal System;
- Payment of Bonds to be a First Budget Obligation secured by Pledge of City's Full Faith and Credit;
- Federal Tax Exemption of Bonds;
- Approval of Supplemental Agreement among the City, the Michigan Municipal Bond Authority, and Michigan Department of Environmental Quality;
- Finance Director authorized to sell Bonds without further Council Resolution;
- Other matters relative to sale and delivery of Bonds.

WHEREAS, the City of Owosso (the "City") has executed Administrative Consent Order ACO-SW05-015 dated September 21, 2005 (as now in force or as hereafter revised, the "Administrative Consent Order") of the Michigan Department of Environmental Quality ("MDEQ") requiring the City to take actions to abate pollution in connection with the City's operation of the Owosso/Mid-Shiawassee Co. Waste Water Treatment Plant; and

WHEREAS, under the Order the City has agreed to implement a MDEQ approved combined sewer overflow control program requiring rehabilitation of the City's sanitary sewage system and manholes (the "Project"); and

WHEREAS, Part 43 of Act 451, Public Acts of Michigan, 1994, as amended ("Act 451") enables a City to issue and sell bonds to finance improvement of a sewage system when MDEQ has ordered the installation, construction, alteration, improvement, or operation of a sewage system; and

WHEREAS, Part 43 of Act 451, Public Acts of Michigan, 1994, as amended ("Act 451") provides in Section 4307 that when MDEQ when the department has issued an order for the installation, construction, alteration, improvement, or operation of a sewage system in a local unit of government, and the plans for the system have been approved by the state department or commission having the authority by law to grant the approval, then the unit of government may issue and sell the necessary bonds for the construction, installation, alteration, operation, or improvement; and

WHEREAS, on February 6, 2008, in compliance with the requirements of Section 5(g) of the Home Rule Cities Act, Act 279, Public Acts of Michigan, 1909, as amended, the City published in *The Argus-Press* the "Notice to Electors and Taxpayers of the City of Owosso of Intent to Issue Bonds Secured by the Taxing Power of the City and Right of Referendum Thereon" (the "Notice of Intent") which described bonds to be issued in one or more series for the purpose of paying the costs of the Project; and

WHEREAS no petition has been filed requesting a referendum on the issuance of the bonds; and

WHEREAS, at this time the City Council wishes to authorize a limited tax general obligation bond for the purpose of constructing the Project; and

WHEREAS, the City expects to receive an offer from the Michigan Municipal Bond Authority (the "Authority") to purchase the City's bond at an interest rate of not-to-exceed 2.5% per annum as part of the State Revolving Fund Program pursuant to a Supplemental Agreement to be executed by and among the City, the Authority, and the State of Michigan acting through the Department of Environmental Quality; and

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act, permits the City to authorize, within limitations which shall be contained in the authorization resolution of the governing body, an officer to sell and deliver and receive payment for obligations, approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized; and

WHEREAS, the City Council determines that it is necessary to authorize the Director of Finance to approve interest rates, maturities, principal amounts, dates of issuance, interest payment dates, redemption, place of delivery and payment, and other matters and procedures necessary to complete sale and delivery of a limited tax general obligation bond for the purpose of constructing the Project, within limitations contained in this authorization Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City shall acquire and construct the Project pursuant to the Administrative Consent Order. The estimated period of usefulness of the Project is hereby declared to be not less than thirty (30) years.

2. If no referendum on issuance of bonds is required as described in the Notice of Intent, then a bond of the City designated as the GENERAL OBLIGATION LIMITED TAX SEWER SYSTEM IMPROVEMENT BOND, SERIES 2008 (the "Bond") is authorized to be issued for the purpose of paying costs of acquiring and constructing the Project and the costs incidental to the issuance, sale and delivery of the Bond. The Bond shall be issued in the principal sum of Nine Hundred Thousand Dollars (\$900,000) or such lesser amount as shall be determined at the time of sale by the Director of Finance, in consultation with the Utilities Director of the City, as the estimated cost of the Project, and approved by the MDEQ and the Authority. The City anticipates that the Authority will disburse payment to the City for the Bond in installments as needed to pay costs of the Project. Under the terms of the Bond, the City will only be required to repay the principal portion of the Bond as shall have been disbursed to the City by the Authority (the "Principal Amount").

The Authority has advised the City that the Authority will periodically provide to the City a statement showing the portion of the Principal Amount that has been advanced and the date of each advance.

The Bond shall be issued in the form of a single fully-registered, nonconvertible bond of the denomination of the principal sum issued, dated as of the date of delivery of the Bond. The maturity schedule for repayment by the City to the Authority of the Principal Amount of the Bond shall provide for annual payments in amounts to be determined at the time of sale of the Bond, on October 1 of each year beginning October 1, 2008 or on such other dates as may be determined by the Director of Finance and approved by MDEQ and the Authority. The Authority has advised the City that in the event that the maturity schedule approved at the time of sale of the Bond provides for payment of a principal sum greater than the Principal Amount disbursed to the City by the Authority, then the Authority shall prepare a new payment schedule. Final determination of the principal sum of the Bond and the payment dates and maturity schedule shall be evidenced by execution of the Purchase Contract between the City and the Authority providing for sale of the Bond.

The Principal Amount of the Bond will be subject to prepayment prior to maturity as may be approved by the Authority.

The City shall pay the Authority interest on each installment of the Principal Amount disbursed by the Authority to the City from the date such installment of principal is disbursed at the rate of not-to-exceed 2.5% per annum, on October 1, 2008 and semiannually thereafter on April 1 and October 1 of each year until maturity or earlier prepayment. At the time of sale of the Bond the Director of Finance may approve other dates for payment of interest if approved by MDEQ and the Authority.

The City Clerk shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk and shall be conclusive evidence of such payments and the obligation of the City with respect to such payments shall be discharged to the extent of such payments.

3. The Bond shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and Clerk of the City (provided that at least one of the signatures on the Bond shall be a manual signature) and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bond. After execution, the Bond shall be delivered to the Authority by the Director of Finance or his or her designee.

4. The City intends to pay principal of and interest on the Bond from Net Revenues of the Sewage Disposal System of the City (the "System"). Notwithstanding the intent to use Net Revenues of the System for payment of principal of and interest and premium on the Bond, the Bond shall be payable as a first budget obligation from the general funds of the City subject to applicable constitutional, statutory and charter tax rate limitations. Commencing with the year 2008, each year there shall be levied upon the tax rolls of the City for the purpose of paying principal of and interest and premium on the Bond an amount adequate to result in the estimated collection therefrom being sufficient to promptly pay, when due, the principal of and interest on the Bond becoming due prior to the next annual tax levy; provided that, at the time of making any such annual tax levy, the City shall take into account in determining such annual tax levy other monies available to pay principal of and interest and premium on the Bond, including Net Revenues of the City's Sewage Disposal System. The taxes, if any, levied hereunder shall be subject to applicable constitutional, statutory and charter tax limitations.

5. The Finance Director is authorized to open a separate depository account with a bank or trust company to be designated 2008 GENERAL OBLIGATION LIMITED TAX SEWER SYSTEM IMPROVEMENT BOND DEBT RETIREMENT FUND (the "Debt Retirement Fund");

provided, however, that the Debt Retirement Fund does not need to be opened as long as the Finance Director estimates that there will be sufficient monies in the General Obligation Bond Payment Fund created under the Ordinance to provide for the payment of principal of and interest on the Bond becoming due prior to the next annual tax levy. If the Finance Director opens a Debt Retirement Fund under this section, the Debt Retirement Fund may be pooled or combined with other debt retirement funds for issues of bonds of like character as provided by applicable state law. The moneys which are deposited into the Debt Retirement Fund shall be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bond as such principal and interest become due and as may be necessary to rebate arbitrage earnings, if any, to the United States Department of Treasury as required by the Internal Revenue Act of 1986, as amended. Shortly before April 1 and October 1 of each year, the City shall deposit into the Debt Retirement Fund an amount sufficient to pay the principal of and interest and premium on the Bond on such April 1 or October 1; such deposit to come first from Revenues of the Sewage Disposal System of the City as provided by the Ordinance, and then, if necessary, from taxes levied by the City for the purpose of providing for payment of the principal of and interest and premium on the Bond.

All proceeds from taxes levied for the Debt Retirement Fund shall be deposited into the Debt Retirement Fund as collected.

In the event a deposit of trust is made of cash or direct obligations of the United States or obligations the principal of an interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of, premium, if any, and interest on the Bond, this Resolution shall be defeased and the owners of the Bond shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest of the Bond from the cash or securities deposited in trust and the interest and gains thereon.

6. The proceeds of the Bond and no other moneys (except, if authorized by future resolution of City Council, additional future series of bonds issued by the City for the purposes of completing construction of the Project) shall be deposited in the fund designated as the 2008 GENERAL OBLIGATION LIMITED TAX SEWER SYSTEM IMPROVEMENT BOND CONSTRUCTION FUND (the "Construction Fund"). Any unexpended balance of the proceeds of the sale of the Bond remaining after completion of the Project herein authorized may be used at the discretion of the Utilities Director of the City for further improvements required by the Administrative Consent Order. Any balance remaining after such expenditure shall be paid into the Debt Retirement Fund and used for the prepayment of installments of the Bond. Following completion of the Project, any unexpended balance of Bond proceeds shall be invested at a yield not to exceed the yield on the Bond.

After completion of the Project and disposition of remaining proceeds, if any, of the Bond pursuant to the provisions of this Section, the Construction Fund shall be closed.

7. The Bond shall be in substantially the following form with such revisions, additions and deletions as may be advisable or necessary to comply with the final terms of the Bond established upon sale thereof:

United States of America  
State of Michigan  
County of Shiawassee

CITY OF OWOSSO  
GENERAL OBLIGATION LIMITED TAX  
SEWER SYSTEM IMPROVEMENT BOND, SERIES 2008

The CITY OF OWOSSO, County of Shiawassee, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Michigan Municipal Bond Authority (the "Authority") the sum of \_\_\_\_\_ (\$\_\_\_\_\_) Dollars or such portion thereof as shall have been advanced to the City (the "Principal Amount") pursuant to a Purchase Contract between the City and the Authority, and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality.

During the time the Principal Amount is being drawn down by the City under this Bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall mature and be payable by the City to the Authority on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and

made a part hereof, as such Schedule may be adjusted if less than \$\_\_\_\_\_, 000 is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below. The City shall pay the Authority interest on the Principal Amount disbursed by the Authority to the City from the date principal is disbursed, until maturity or earlier prepayment, at the rate of \_\_\_\_\_% per annum, first payable \_\_\_\_\_ 1, 200\_\_ and semiannually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ of each year.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

#### Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

This Bond is a single, fully-registered, non-convertible bond in the principal sum of \$900,000 issued pursuant to pursuant to under Part 43 of Act 451, Public Acts of Michigan, 1994, as amended, and a resolution duly adopted by the City Council of the City, for the purpose of implementing a Michigan Department of Environmental Quality ("DEQ") approved combined sewer overflow control program to abate pollution by rehabilitating the City's sanitary sewage system and manholes as required by an Administrative Consent Order of DEQ.

This Bond is payable as a first budget obligation from the general fund of City and from taxes imposed on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations.

Principal installments of this Bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

This Bond shall be registered as to principal and interest on the books of the City kept by the City Clerk and may be transferred only upon surrender of this Bond by the registered owner of record in person, or by registered owner's attorney duly authorized in writing, to the City Clerk together with a written instrument of transfer satisfactory to the City Clerk duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this Bond exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this Bond, does not exceed any constitutional, statutory or charter debt limitation.

IN WITNESS WHEREOF, the City of Owosso, County of Shiawassee, State of Michigan, by its City Council, has caused this Bond to be signed in the name of said City [by] / [with the facsimile signatures of] its Mayor and its City Clerk and the City seal or a facsimile thereof to be [manually impressed/printed], all as of the Date of Original Issue.

CITY OF OWOSSO, Michigan

By \_\_\_\_\_  
Mayor

(Seal)  
Countersigned:

By \_\_\_\_\_  
City Clerk

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

Due Date	Amount of Principal Installment Due

Interest on the Bond shall accrue on principal disbursed by the Authority to the City from the date principal is disbursed, until maturity or earlier prepayment, at the rate of 2.5% per annum, payable \_\_\_\_\_, 20\_\_, and semi-annually thereafter.

The City agrees that it will deposit with \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

8. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bond pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), in such a manner as to cause the Bond to be an "arbitrage bond" within the meaning of the Code. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control and that it shall not fail to take any action necessary to maintain the exclusion of the interest on the Bond from adjusted gross income for general federal income tax purposes under the Code, including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure of investment of Bond proceeds and moneys deemed to be Bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the City with the Bond.

9. City Council hereby determines to sell the Bond by negotiated sale to the Authority as part of the State Revolving Fund Program for the reason that participation in the State Revolving Fund Program will permit the City to sell the Bond at a lower rate of interest than available through sale by competitive bid. The Director of Finance is hereby authorized to sell the Bond to the Authority at an interest rate of not-to-exceed 2.5% per annum and at the par value thereof as evidenced by execution of a Purchase Contract, and to deliver the Bond in accordance with the delivery instructions of the Authority.

10. The proposed form of Purchase Contract between the City and the Authority (the "Purchase Contract") and the proposed form of Supplemental Agreement among the City, the Authority and MDEQ (the "Supplemental Agreement"), and the proposed form of Issuer's Certificate to be delivered by the City to the Authority, each of which are on file with the City Clerk, are hereby approved. The Director of Finance, the Utilities Director, the Mayor, and the City Clerk are hereby jointly or severally authorized to execute and deliver the Purchase Contract, the Supplemental Agreement, and the Issuer's Certificate upon completion in the forms approved hereby with such revisions as they may determine to be necessary or desirable, permitted by law, and not materially adverse to the City.

11. In the event that the Director of Finance is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then a person

designated by the Director of Finance, or the City Manager, or a person designated by the City Manager is authorized to take the actions delegated to the Director of Finance by this Resolution. The Director of Finance, the City Manager, the Utilities Director, the Mayor, and the City Clerk are hereby jointly or severally authorized to take any actions necessary to comply with requirements of the Authority and MDEQ in connection with sale of the Bond to the Authority, and to execute and deliver such other certificates, documents, instruments, and other papers as may be required by the Authority or MDEQ or as may be otherwise necessary or convenient to effect the delivery of the Bond.

12. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

Motion supported by Councilperson Cline.

Roll Call Vote.

AYES: Councilpersons Simmons, Forster, Frederick, Cline, Martenis, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

#### **BRIDGE MAINTENANCE GRANT APPLICATION**

Motion by Councilperson Forster to approve application to the Michigan Department of Transportation for a grant to replace the expansion joint on the Gould Street Bridge during the 2011 construction season.

Motion supported by Councilperson Martenis.

Roll Call Vote.

AYES: Councilpersons Simmons, Forster, Frederick, Cline, Martenis, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

#### **MOOTZIE'S GALLERY REQUEST – TEMPORARY SERVICE PERMIT**

Motion by Councilperson Forster to approve temporary changes to the liquor license permit (serving outside of their usual premises) for outside events on June, 7, 2008 and August 16, 2008 at Mootzie's Gallery.

Motion supported by Councilperson Simmons.

Roll Call Vote.

AYES: Councilpersons Martenis, Forster, Simmons, Frederick, Cline, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

#### **MOOTZIE'S PERMIT**

Motion by Councilperson Cline to approve the application of Mootzie's Gallery for use of the alley behind their location at 112 West Main Street for temporary outdoor service on June 7, 2008 and August 16, 2008 and authorize Traffic Control Order No. 1205 formalizing such.

Motion supported by Councilperson Simmons.

Roll Call Vote.

AYES: Councilpersons Cline, Martenis, Frederick, Simmons, Forster, and Mayor Bruff.

NAYS: None.

ABSENT: Mayor Pro-Tem Owen.

#### **BOARDS AND COMMISSIONS APPOINTMENTS**

There was a brief discussion regarding how the appointments to the Blue Ribbon Committee were made.

Motion by Councilperson Frederick to approve the following Mayoral appointments:

<b>Name</b>	<b>Board/Commission</b>
James Civile	Blue Ribbon Committee
Thomas Cook	Blue Ribbon Committee
Geoff Washburn	Blue Ribbon Committee
Terri Brown	Blue Ribbon Committee
TJ Gaffney	Blue Ribbon Committee
Jo Ann Goodson	Blue Ribbon Committee
Douglas Peterson	Blue Ribbon Committee
James Bartlett	Blue Ribbon Committee
Deborah Adams-Mills	Blue Ribbon Committee
John Orin	Blue Ribbon Committee
Cindy Popovitch	Blue Ribbon Committee
Christopher Bird	Blue Ribbon Committee

Motion supported by Councilperson Simmons.

Roll Call Vote.

AYES: Councilpersons Martenis, Frederick, Forster, Simmons, and Mayor Bruff.

NAYS: Councilperson Cline.

ABSENT: Mayor Pro-Tem Owen.

### **BURNING ORDINANCE DISCUSSION**

Mayor Bruff indicated the discussion this evening would be a fact finding mission only, no decisions would be made during the meeting. He encouraged the participation of audience members but cautioned them to be respectful of all those present.

There was a lengthy discussion regarding the current burning ordinance.

The following people addressed the Council:

Sherry Shannon, 854 Alger Avenue, indicated she has a heavily wooded area of her property that generates branches and leaves year-round, necessitating her burning yard waste.

Paula Perry, 1418 Henry Street, indicated she approves of the current ordinance, saying there are times when people need to burn. She further indicated she herself has asthma and stays indoors when people are burning.

Robert Coon, 1204 Palmer Avenue, indicated he approves of the current ordinance, saying he likes to burn his personal papers. He also stated the last election on the issue indicated citizens still want to have the right to burn.

Leona Lighthill, 623 Frazer Avenue, indicated she doesn't like burning in town but finds it to be a necessity because she has no other way to dispose of her yard waste.

Michelle Perry, 1418 Henry Street, inquired as to how changes in the burning ordinance would affect the ability to have recreational fires. She indicated she felt it was not fair to lose another freedom.

Mayor Bruff indicated he felt there were two issues to address in the ordinance, one being open burning the other being recreational fires. He further indicated a resolution did not have to be all or nothing, it could be a compromise.

Burton Fox, 216 East Oliver Street, indicated he supported the current ordinance and felt it should be more strictly enforced. He also indicated he felt if the City picked up leaves later in the year and organized a brush pick up it would reduce the need to burn.

Joseph Nowacki, 710 Ament Street, indicated he felt the City leaf pickup starts too early each year.

Steven Willis, 905 South Washington Street, indicated the time restrictions in the current ordinance make it difficult for him to burn because he works during the day. He also indicated he felt the ordinance needed better enforcement.

Suzanne Carpenter, 122 North Washington Street, expressed her concern with the impact burning has on the environment indicating most municipalities do not allow burning in town.

Richard Perry, 1418 Henry Street, indicated he felt much of the problem lay with those that burn garbage. He felt his recreational fires were not offensive to others.

Shelva Cebulski, 1243 Marion Street, indicated she would like to see burning banned in the City. She read aloud State restrictions on burning and asked if the City could adopt an ordinance further limiting burning.

Megan Prieur, 214 North Cedar Street, stated she is a high school soccer player that is asthmatic. She said playing games on burning days can be challenging due to smoke making it difficult to breathe.

Anna Owens, 1201 North Washington Street, said the issues with burning resurface every year about this time. She indicated she felt the City needs to institute a spring brush pick up. She also indicated she felt sympathy for those people with health issues that are bothered by the smoke and are told to just stay in doors.

Laura Rolando, 1013 South Chipman Street, stated that the right to burn does not supercede the right to health. She indicated many cities have totally banned burning but feels the City may reach a compromise on burning as long as the ordinance is strictly enforced.

Michelle Perry, 1418 Henry Street, indicated she would like to be able to have recreational fires in the future. She said she felt sorry for those affected by the smoke but refused to "stop living". She also indicated she felt better enforcement was the solution to the problem.

Kevin M. Brown, 217 Curwood Castle Drive, suggested that if citizens would like to ban burning they circulate a petition and have the issue placed on the ballot.

Betty Coon, 1204 Palmer Avenue, stated she agreed with Mr. Brown. She indicated she is in support of the right to burn and reminded all present of the totals of the last vote on burning (907 = yes, 2261 = no).

Harley Wiser, 945 North Saginaw Street, indicated he would like to see burning banned and felt enforcement of the current ordinance was lax.

There was general discussion regarding the enforcement policy for the current ordinance, strict enforcement, burning at night to avoid detection, acceptable burnable materials, acceptable burning containers, times for legal fires, neighbors reporting neighbors, and the destruction of the relationship between neighbors due to burning.

Mayor Bruff read aloud a letter submitted by Donna and George Hebert.

Councilperson Forster indicated she had received several letters asking that burning be banned.

Robert Springsdorf, 515 Brandon Street, wondered if burning was banned what other activities would be restricted. He wondered aloud whether he would have to stop using his fireplace because of the smoke it generates.

Eddie Urban, 601 Glenwood Avenue, implored people to burn their combustibles properly. He said he felt many "bad" fires are caused by people without the knowledge of how to burn.

Council recessed for a brief break at 9:46 p.m.

Council returned to session at 9:52 p.m.

Councilperson Forster indicated she felt the consensus of the evening was the need for better enforcement of the current ordinance. She suggested ignorance should not be an excuse and fines should be increased to deter people from breaking the law.

There was discussion regarding the characteristics of a typical fire, how officers respond to the typical fire call, the enforcement mechanism dictated by the current ordinance, past votes on burning, the idea of placing the issue on the ballot again, and all the opportunities for compromise on the issue.

Betty Coon, 1204 Palmer Avenue, inquired as to the wording of the last ballot question on burning.

Councilperson Martenis reminded everyone that burning is harmful to everyone's health. He encouraged the idea of reducing burning by issuing permits for burn barrels and allowing recreational fires only on weekends and holidays.

There was general discussion regarding the idea that no ordinance fits every situation, educating the public on the burning ordinance, the number of cities in the state that allow burning, the idea that allowing burning may discourage some new comers from moving into town, and the idea that it may attract some people to town.

## **COMMUNICATIONS**

Jeff McIntyre, Mr. Owosso Candidate. Letter stating use of City property at 102 South Washington Street.

Hi-Temp Heating and Cooling. Letter stating use of City property at the Gould Street and M-71 intersection.

Gary Martenis, Councilperson. Letter regarding burning.

John F. Archer, Building Official. April 2008 Building Department Report.

John F. Archer, Building Official. April 2008 Code Violations Report.

Michael T. Compeau, Public Safety Director. April 2008 Police Department Report.

Michael T. Compeau, Public Safety Director. April 2008 Fire Department Report.

Michael T. Compeau, Public Safety Director. Remainder of March 2008 Fire Report.

Parks and Recreation Commission. Minutes of Meeting of April 28, 2008.

Owosso Planning Commission. Minutes of Meeting of April 28, 2008.

Owosso Zoning Board of Appeals. Minutes of Meeting of May 6, 2008.

## **CITIZEN COMMENTS AND QUESTIONS**

Thomas Johnson, 529 Adams Street, inquired as to whether his proposed ordinance amendment would be placed on the next Council agenda. City Attorney Brown indicated he would respond with his opinion on the petition within the 15 days allowed by law.

Laura Rolando, 1013 South Chipman Street, inquired as to who would pay for the sewer bonds. It was noted user fees would cover the cost of the bonds.

Eddie Urban, 601 Glenwood Avenue, thanked everyone for their good conduct during the burning discussion.

Councilperson Martenis expressed his disappointment that many people left the meeting before the burning discussion was finished. He also indicated he was hoping a compromise could be reached.

Council instructed staff to place the burning issue on the agenda for the second June meeting, allowing time for proposals to be developed.

## **ADJOURNMENT**

Motion by Councilperson Cline for adjournment at 10:23 p.m.

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

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Michael E. Bruff, Mayor

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Amy K. Kohagen, City Clerk