

OWOSSO CITY COUNCIL

DECEMBER 7, 2009

7:30 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK
OPENING PRAYER: MAJOR HENRY TEMPEL
SALVATION ARMY
PLEDGE OF ALLEGIANCE: ABBIE COOK
PRESENT: Mayor Benjamin R. Frederick, Mayor Pro-Tem Cindy S. Popovitch, Councilpersons Thomas B. Cook, Michael J. Erfourth, Christopher T. Eveleth, Joni M. Forster, and Gary W. Martenis.
ABSENT: None.

APPROVE AGENDA

Motion by Councilperson Eveleth to approve the agenda as presented, moving Consent Item 2. Bid Award to Item of Business 3.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF NOVEMBER 16, 2009

Motion by Councilperson Martenis to approve the Minutes of the Regular Meeting of November 16, 2009 as presented.

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

APPROVAL OF THE MINUTES OF SPECIAL MEETING OF NOVEMBER 30, 2009

Motion by Councilperson Forster to approve the Minutes of the Special Meeting of November 30, 2009 as presented with the notation as to who performed the prayer and pledge of allegiance.

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

SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

None.

CITIZEN COMMENTS AND QUESTIONS

Duane Kellogg, 1218 Nafus Street, indicated he owned the only house in the City that does not have City water service. He said he and his wife are in poor health and he cannot drink the water from their well. It is also getting difficult to lift the bottled water that he and his wife must bring in.

Betty Coon, 1204 Palmer Avenue, responded to Councilperson Martenis's recent letter to the editor saying the burning issue was voted on twice and twice the people indicated they wished to continue burning. She went on to say she felt those that wanted to ban burning should take up petitions to change the ordinance as she did years ago.

Eddie Urban, 601 Glenwood Avenue, read aloud a statement clearing up the misunderstandings that may have been left by his recent letter to the editor regarding cable service.

Shelva Cebulski, 1243 Marion Street, indicated she felt the pool was not a dead issue and that burning should be banned as a matter of health. She also indicated she hoped the City would help Mr. Kellogg with his water problem.

Mayor Frederick indicated he had received questions about his appointment of Brent Wesley to the Airport Board. Mr. Wesley had indicated to him that should any subjects before the board involve his family's restaurant at the airport he would abstain from voting on that particular item.

Councilperson Eveleth indicated to Council that he had located a model wind energy conversion system ordinance and would forward it on to them.

Councilperson Martenis pointed out that it is not necessary to have a cable box to receive the local access cable channels even though they have moved to channels 95 & 96.

CITY MANAGER REPORT

City Manager Fivas noted that City staff had checked into the status of the burned out house on Prindle Street. The insurance company has indicated they hope to finish their investigation within the next couple of days and they have already received an estimate for demolition of the building. The City is prepared to move forward with demolition should the insurance company not take action. Next he discussed the migration of the Charter local access channels saying the City had no control over this change and was not pleased about it. He felt there was a possibility the action could be suspended by litigation brought by other communities. A letter of objection was sent to Charter and the situation will continue to be monitored.

He also mentioned that there were further talks regarding a potential water agreement with Owosso Charter Township. The City is reviewing language submitted by the Township and progress continues. Lastly he noted that a discussion of Council priorities could be scheduled for the January 4, 2010 meeting if desired.

Mayor Frederick noted that given the difficulties of scheduling an additional meeting in December pushing the priorities discussion to January 4th would be good.

CONSENT AGENDA

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

Special Assessment District No. 2009-01–Hazards and Nuisances. Authorize Resolution No. 1 setting a public hearing for December 21, 2009 to receive citizen comment regarding Special Assessment District No. 2009-01, Hazards and Nuisances, as it relates to unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances as follows:

**RESOLUTION 62-2008
Special Assessment District No. 2009-01
Hazards and Nuisances**

WHEREAS, the Assessor has prepared a special assessment roll for the purpose of specially assessing that portion of the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances more particularly hereinafter described to the properties specially benefited by said public improvement, and the same has been presented to the Council by the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll is hereby accepted and shall be filed in the office of the City Clerk for public examination.
2. The Council shall meet at the Owosso City Hall, Owosso, Michigan at 7:30 o'clock p.m., on December 21, 2009 for the purpose of hearing all persons interested in said special assessment roll and reviewing the same.
3. The City Clerk is directed to publish the notice of said hearings once in *The Argus Press*, the official newspaper of the City of Owosso, not less than ten (10) days prior to said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of the property subject to assessment, as indicated by the records in the City Assessor's office as shown on the general tax rolls of the City, at least ten (10) days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.

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

**NOTICE OF HEARING TO REVIEW
SPECIAL ASSESSMENT ROLL – HAZARDS AND NUISANCES
CITY OF OWOSSO
COUNTY OF SHIAWASSEE, MICHIGAN**

TO THE OWNERS OF THE OF THE FOLLOWING DESCRIBED PROPERTY:

Parcel Number	Address	Amount
050-430-000-013-00	409 Huggins Street	\$ 352.52
050-536-000-046-00	1259 N. Shiawassee Street	\$ 210.83
050-470-009-002-00	316 E. Williams Street	\$ 508.56
050-010-033-013-00	620 Frazer Street	\$ 811.13
050-660-018-012-00	727 W. Main Street	\$ 85.33
050-380-002-001-00	317 Dimmick Street	\$ 236.68
050-470-019-005-00	319 E Main Street	\$ 531.85

050-660-001-021-00	Lee Street	\$ 2,254.78
050-652-001-006-00	619 S. Washington Street	\$ 82.75
050-500-001-003-00	1118 Palmer Street	\$ 100.00
050-660-018-015-00	119 S. Cedar Street	\$ 334.75
050-470-016-001-00	120 E. Mason Street	\$ 2,252.13
050-536-000-046-00	1259 N. Shiawassee Street	\$ 102.41
050-680-005-001-00	401 Corunna Avenue	\$ 118.70
050-112-000-013-00	615 E. Main Street	\$ 118.70
050-660-012-019-00	202 N. Cedar Street	\$ 501.13
050-390-004-012-00	1260 N. Adams Street	\$ 564.12
050-180-002-008-00	412 E. Comstock Street	\$ 232.25
050-490-000-043-00	322 Lafayette Street	\$ 232.25
050-500-002-003-00	1109 Palmer Street	\$ 360.43
050-240-003-015-00	636 N. Park Street	\$ 164.49
050-660-001-005-00	623 N. Shiawassee Street	\$ 260.83
050-420-011-021-00	833 Broadway Avenue	\$ 95.40
050-115-003-010-00	320 Prindle Street	\$ 224.23
050-420-001-005-00	522 Corunna Avenue	\$ 171.96
050-115-003-012-00	328 Prindle Street	\$ 268.54
050-420-010-003-00	817 Lingle Avenue	\$ 163.53
050-536-000-050-00	1239 N. Shiawassee Street	\$ 187.08
050-010-032-029-00	719 Frazer Street	\$ 367.76
050-537-000-040-00	1232 W. Main Street	\$ 233.66
050-113-002-007-00	911 Fletcher Street	\$ 98.96
050-211-000-002-00	1020 Summit Street	\$ 267.30
050-673-004-022-00	620 S. Shiawassee Street	\$ 137.08
050-380-002-001-00	317 Dimmick Street	\$ 177.69
050-673-004-021-00	508 Ryan Street	\$ 334.25
050-652-008-005-00	810 Division Street	\$ 77.69
050-541-000-047-00	1025 Summit Street	\$ 132.97
050-580-000-030-00	215 S. Dewey Street	\$ 165.79
050-660-019-012-00	120 S. Elm Street	\$ 73.45
050-660-004-015-00	713 W. Oliver Street	\$ 462.74
		<u>\$14,056.70</u>

TAKE NOTICE that a Special Assessment Roll-Hazards and Nuisances has been 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 above described property.

TAKE NOTICE THAT ANY HAZARDS/NUISANCES INVOICES OR CHARGES REMAINING UNPAID AS OF THEIR DUE DATE WILL BE INCLUDED ON THIS ROLL.

The said Special Assessment Roll-Hazards and Nuisances is on file for public examination with the City Clerk and any objections to said Special Assessment Roll-Hazards and Nuisances must be filed in writing with the City Clerk prior to the close of the hearing to review said Special Assessment Roll-Hazards and Nuisances.

TAKE FURTHER NOTICE that appearance and protest at this hearing is required in order to appeal the amount of the special assessment to the State Tax Tribunal if an appeal should be desired. A property owner or party in interest, his or her agent, may appear in person at the hearing to protest the special assessment or may file his or her appearance by letter and his or her personal appearance shall not be required. The property owner or any person having an interest in the property subject to the proposed special assessments may file a written appeal of the special assessment with the State Tax Tribunal within thirty days after confirmation of the special assessment roll if that special assessment was protested at this hearing.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall, Owosso, Michigan at 7:30 p.m. on December 21, 2009 for the purpose of reviewing said Special Assessment Roll-Hazards and Nuisances and for the purpose of considering all objections to said roll submitted in writing. If you have questions regarding this notice, please contact the City Treasurer's Office at 725-0599.

Bid Award. Waive competitive bidding requirements and authorize bid award to Advanced Wireless Telecom for the purchase of eight computers and 4 docking stations for the Fire

Department in the amount of \$37,307.36, with \$35,441.99 being reimbursed through a FEMA/DHS grant.

Change Order. Authorize increase to the purchase order for Arrow Construction for the 2009 Street Patch Program in the amount of \$6,000 to accommodate additional patching and further authorize payment up to the entire purchase order amount.

Payment Authorization. Authorize Payment to MDOT for the City's share of costs incurred for the reconstruction of Park Street from Main Street to Mason Street in the amount of \$21,987.76.

Payment Authorization. Authorize Payment to MDOT for the City's share of costs incurred for the reconstruction of King Street from Dewey Street to Gould Street in the amount of \$31,308.84.

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

Name	Board/Commission	Term Expires
Brent Wesley*	Owosso Community Airport Board	12-31-2011
Michael Cline* Citizen Representative	Shiawassee Area Transportation Agency Board of Directors	10-01-2010
Larry Johnson	Planning Commission	06-30-2012
Michael Erfourth	Employees' Retirement System Board of Trustees	11-12-2013

*reappointed

Warrant No. 394. Accepted Warrant No. 394 as presented.

Vendor	Description	Fund	Amount
Plante & Moran, PLLC	Professional services – work performed on the June 30, 2009 audit through October 31, 2009	General	\$25,550.00
Plante & Moran, PLLC	Professional services - work performed on Federal Programs audit through October 31, 2009	General	\$1,250.00

Motion supported by Councilperson Eveleth.

Roll Call Vote.

AYES: Councilperson Forster, Mayor Pro-Tem Popovitch, Councilpersons Martenis, Eveleth, Erfourth, Cook, and Mayor Frederick.

NAYS: None.

ITEMS OF BUSINESS

EARLY MEETING TIME

Motion by Councilperson Forster to approve setting an early meeting time of 7:00 p.m. for the December 21, 2009 meeting to discuss the annual audit.

Motion supported by Councilperson Martenis.

Roll Call Vote.

AYES: Councilperson Erfourth, Mayor Pro-Tem Popovitch, Councilpersons Eveleth, Martenis, Forster, Cook, and Mayor Frederick.

NAYS: None.

VSCI GRANT MODIFICATION

City Manager Fivas pointed out the Council had received extensive background information for this item. He said that should Council choose to make a decision tonight they would be choosing one of two options: 1. provide VSCI grant monies toward the Lebowsky Center Rebuild Project or 2. provide VSCI grant monies toward other projects in the downtown. He went on to say that if Council decides to proceed with assistance to the Lebowsky Center Rebuild Project there would be further agreements and contracts that would need to be addressed.

He went on to say that the risk of the Lebowsky Center Rebuild Project had been a concern of the previous Council. Steps to mitigate this risk were being explored should the project go forward with VSCI Grant funds. Owosso Main Street will be approached to self bond for the matching funds required by the grant, in essence protecting the tax payer should a catastrophic event occur and the project folds. OCP also checked into a performance bond but it was decided the bond

would be too costly to consider (at \$15,000 per year). It was also noted that as time goes on the risk associated with the project lessens. If the project should fail the State has agreed to a sliding scale for payback reducing the amount to be repaid based on the length of time the project is underway.

Mayor Frederick indicated he was excited to consider pursuing the Lebowsky Rebuild Project, saying the issue of rebuilding the theater had been very challenging and facilitating this effort has been a focus of many. Councilperson Cook echoed the Mayor's sentiments, saying the rebuilt Lebowsky would be an asset to the downtown.

Councilperson Erfourth said he felt it would be important to explain to citizens how the tax credits proposed for the project work, noting citizen support for the project is essential. Councilperson Eveleth echoed his sentiments.

Mayor Pro-Tem Popovitch indicated she had had many questions about the project and found OCP and Bazzani Associates to be very cooperative in answering all her questions.

Councilperson Martenis indicated he had researched Bazzani Associates on the internet and verified his great reputation.

Motion by Councilperson Cook to approve acceptance of the Vibrant Small Cities Grant Initiative Agreement Amendment extending \$360,000 in grant funds to the Owosso Community Players for façade improvements at the Lebowsky Center.

Motion supported by Councilperson Eveleth.

Roll Call Vote.

AYES: Councilpersons Cook, Erfourth, Mayor Pro-Tem Popovitch, Councilpersons Forster, Martenis, Eveleth, and Mayor Frederick.

NAYS: None.

BID AWARD

Utilities Director Gary M. Burk explained that more information had become available since the time the bid was originally analyzed and he requested the Council consider awarding the bid to Truck and Trailer Specialists based on this new information.

Councilperson Cook noted the need to replace the equipment in question.

Motion by Councilperson Cook to authorize the revised bid award to Truck and Trailer Specialists for the purchase of a 15 cubic yard dump body and hoist for the WWTP in the amount of \$19,914.00.

Motion supported by Councilperson Erfourth.

Roll Call Vote.

AYES: Councilpersons Cook, Martenis, Mayor Pro-Tem Popovitch, Councilpersons Eveleth, Erfourth, Forster, and Mayor Frederick.

NAYS: None.

COMMUNICATIONS

Gary W. Martenis. Resignation from the Historical Commission.

Cindy S. Popovitch. Resignation from the citizen at large position on the Planning Commission.

Benjamin R. Frederick. Resignation from the Local Development Finance Authority/Brownfield Redevelopment Authority.

Christopher T. Eveleth. Resignation from the Mid-County Waste Water Treatment Plant Review Board.

Richard C. Williams, Finance Director. October 2009 Revenue and Expenditure Report.

Gary Palmer, Building Inspector. November 2009 Building Report.

Gary Palmer, Building Inspector. November 2009 Code Enforcement Report.

CITIZEN COMMENTS AND QUESTIONS

Burton Fox, 216 East Oliver Street, said he is very encouraged by the action Council took tonight to authorize grant funding for the Lebowsky Center rebuild project. He went on to say that he looks forward to the day the theater is a destination once again.

Linda Keenan, OCP Director, thanked the Council for their support of the Lebowsky Center Rebuild Project.

Duane Kellogg, 1218 Nafus Street, indicated that the house across the street from his had City water service installed and he wanted to know why he had been told he could not get water service. He said that he knew his property had a well when he purchased it but thought the City had tested the well and it was ok. He now feels it is contaminated and cannot drink water from it. The time allotted for Mr. Kellogg's comments expired.

Eddie Urban, 601 Glenwood Avenue, read aloud his statement directed to Charter Cable once again because the videographer was present as was not the case the first time he read his statement.

Abbie Cook, Owosso High School Senior, was the Junior Council Liaison for the evening. She listed upcoming events in the month of December including the band concert and the first varsity basketball games. She also reminded the audience the Schools are conducting the annual Owosso Cares Food Drive; she received food donations from City Council and informed the audience of the dates and drop off stations for the food drive.

There was a brief recess at 8:29 pm. The session resumed at 8:36 pm.

Mayor Frederick suggested discussing the Nafus Street issue first as the residents of the property in question were present for the discussion.

DISCUSSION ITEMS

NAFUS STREET WATER SERVICE

Utilities Director Burk provided the background for the discussion saying there is a 1.5" waterline running south on Nafus Street and ending on the south side of the intersection with Freeman Street. The house in question is located on the last lot on the west side of Nafus Street, approximately 200' from the end of the current line. Prior to the recent completion of the Owosso Drain the property lay in the flood plain and it was City practice to discourage development of those properties until the drain was completed. The developer of the property was fully aware that the City was not in favor of development of the lot and that City water could not be extended to the property without significant cost. At that time the developer pulled a permit with the County for a well and a well was installed to service the property. The current owners of the property, the Kellogg's, purchased the home in 2004 knowing it did not have City water. They are now requesting City water as the water from their well is of sub-par quality and it is getting increasingly difficult for them to haul in drinking water due to age and infirmity.

Utilities Director Burk indicated he is not averse to granting the request though funding would be a major concern as he estimates the entire project to cost around \$30,000 to replace the existing 1.5" pipe with the 6" main required to provide adequate water pressure to all of the lots along the street (a number of which are currently undeveloped). He also indicated that optimally the line should be looped back into the system to avoid a dead end with an additional anticipated cost of \$20,000 to connect it with water main on Herman Street. He also noted there are a number of projects already on the priority list because capital spending has been drastically reduced in the past few years. Lastly, he noted the water system has been partially funded by fund balance due to a deficiency in the water rates further increasing financial pressures.

There was discussion regarding testing the well to determine the exact contents of the water, connecting to the water system at other points (deemed unfeasible), the City's obligation to provide quality water service to those already receiving City water before extending the system to those that don't, potential grant funding to assist in fixing the issue (there are no known funds available), the status of the water fund, and what sort of solutions could be found to mitigate the problem until a line can be run to the property.

City Council asked that the well water be tested to determine its exact contents and systems explored that may possibly remove the contaminants and make the water drinkable (such as a reverse osmosis system). They also requested the County be contacted to obtain any information currently on file in regard to the well in question. Lastly, they requested Staff provide an update on any progress during the December 21st meeting.

WATER RATES AND POLICIES

City Manager Fivas indicated the discussion tonight would not be about rate increases but rather the policy adjustments that need to be made to accommodate the change from monthly to quarterly billing.

Utilities Director Burk noted there were a number of items in which he needed Council input prior to developing a draft policy that would be presented to Council at a later date for potential action. The items in question were: a timeline for bill payment/collection, providing monthly billing to large water users, the amount of deposit required on some accounts, and the bill adjustment policy and procedure. Council had received an extensive amount of information in the agenda packet in anticipation of this discussion.

There was discussion regarding how to monitor vacant properties, putting the responsibility for water service on landlords, dual billing for rental tenants and landlords, establishing an escrow account for customers that have had their water shut off repeatedly, keeping rental properties on monthly billing, maintaining sufficient cash flow for operation of the system, lengthening the current billing process to allow more time to pay, and the savings of going to quarterly billing.

The Council indicated they were supportive of the approaches outlined in the memo in regard to a longer timeline for bill payment/collection, not providing monthly billing for large water users, adjusting the amount of deposit required on some accounts to better reflect actual costs, and proposed changes to the bill adjustment policy and procedure. Utilities Director Burk indicated he would bring a formal proposal back to Council on December 21, 2009.

NEXT MEETING

December 21, 2009, 7:00 p.m. start time

BOARDS AND COMMISSIONS OPENINGS

Zoning Board of Appeals – Alternate, term expires 06-30-2012
Historical Commission, term expires 12-31-2010

ADJOURNMENT

Motion by Councilperson Forster for adjournment at 9:49 p.m.

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

Benjamin R. Frederick, Mayor

Amy K. Kohagen, City Clerk