

OWOSSO CITY COUNCIL

MARCH 1, 2010

7:30 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK
OPENING PRAYER: JEFFREY GULICK
PLEDGE OF ALLEGIANCE: LINDA KEENAN
EXECUTIVE DIRECTOR, OWOSSO COMMUNITY PLAYERS
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 Cook to approve the agenda as presented.

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

APPROVAL OF THE MINUTES OF REGULAR MEETING OF FEBRUARY 16, 2010

Motion by Councilperson Erfourth to approve the Minutes of the Regular Meeting of February 16, 2010 as presented.

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

APPROVAL OF THE MINUTES OF SPECIAL MEETING OF FEBRUARY 20, 2010

Motion by Mayor Pro-Tem Popovitch to approve the Minutes of the Special Meeting of February 20, 2010 as presented.

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

SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

SPECIAL ASSESSMENT DISTRICT NO. 2010-01

BUCKLEY DRIVE FROM IRENE STREET TO WARD STREET

The public hearing was conducted for the proposed project.

There were no citizen comments.

Motion by Councilperson Eveleth to adopt the following resolution:

RESOLUTION NO. 14-2010

WHEREAS, the City Council, after due and legal notice, has met and there being no one to be heard regarding the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited: Buckley Drive from Irene Street to Ward Street.
2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$76,500 and approves said estimated cost and determines that the estimated life of said public improvement is twenty (20) years.

3. The City Council determines that of said total estimated cost, the sum of \$30,954.42 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.
4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied: Buckley Drive from Irene Street to Ward Street.
5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.

When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Councilperson Erfourth.

Roll Call Vote.

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

NAYS: None.

SPECIAL ASSESSMENT DISTRICT NO. 2010-02

JEROME AVENUE FROM GOULD STREET TO OAKWOOD STREET

The public hearing was conducted for the proposed project.

The following people addressed the City Council regarding the proposed special assessment:

Gayle Harris, 712 Jerome Avenue, indicated she was not in favor of the project because of the state of the economy. She noted that the street was used frequently by school buses and she thought that they were supposed to use Comstock Street.

Al Shepard, 321 Oakwood Avenue, indicated he owns three homes on the street. He said there was nothing wrong with the street and he pays a lot in taxes already.

Timothy Forman, 735 Jerome Avenue, indicated he was opposed to the assessment and feels the buses cause damage to the street. He also said that water main breaks further damage the road.

Jessica Anderson, 721 Jerome Avenue, asked if they would be digging up the driveways and how long the project would take. She said she was opposed to the assessment.

Kirk Woods, 737 Jerome Avenue, indicated he was opposed to the assessment. He said the curb in front of his home was already replaced once and is damaged once again. He felt much of the damage was the result of bus traffic.

It was noted that the water main under the street would be replaced in conjunction with this project and it was anticipated it would take 4-6 weeks to complete. It was also noted that driveway approaches would be removed and replaced if crews are forced to connect the new main to connections under a driveway.

There was discussion regarding why the percentage of the cost supported by the City varied from project to project. City Engineer Ronald G. Baker indicated that the front foot rate was a set amount and the City picked up any extra costs based on the scope of the work to be performed.

It was further noted the water main under this street is approximately 80-100 years old and its replacement is a priority.

There was further discussion regarding asking the Schools to use Comstock Street as it is made for heavier traffic and will reduce the wear and tear on Jerome.

Motion by Councilperson Martenis to adopt the following resolution and to request City staff approach the Schools about using Comstock Street for bus traffic:

RESOLUTION NO. 15-2010

WHEREAS, the City Council, after due and legal notice, has met and having heard all interested parties regarding the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited: Jerome Avenue from Gould Street to Oakwood Street.
2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$50,100.00 and approves said estimated cost and determines that the estimated life of said public improvement is twenty (20) years.
3. The City Council determines that of said total estimated cost, the sum of \$18,889.38 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.
4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied: Jerome Avenue from Gould Street to Oakwood Street.
5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.

When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Councilperson Cook.

Roll Call Vote.

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

NAYS: None.

SPECIAL ASSESSMENT DISTRICT NO. 2010-03

MEADOW DRIVE FROM BUCKLEY DRIVE TO THE SOUTH END

The public hearing was conducted for the proposed project.

The following people addressed the City Council regarding the proposed special assessment:

Scott McClurg, 1009 Meadow Drive, indicated that while he felt it is important to keep up with road maintenance his street does not receive much traffic and it doesn't need repaving as much as some others in town.

Reverend Michael Prince, speaking on behalf of the owner of 1115 Meadow Drive, was concerned that the property owner would not have the money to pay for the street improvements. He said he would very much like to see the owner stay in the home but he had medical expenses that are a priority. He went on to say that he thought property taxes should cover street improvements and he was opposed to the project.

Mayor Frederick indicated the owner of 1115 Meadow Drive could apply for a poverty exemption and a deferment of the special assessment if needed. He advised him to contact the assessing office for more information.

There was discussion regarding the level of traffic on the street and whether work was warranted. City Engineer Baker noted that the edge of the pavement is wearing at the curb and letting water in to the base of the pavement necessitating a new cap.

Motion by Councilperson Cook to adopt the following resolution:

RESOLUTION NO. 16-2010

WHEREAS, the City Council, after due and legal notice, has met and having heard all interested parties regarding the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited: Meadow Drive from Buckley Drive to the south end.
2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$70,900.00 and approves said estimated cost and determines that the estimated life of said public improvement is twenty (20) years.
3. The City Council determines that of said total estimated cost, the sum of \$29,034.18 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.
4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied: Meadow Drive from Buckley Drive to the south end.
5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.

When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Councilperson Erfourth.

Roll Call Vote.

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

NAYS: None.

SPECIAL ASSESSMENT DISTRICT NO. 2010-04

PARK STREET FROM OLIVER STREET TO GOODHUE STREET

The public hearing was conducted for the proposed project.

There was no citizen comment.

Motion by Councilperson Erfourth to adopt the following resolution:

RESOLUTION NO. 17-2010

WHEREAS, the City Council, after due and legal notice, has met and there being no one to be heard regarding the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited: Park Street from Oliver Street to Goodhue Street.
2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$16,000.00 and approves said estimated cost and determines that the estimated life of said public improvement is twenty (20) years.
3. The City Council determines that of said total estimated cost, the sum of \$7,432.92 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.

4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied: Park Street from Oliver Street to Goodhue Street.
5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.

When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Councilperson Forster.

Roll Call Vote.

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

NAYS: None.

SPECIAL ASSESSMENT DISTRICT NO. 2010-05

WARD STREET FROM BUCKLEY DRIVE TO SHADY LANE DRIVE

The public hearing was conducted for the proposed project.

The following people addressed the City Council regarding the proposed special assessment:

Robert Zalokar, 1200 Ward Street, spoke in approval of the project saying the street really needs to be repaired.

Robert Kain, 1115 Ward Street, also indicated his support for the street project. He asked that the Council examine the way in which special assessment amounts are determined for each parcel. He said that the parcels in his subdivision are irregularly shaped leaving some residents with high assessments and others with low assessments despite the fact they have similar total lot sizes.

Shelva Cebulski, 1243 Marion Street, indicated she walks in this subdivision a lot and wanted to know if sidewalks were planned as part of the project. She said she really didn't think they were needed. It was noted that sidewalks were not planned at this time.

It was further noted that in subdivisions with irregularly shaped parcels assessments are based on an average of the front footage and rear footage instead of front footage alone as is done in most areas.

Motion by Mayor Pro-Tem Popovitch to adopt the following resolution:

RESOLUTION NO. 18-2010

WHEREAS, the City Council, after due and legal notice, has met and having heard all interested parties regarding the proposed public improvement more particularly hereinafter described; and

WHEREAS, the City Council deems it advisable and necessary to proceed with said public improvement as more particularly hereinafter described.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make and proceed with the following described public improvement and to defray a part or the whole cost, as more particularly hereinafter provided, by special assessment upon the property specially benefited: Ward Street from Buckley Drive to Shady Lane Drive.
2. The City Council hereby approves the plans for the aforesaid public improvement as prepared and presented by the City Manager and determines the estimated cost of said public improvement to be \$31,500.00 and approves said estimated cost and determines that the estimated life of said public improvement is twenty (20) years.
3. The City Council determines that of said total estimated cost, the sum of \$11,235.96 be paid by special assessment upon the property specially benefited, as more particularly hereinafter described.

4. The City Council hereby designates the following described property as the special assessment district upon which the special assessment shall be levied: Ward Street from Buckley Drive to Shady Lane Drive.
5. The City Assessor shall prepare a special assessment roll including all lots and parcels of land within the special assessment district herein designated, and the Assessor shall assess to each such lot or parcel of land such relative portion of the whole sum to be levied against all lands in the special assessment district as the benefit to such lot or parcel of land bears to the total benefits to all lands in such district.

When the Assessor shall have completed the assessment roll, he shall file the special assessment roll with the City Clerk for presentation to the City Council.

Motion supported by Councilperson Eveleth.

Roll Call Vote.

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

NAYS: None.

CITIZEN COMMENTS AND QUESTIONS

Daniel Vargas, 715 Lynn Street, said he felt that trucks delivering to Target Industries were damaging the road and sidewalks on Howell and Lynn Streets. He asked that Council look at reconstructing both streets and the corresponding sidewalks.

Robert Zalokar, 1200 Ward Street, indicated he runs a small business on North Park Street. He said he appreciates the tags left by the Police Department letting him know they've checked on his business during the night.

James Gutting, 604 Adams Street, wanted to know if the City would be inspecting rental units saying there were a large number of sub-grade units in the City. He said he would like to see the quality of rental stock improved. He went on to mention that OCTS had stopped broadcasting and the City was taking over channel 95. He is currently working to create a programming library for the City to use as a part of its broadcast.

Shelva Cebulski, 1243 Marion Street, welcomed new Interim City Manager Donald Crawford. She also commented that it was nice to see new faces in the audience and she encouraged the new people to attend meetings in the future.

Eddie Urban, 601 Glenwood Avenue, asked Council to explain the \$25 rental registration fee.

Councilperson Erfourth echoed Mr. Gutting's comments on rental stock. He went on to point out that the City of Lansing registers and inspects rental houses every three years for a fee of \$595. He hoped to institute an inspection program albeit with a considerably lower fee.

Mayor Frederick noted that the rental registration program was the first step in the process of improving rental stock in the City. He said City staff was currently mapping out the location of all the rentals in the City and he anticipated movement toward an inspection program in the future.

City Engineer Baker indicated he would look into the trucking issue on Howell and Lynn Streets. Mayor Pro-Tem Popovitch noted the joint Wellness Fair conducted by the Hospital and the City. She thanked all those employees that participated.

There was discussion among Council members as to whether they were guilty of micromanaging some issues. Some felt micromanaging was taking place, others did not. Councilperson Erfourth pointed out the MML instructs elected officials to work strictly through the City Manager and not directly with staff. City Attorney William Brown pointed out the City Charter requires Council work with staff via the City Manager.

Councilperson Forster asked that Consent Items 2 & 3 be pulled for further discussion.

Motion by Councilperson Forster to pull Consent Items 2 & 3 and move them to Items of Business 4 & 5.

Motion supported by Councilperson Martenis.

Roll Call Vote.

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

NAYS: None.

CITY MANAGER REPORT

Interim City Manager Donald Crawford indicated he was pleased to be here. He said he had talked with many people in the community over the last few days and had attended the special meeting on the 20th. He went on to say that after listening to Council's priorities he felt a few of them could be fast tracked and he would bring ideas to Council in the near future, he also would continue to work on the budget. He notified Council that the County had been chosen for a 14 point review of the assessing process, including that of the City. He hoped that the inspection process would answer some questions and concerns raised by citizens lately.

CONSENT AGENDA

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

Set Public Hearing. Set a public hearing for March 15, 2010 to receive citizen comment regarding proposed Brownfield Redevelopment Plan – The Community Players-Lebowsky Center Redevelopment Project.

Boards and Commissions Appointment. Approve the appointment of Matthew Grubb as an alternate to the Zoning Board of Appeals for a term ending 06-30-2012.

Motion supported by Councilperson Erfourth.

Roll Call Vote.

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

NAYS: None.

ITEMS OF BUSINESS

FAIR HOUSING RESOLUTION

Motion by Councilperson Forster to authorize the Fair Housing Resolution and appoint Sarah Warren-Riley as the City's Fair Housing Representative.

Motion supported by Councilperson Erfourth.

Councilperson Cook noted he would like to include sexual orientation to the list of protected classes.

Motion by Councilperson Cook to amend the original motion to include sexual orientation.

Motion to amend supported by Mayor Pro-Tem Popovitch.

There was discussion regarding whether the City would be creating another class of citizens that is afforded certain protections, and controversy at the State and Federal levels. City Attorney William C. Brown indicated that he would need time to look into the matter and would not render an opinion on the spot.

There was further discussion regarding postponing the amendment to be sure of its legality. Mayor Pro-Tem Popovitch withdrew her support for the motion to allow consideration of the original motion.

Councilperson Erfourth supported the amendment to the motion.

Vote on the amendment to the motion, to include sexual orientation to the list of protected individuals.

Roll Call Vote.

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

NAYS: Councilpersons Martenis, Forster, and Mayor Frederick.

The original motion is amended to include sexual orientation to the list of protected individuals.

Councilperson Forster withdrew her original motion to authorize the resolution.

There were no objections to the withdrawal of the original motion, thus it was withdrawn.

Motion by Councilperson Cook to authorize the Fair Housing Resolution with the addition of sexual orientation to the list of protected individuals and appoint Housing & Neighborhood

Development Coordinator Sarah Warren-Riley as the City's Fair Housing Representative as follows:

RESOLUTION NO. 19-2010

WHEREAS, under the Federal Fair Housing Law, Title VIII of the Civil Rights Act of 1968, it is illegal to deny housing to any person because of race, color, religion, gender, physical or mental disabilities or national origin; and,

WHEREAS, under the Michigan Elliott-Larsen Civil Rights Act, PA 453 of 1976, as amended, it is illegal to deny the opportunity to obtain housing to any person because of religion, race, color, national origin, age, sex, height, weight, familial status, or marital status;

LET IT BE KNOWN TO ALL PERSONS that it is the policy of the City of Owosso to implement programs to ensure equal opportunity in housing for all persons regardless of religion, race, color, national origin, age, sex, height, weight, familial status, marital status, or sexual orientation. Therefore, the City of Owosso does hereby pass the following Resolution:

BE IT RESOLVED that the City of Owosso shall not discriminate in the sale, rental, leasing, or financing of housing because of religion, race, color, gender, physical or mental disabilities, national origin, age, height, weight, familial status, marital status, or sexual orientation;

The City of Owosso will assist all persons who feel they have been discriminated against because of religion, race, color, gender, physical or mental disabilities, national origin, age, height, weight, familial status, marital status, or sexual orientation to seek equity under federal and state laws by providing information to said persons on how to file a complaint with the Michigan Department of Civil Rights.

The City of Owosso will at a minimum post this policy or the Fair Housing poster or other posters, flyers or other information which will bring to the attention of owners of real estate, developers and builders their respective responsibilities and rights under the Federal Fair Housing Law and Michigan Elliot Larsen Act.

This resolution shall take effect as of March 1, 2010.

Motion supported by Councilperson Eveleth.

There was discussion regarding waiting until legal research was performed to add the sexual orientation item and whether someone could seek damages against the City if it were adopted and challenged. Some Council members wished to wait, others indicated they felt the resolution applied to a very specific area and as such could be passed immediately.

Roll Call Vote.

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

NAYS: Councilperson Forster and Mayor Frederick.

CABLE PROGRAMMING RULES

Motion by Councilperson Eveleth to approve the Owosso Community TV Access Policies and Procedures as presented.

Motion supported by Councilperson Cook.

There was significant discussion regarding appointing another member to the Commission. The Mayor noted his decision to hold off on the appointment of another member until the Commission proves it can work together with the members it has. He also noted that he is considering the idea of reducing membership to facilitate its function. Councilperson Martenis was unhappy with this and moved to appoint a new member to the Commission.

The motion failed for lack of support.

There was question whether another Commission member should be considered in light of the fact that the Council would be considering the purchase of equipment. Mayor Frederick suggested that if anyone were to be added at this point he would consider the addition of a Council member. He went on to say that he would consider appointing another member if the Commission felt they would benefit.

Councilperson Eveleth withdrew his original motion and moved to approve the rules as presented with a correction noting the number of Commission members at 7.*

Motion supported by Councilperson Martenis.

Roll Call Vote.

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

NAYS: None.

*Full text of the Owosso Community TV Access Policies and Procedures is on file in the Clerk's Office.

EARLY START TIME – MARCH 15, 2010

There was discussion regarding when to meet for the March 15, 2010 Council meeting.

Motion by Councilperson Erfourth to begin the March 15, 2010 meeting at 5:30 p.m.

There was further discussion regarding how long the interviews would last and accommodating the public hearing that was set earlier in the meeting.

Councilperson Erfourth withdraws his motion.

Motion by Councilperson Martenis to set an early start time for the March 15, 2010 City Council meeting for 6:30 p.m.

Motion supported by Councilperson Cook.

Roll Call Vote.

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

NAYS: None.

CHANGE ORDER & PAYMENT AUTHORIZATION – PERRIN CONSTRUCTION

There was discussion regarding withholding part of the payment for potential liquidated damages, determining a reasonable amount for damages, and issues that were out of their control that delayed the project. Significant concern was expressed that citizens realize the Washington Street Streetscape will not be a repeat of the Exchange Street project. Council expressed a desire to see this item closed out prior to starting the Washington Street project.

Motion by Councilperson Erfourth to authorize balancing Change Order to the contract with Perrin Construction for the Exchange Street Streetscape in the amount of \$36,486.68, further authorize Payment to Perrin Construction for work performed on Phase III of the Vibrant Small Cities Initiative Grant Project in the amount of \$20,577.87, and approve withholding \$30,000 for liquidated damages to be determined at a later date.

Motion supported by Councilperson Forster.

Roll Call Vote.

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

NAYS: Councilperson Martenis.

COMMUNICATIONS

Michigan Department of Transportation. Award letter for Washington Street Streetscape funding. Christopher Eveleth. Letter of Resignation – Historical Commission.

Richard C. Williams, Finance Director. January 2010 Financial Statements.

Owosso Main Street/Downtown Development Authority. Minutes of Meeting of February 3, 2010. Historical Commission. Minutes of the Meeting of February 16, 2010.

The Council recessed from 9:12 p.m. until 9:23 p.m.

CITIZEN COMMENTS AND QUESTIONS

Eddie Urban, 601 Glenwood Avenue, asked any interested civic organizations to submit programming for channel 95. He also talked about a recent police chase in his neighborhood. He said he was glad the perpetrators were caught.

Mayor Frederick commented on his attendance at the recent MML Elected Officials training saying it was very beneficial.

Councilperson Cook noted the Owosso High School basketball team would be playing for the conference championship tomorrow night.

DISCUSSION ITEMS

WATER RATES, SEWER RATES & SSO UPDATE

Utilities Director Gary Burk presented back ground information on both the water and sewer systems including budget pressures and efforts to cut expenses. He said there would be depreciation costs, debt service and capital outlay costs to consider in the coming years. He said he would like to see \$200,000 to \$700,000 per year in capital outlay expenditures to keep up the value on the system. He was very concerned that capital improvement projects and operational costs have reduced the water fund balance to \$700,000 with a further anticipated reduction of at least \$400,000 for the current fiscal year. Council expressed a desire to see information on the preferred level of fund balance.

Mr. Burk went on to say that he would like to see an increase in the quarterly demand charge to \$25.00 along with an increase in the usage charge to \$1.30 per unit for the next billing. He estimated this change and other cost saving measures would reduce the usage of fund balance by approximately \$200,000 for the current fiscal year.

There was a question as to whether the water system's current debt could be refinanced at a lower rate. Mr. Burk noted that the City is paying an average interest rate under 5% currently and he did not think we were at a point where refinancing would present significant savings.

Mr. Burk went on to briefly present an update on the Sanitary Sewer Overflow Control Program. He indicated that no increase in rates was needed at this time but as the City starts to see increased costs for the SSO program sewer rates will need to be adjusted so as not to cut into fund balance.

There was discussion regarding whether it was better to raise rates in an incremental fashion or to make the adjustment all at once.

Council requested Mr. Burk return to the next meeting with a stepped increase proposal and a combined increase proposal. Further they expressed an interest in exploring a point of sale ordinance that would assist the SSO program by requiring the separation of illegal drains from the sanitary sewer system when a home is sold. Lastly, they noted a desire to examine water rates on an annual basis during budget discussions.

NEXT MEETING

March 15, 2010 at 6:30 p.m.

BOARDS AND COMMISSIONS OPENINGS

Shiawassee District Library Board, term expires 06-30-2013

ADJOURNMENT

Motion by Councilperson Eveleth for adjournment at 10:35 p.m.

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

Benjamin R. Frederick, Mayor

Amy K. Kohagen, City Clerk