

**CITY OF OWOSSO
SPECIAL MEETING OF THE CITY COUNCIL
MINUTES OF APRIL 11, 2023
6:00 P.M.
ARMORY COMMUNITY ROOM
215 NORTH WATER STREET**

PRESIDING OFFICER: MAYOR ROBERT J. TEICH, JR.

PLEDGE OF ALLEGIANCE: MAYOR PRO-TEM OSIKA

PRESENT: Mayor Robert J. Teich, Jr., Mayor Pro-Tem Susan J. Osika, Councilmembers Janae L. Fear, Jerome C. Haber, Daniel A. Law (6:18 p.m.), Emily S. Olson and Nicholas L. Pidek.

ABSENT: None.

CITIZEN COMMENTS AND QUESTIONS

There were no citizen comments.

City Manager Nathan R. Henne explained the special nature of this evening's meeting saying this would be the first of what will be an annual event involving a joint meeting of the City Council, the Planning Commission, and the Downtown Development Authority/Main Street Board. This joint meeting fulfills a requirement of the Redevelopment Ready Communities (RRC) program, helping to move the City forward in its journey to obtain the RRC designation. This meeting also represents the Council's annual opportunity to meet with all of the City's Department Managers collectively.

ITEMS OF BUSINESS

2023-2024 Proposed Budget

City Manager Henne delivered a PowerPoint presentation on the 2023-2024 Proposed Budget. Total revenues of \$49.6 million for the 23-24 FY are anticipated and expenditures are currently budgeted at \$53.0 million. The resulting \$3.4 million shortfall is due in large part to scheduled street projects and the replacement of lead/galvanized water service lines. There will also be significant investments in IT (additional services and equipment), the Fire Department (new pumper truck), and the DPW (2 new earth movers). The City saw an increase of 7.9% in assessed values for the year, raising property tax revenues but triggering the 5% cap imposed by the Headlee Amendment. Property tax collections will also be reduced by tax abatements approved for economic development purposes. (He also noted that the City is approaching the statutory limit for certain tax abatements.) Lastly, it was noted that the State of Michigan had recently mandated a changeover to a new chart of accounts, affecting where various revenues and expenditures would be seen within the budget document.

City Manager Henne went on to present the anticipated revenues and planned expenditures for the remaining funds including one new housing fund (with two new grants being tracked in said fund), the Historical Commission fund, street funds, water fund, sewer fund, and WWTP fund.

After the conclusion of the presentation Councilmembers sought clarification on their individual questions. Councilmember Pidek questioned if there were any tax exemptions expiring in the upcoming years. Mr. Henne indicated there are not, though review will need to take place on three projects that have yet to fulfill the requirements for their abatements.

A collective discussion opened regarding the possibility of allocating funds for a full-time communications position, the development of a communications plan, and the proposed video campaign telling the story of the City. Mr. Henne indicated that all employees and Councilmembers have a responsibility for communication and customer service, not just one person. He said he had hoped to use the video campaign to educate citizens and combat some of the negative presence in the community, but if the Council felt strongly about developing a formal communications plan that could be done instead.

Discussion moved on, and inquiry was made into the future of grant funding. Staff indicated that different sources of grant funding are available each year, some grants are cyclical in nature while others are intended to address a specific public concern. For example, the City will not be eligible for another Small Urban Grant for street reconstruction until at least 2028, but it is thought that funding for the replacement of water service lines will remain available. The topic then turned to the ever-increasing cost of street projects. Current estimates put the cost of reconstructing one mile of street at approximately \$2.0 million. The structural funding issues related to street maintenance were discussed, along with the City's past attempts at fixing the issue, the millage restrictions imposed by the City's Charter, and the poor economic

circumstances of many local residents. The conversation then turned to the quality of the work on City infrastructure. Councilmember Pidek suggested requiring contractors to provide warranties for work completed within the City, citing Main Street Plaza and downtown sidewalks as examples of circumstances when a warranty would have been advantageous. Mayor Teich noted that it is essential to have a good project manager on the job to ensure the quality of the work.

Lastly, the on-going improvements to the water & sewer systems and their related plants were discussed, along with the need to put the SATA millage on the ballot next year.

Councilmember Fear thanked all the attendees for coming to the meeting and for their service to the City.

NEXT MEETING

Monday, April 17, 2023 at 7:30 p.m. – Regular Meeting

BOARDS AND COMMISSIONS OPENINGS

Building Board of Appeals – Alternate - term expires June 30, 2024
Building Board of Appeals – Alternate - term expires June 30, 2025
Zoning Board of Appeals – Alternate – term expires June 30, 2024
Zoning Board of Appeals – Alternate – term expires June 30, 2025

ADJOURNMENT

Motion by Councilmember Olson for adjournment at 7:51 p.m.

Motion supported by Councilmember Pidek and concurred in by unanimous vote.

Robert J. Teich, Jr., Mayor

Amy K. Kirkland, City Clerk