

A Regular Meeting of the Otsego City Commission was held Monday, May 4, 2020. The Meeting was conducted on Zoom and Commissioners also attended in person, utilizing social distancing.

The meeting was called to order by Mayor Trobeck at 7:00 p.m. with the following Commissioners present: Stacey Withee, Lauri Krueger, Brent Milhiem and Dustin McNees. Absent: None. Also present: City Manager Mitchell, Finance Director Storbeck.

The audience joined the Commission in the Pledge of Allegiance.

The April 20, 2020, Meeting Minutes were approved as submitted.

## **REMARKS FROM THE AUDIENCE REGARDING AGENDA ITEMS**

None.

### **I. PRESENTATIONS:**

#### **A. PRESENTATION OF 2020-2021 ANNUAL APPROPRIATIONS BILL – GENERAL, PUBLIC SAFETY, CAPITAL PROJECT, EQUIPMENT REPLACEMENT AND SOLID WASTE REDUCTION FUNDS**

Finance Director, Matthew Storbeck, gave an overview of the General, Public Safety, Capital Project, Equipment Replacement, Equipment Debt, and Solid Waste Reduction Funds for the 2020-2021 fiscal year. Anticipated revenues for the General Fund \$1,827,655, and anticipated expenditures \$2,076,950. Anticipated revenues for the Public Safety Fund \$ 1,391,680, and anticipated expenditures \$1,391,680. Anticipated revenues for the Capital Projects Fund \$91,675, anticipated expenditures \$55,000, and capital improvement 0 Fire Department roof replacement \$55,000. Anticipated revenues for the Equipment Replacement Fund \$118,710, anticipated expenditures \$18,000, and capital improvement – Police Department File Server \$18,000. Anticipated revenues for the Solid Waste Reduction Fund \$249,290, and anticipated expenditures \$259,910.

A lengthy discussion took place regarding the proposed sinking fund and the need to save money for future expenditures. The Commission discussed additional ways to generate funds, possibly through a mileage, bond, or Headlee override. Finance Director Storbeck explained the Headlee Override.

### **II. PUBLIC HEARING:**

### **III. PLANNING AND ZONING:**

### **IV. ORDINANCES:**

### **V. REQUESTS:**

### **VI. AGREEMENTS:**

### **VII. RESOLUTIONS:**

Commissioner Withee offered the following resolution and moved for its adoption, seconded by Commissioner Krueger.

CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN  
RESOLUTION NO. 2020-10

RESOLUTION TO ESTABLISH A BUDGET HEARING

WHEREAS, Michigan Compiled Laws 141.436 requires a public hearing before final passage of a general appropriation act by a legislative body,

WHEREAS, Michigan Compiled Laws 141.412 requires that a notice of such hearing be given by publication in a newspaper of general circulation at least six (6) days prior to such hearing;

NOW, THEREFORE, BE IT RESOLVED, that a hearing be held on the 2020-2021 Budget of the City of Otsego by the City Commission at City Hall at or after 7:00 p.m. local time, on May 18, 2020, and notice of said hearing shall be published at least six days prior to the hearing in the following form:

CITY OF OTSEGO  
PUBLIC NOTICE  
HEARING ON 2020-2021 BUDGET

Notice is hereby given that the proposed budget for the City of Otsego for the fiscal year 2020-2021 is now on file and available to the public for inspection at City Hall, 117 East Orleans Street, Otsego, Michigan.

The City Commission will hold a public hearing on the proposed budget on Monday, May 18, 2020, at 7:00 p.m. at the City of Otsego Municipal Building, at 117 East Orleans Street, Otsego, Michigan. **The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.**

CITY OF OTSEGO  
2020-2021 ANNUAL APPROPRIATIONS  
TOTALS BY FUND

|   |                     |
|---|---------------------|
| GENERAL FUND                                      | \$2,076,950         |
| MAJOR STREET FUND                                 | 526,290             |
| LOCAL STREET FUND                                 | 174,515             |
| PUBLIC SAFETY FUND                                | 1,391,680           |
| STREET & BRIDGE FUND                              | 60,700              |
| SOLID WASTE & RECYCLING FUND                      | 256,910             |
| DOWNTOWN DEVELOPMENT AUTHORITY                    | 370,665             |
| EQUIPMENT DEBT FUND                               | 0                   |
| CAPITAL PROJECTS FUND                             | 55,000              |
| EQUIPMENT REPLACEMENT FUND                        | 18,000              |
| SEWER FUND  | 1,222,805           |
| WATER FUND  | 567,630             |
| MOTOR POOL FUND                                   | 298,340             |
| <u>SPECIAL ASSESSMENT CAPITAL PROJECT FUND</u>    | <u>0</u>            |
| <br>TOTAL APPROPRIATIONS<br>FISCAL YEAR 2020-2021 | <br><br>\$7,019,485 |

YEAS: Commissioners: Cyndi Trobeck, Stacey Withee, Lauri Krueger, Brent Milhiem, and Dustin McNees.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

## **VIII. APPOINTMENTS:**

## **IX. DISCUSSION ITEMS:**

### **A. GENERAL FUND BALANCE**

City Manager Mitchell presented a PowerPoint presentation of the status of the General Fund and the shortfall fix options. At this time, Finance Director Storbeck explained the LCSA funds. City Manager Mitchell explained the current General Fund activities and the Sinking Fund. He discussed where the City currently stands regarding General Fund Balance. City Manager Mitchell presented three options to the City Commission pertaining to the shortfalls. Option 1 – do nothing; Option 2 – dissolve the DDA; Option 3 – end the Main Street Program and Modify the DDA. He stated that he recommended to end the Main Street Program and modify the DDA. He stated at this time the DDA has a negative TIF capture. The only source of funding at this time is in the form of LCSA payments, which could partially revert to the City's General Fund. He commented that he had a discussion with the Mayor; DDA/Main Street Chairman, Marty Bennett; and Main Street Manager, Joel Saukas. He explained the options of continuing the Main Street Program until January 2021 or July 1, 2021, giving Main Street the time to seek funding to be self-funded. He commented that he would like to retain Gus Macker and Hometown Christmas as City events.

At this time, DDA/Main Street Chairman Bennett presented cost savings ideas for Main Street and for future fundraising. He also explained the benefits of the Main Street Program to the businesses in the downtown, and the events held. He stated that Main Street will be looking for a way to fund the program. He stated that there is also the option of removing themselves from the City umbrella and being independent. Commissioner Withee asked what the savings would be. City Manager Mitchell stated that the savings would be \$107,519, to the City's General Fund. She stated that those funds will not fix the problem. A lengthy discussion took place regarding options for the Main Street Program and the City's General Fund.

## **MANAGER'S REPORT**

1. He gave updates on the following:

- The City's Transfer Station will be open on Thursday's only beginning May 7, 2020.
- The DPW will be at full staff beginning May 7, 2020.
- The City is purchasing a blower to disinfect parks.
- He thanked Finance Director Storbeck for his presentations and for doing his job very well.
- He thanked Clerk Cronen for her work on the election being held tomorrow.

2. He asked for further questions or comments regarding his written Manager's Report submitted to the Commission in their weekly packet.

## **COMMUNICATIONS**

None.

## **REMARKS FROM THE AUDIENCE**

None.

## **COMMISSIONERS' COMMENTS**

Commissioner Milhiem – he thanked Finance Director Storbeck for presenting the budget in a way that is broken down and easy to understand. He commented that hard decisions will need to be made for our community regarding Main Street and the City's General Fund. He stated that there is a passion for Main Street and they have done great things, but at some point funds have to be reduced or more money needs to be raised. He reminded everyone to vote tomorrow.

Commissioner Withee – she thanked Finance Director Storbeck for his presentation and Clerk Cronen for organizing the Zoom Meeting.

Commissioner Krueger – she thanked Finance Director Storbeck for his budget presentation. She thanked DDA/Main Street Chairman Bennett for attending the meeting and for his passion for the Main Street program. She thanked everyone who attended the meeting via Zoom. She thanked Clerk Cronen for setting up the Zoom Meeting. She asked Clerk Cronen to tell her team good luck tomorrow at the election.

Commissioner McNees – he thanked Finance Director Storbeck for the awesome presentation. He thanked DDA/Main Street Chairman Bennett for his presentation. He commented that he hopes that Main Street will stay around. He stated that he is on the EV Committee. He commented that the Main Street Manager has a young family and he hopes that an alternative can be found. He commented that during the pandemic all of the City employees have kept their income and their jobs. He thanked Clerk Cronen for all she does and wished her good luck on her election tomorrow.

Mayor Trobeck – she thanked Finance Director Storbeck for presenting the most complicated budget material and for being easy to talk to and to hold a discussion with. She commented that Clerk Cronen will have a stressful day tomorrow at the election working behind the plexi-glass barrier. She thanked DDA/Main Street Chairman Bennett for attending and commented that she appreciated his input. She thanked everyone on the DDA/Main Street Board for listening to the meeting tonight via Zoom. She thanked City Manager Mitchell for all of his hard work during this pandemic and asked that he pass the thank you on to all of the employees. She asked that everyone stay healthy and safe.

The meeting was adjourned on a motion by Commissioner McNees, seconded by Commissioner Withee. CARRIED – 8:58 p.m.

Angela M. Cronen, MMC  
City Clerk