

A Regular Meeting of the Otsego City Commission was held on Monday, May 2, 2022.

The meeting was called to order by Mayor Withee at 7:15 p.m. with the following Commissioners present: Brent Milhiem, Jason Smith, Chuck Moore, and Lauri Krueger. Absent: None. Also present: City Manager, Aaron Mitchell; Fire Chief, Brandon Weber; DPW Supervisor, Mike Bosch; and Finance Director, Matthew Storbeck.

The audience joined the Commission in the Pledge of Allegiance.

The April 18, 2022, Regular and Workshop Meeting Minutes were approved as submitted.

On a motion by Commissioner Milhiem, supported by Commissioner Kruger, item "D" under Resolutions - MDOT Grant Resolution was removed. CARRIED.

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

None.

#### **I. PRESENTATIONS:**

##### **A. COUNTY COMMISSIONER GALE DUGAN UPDATE**

County Commissioner Dugan was not in attendance.

##### **B. PRESENTATION OF 2022-2023 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 2022-2023 fiscal year. Anticipated revenues for the General Fund \$2,024,075, and anticipated expenditures \$1,999,505. Anticipated revenues for the Public Safety Fund \$ 1,360,980, and anticipated expenditures \$1,458,695. Anticipated revenues for the Capital Projects Fund \$53,790, anticipated expenditures \$51,190, Anticipated revenues for the Equipment Replacement Fund \$87,750, anticipated expenditures \$55,000. Anticipated revenues for the Solid Waste Reduction Fund \$191,810, and anticipated expenditures \$313,350.

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

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

#### **IV. ORDINANCES:**

#### **V. REQUESTS:**

##### **A. CONSIDERATION OF A REQUEST FROM THE VFW TO HOLD A MEMORIAL DAY PARADE ON MAY 30, 2022**

Commissioner Milhiem moved to grant the request from the VFW to hold a Memorial Day Parade on May 30, 2022, seconded by Commissioner Krueger. CARRIED UNANIMOUSLY

**B. CONSIDERATION OF A REQUEST FROM THE OTSEGO RUN CLUB TO HOLD THE READY OR NOT 5K – AUGUST 6, 2022**

Commissioner Krueger moved to grant the request from the Otsego Run Club to hold the Ready or Not 5K on August 6, 2022, seconded by Commissioner Milhiem. **CARRIED UNANIMOUSLY**

**VI. AGREEMENTS:**

**A. CONSIDERATION OF AN AMENDMENT TO A LICENSE AGREEMENT WITH MAUDE’S – ADDITION OF 129 EAST ALLEGAN STREET**

City Manager Mitchell explained that the amendment removed language so that the Social District could be utilized. Mr. McPherson will be following MLCC and the Health Department guidelines.

Commissioner Krueger moved to authorize the Mayor and City Clerk to execute an amendment to a License Agreement with Maude’s, the addition of 129 East Allegan Street, seconded by Commissioner Milhiem. **CARRIED UNANIMOUSLY**

**B. CONSIDERATION OF A REQUEST FROM THE OTSEGO POLICE OFFICERS LABOR COUNCIL (POLC) – LETTER OF UNDERSTANDING**

Commissioner Milhiem moved to grant a request from the Otsego Police Officers Labor Council (POLC), Letter of Understanding – Vacation, seconded by Commissioner Moore. **CARRIED UNANIMOUSLY**

**VII. RESOLUTIONS:**

**A. CONSIDERATION OF RESOLUTION NO. 2022-09 - A RESOLUTION ESTABLISHING A BUDGET HEARING ON MAY 16, 2022**

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

**CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN  
RESOLUTION NO. 2022-09**

**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 2022-2023 Budget of the City of Otsego by the City Commission at City Hall at or after 7:00 p.m. local time, on May 16, 2022, 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 2022-2023 BUDGET

Notice is hereby given that the proposed budget for the City of Otsego for the fiscal year 2022-2023 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 16, 2022, 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  
2022-2023 ANNUAL APPROPRIATIONS  
TOTALS BY FUND

GENERAL FUND	\$1,999,505
MAJOR STREET FUND	342,295
LOCAL STREET FUND	811,400
PUBLIC SAFETY FUND	1,458,695
STREET & BRIDGE FUND	350,000
SOLID WASTE & RECYCLING FUND	313,350
DOWNTOWN DEVELOPMENT AUTHORITY	439,300
EQUIPMENT DEBT FUND	0
CAPITAL PROJECTS FUND	51,190
EQUIPMENT REPLACEMENT FUND	55,000
SEWER FUND	1,472,490
WATER FUND	1,013,385
MOTOR POOL FUND	497,980
<u>SPECIAL ASSESSMENT CAPITAL PROJECT FUND</u>	<u>80,000</u>
 TOTAL APPROPRIATIONS	
FISCAL YEAR 2022-2023	\$8,884,590

YEAS: Commissioners: Stacey Withee, Lauri Krueger, Brent Milhiem, Jason Smith, and Chuck Moore.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

B. CONSIDERATION OF RESOLUTION NO. 2022-10 – A PERFORMANCE RESOLUTION  
REQUIRED BY THE MICHIGAN DEPARTMENT OF TRANSPORTATION

Commissioner Milhiem offered the following resolution and moved for its adoption, seconded by  
Commissioner Smith.

CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN  
RESOLUTION NO. 2022-10

PERFORMANCE RESOLUTION REQUIRED BY THE  
MICHIGAN DEPARTMENT OF TRANSPORTATION

This Performance *Resolution* is required by the Michigan Department of Transportation for purposes of  
issuing to a Municipality an "Individual Permit for Use of State Highway Right of Way", and/or an "Annual  
Application and Permit for Miscellaneous Operations within State Highway Right of Way".

RESOLVED WHEREAS, the City of Otsego hereinafter referred to as the "MUNICIPALITY,"  
periodically applies to the Michigan Department of Transportation, hereinafter referred to as the  
"DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain  
utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way  
at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the  
MUNICIPALITY agrees that:

1. Each party to this *Resolution* shall remain responsible for any claims arising out of their own acts  
and/or omissions during the performance of this *Resolution* , as provided by law. This *Resolution* is  
not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be  
interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for  
claims arising out of the performance of this Agreement.
2. If any of the work performed for the MUNICIPALITY is performed by a contractor, the  
MUNICIPALITY shall require its contractor to hold harmless, indemnify and defend in litigation, the  
State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for  
damages to public or private property and for injuries to person arising out of the performance of the  
work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT,  
until the contractor achieves final acceptance of the MUNICIPALITY Failure of the  
MUNICIPALITY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall  
be considered a breach of its duties to the DEPARTMENT.
3. Any work performed for the MUNICIPALITY by a contractor or subcontractor will be solely as a  
contractor for the MUNICIPALITY and not as a contractor or agent of the DEPARTMENT. The  
DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the  
MUNICIPALITY, or their subcontractors or any other person not a party to the PERMIT without the  
DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT.  
Any claims by any contractor or subcontractor will be the sole responsibility of the MUNICIPALITY.

4. The MUNICIPALITY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.
5. The MUNICIPALITY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the MUNICIPALITY'S facilities according to a PERMIT issued by the DEPARTMENT.
6. With respect to any activities authorized by a PERMIT, when the MUNICIPALITY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
7. The incorporation by the DEPARTMENT of this *Resolution* as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
8. This *Resolution* shall continue in force from this date until cancelled by the MUNICIPALITY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party. It will not be cancelled or otherwise terminated by the MUNICIPALITY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the MUNICIPALITY.

Title and/or Name:

1. City Clerk
2. City Manager

YEAS: Commissioners: Stacey Withee, Lauri Krueger, Brent Milhiem, Jason Smith, and Chuck Moore.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED .

**C. CONSIDERATION OF RESOLUTION NO. 2022-11 - A RESOLUTION TO VACATE  
RIGHT-OF WAY ON HOWARD STREET**

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

**CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN  
RESOLUTION NO. 2022-11**

**A RESOLUTION TO VACATE RIGHT-OF WAY ON HOWARD STREET**

WHEREAS, the property between 734 Howard St. and 802 Howard St. within Howard's Addition plat has been treated as a public right-of-way since its creation, and

WHEREAS, the City holds a 20' stormwater easement across the property, and

WHEREAS, the City of Otsego has no other intention of owning or utilizing this property in the future, and

WHEREAS, Robert and Jeanette Schurman (734 Howard St.) are seeking a court vacation of the right-of-way within the Circuit Court of Allegan County, and

THEREFORE, The City of Otsego City Commission approves the vacation of the City's property interest to allow for the property owners (currently Robert and Jeanette Schurman) to absorb it and add it to the City of Otsego's property roll.

YEAS: Commissioners: Stacey Withee, Lauri Krueger, Brent Milhiem, Jason Smith, and  
Chuck Moore.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

## **VIII. APPOINTMENTS:**

### **A. CONSIDERATION OF THE MAYOR'S APPOINTMENT OF COMMISSIONER SMITH TO THE DDA BOARD, FILLING THE COMMISSIONERS SEAT ON THE DDA BOARD, APPOINTMENT COINCIDES WITH COMMISSIONER'S TERM**

Commissioner Krueger moved to confirm the Mayor's appointment of Commissioner Smith to the DDA Board, filling the Commissioner's Seat on the DDA Board, appointment coincides with Commissioner's term, seconded by Commissioner Milhiem. CARRIED UNANIMOUSLY

## **IX. DISCUSSION ITEMS:**

### **MANAGER'S REPORT**

The City Manager gave updates on the following:

1. Reflection on the budget process – thanked and gave kudos to all of the Department Heads.
2. Thanked the audience for bringing suggestions during the budgeting process.
3. Otsego Summer Fun Days will begin on June 15, 2022, at 6:00 p.m., at the pavilion.
4. Community Calendar - Chamber

### **COMMUNICATIONS**

None.

### **REMARKS FROM THE AUDIENCE**

Robert Alway, 1012 Barton – he inquired why the Police Department copier would be more expensive than the City Hall copier.

John Pickron, 1104 Barton - he asked if the City had IT protection, how is the City protected, and who pays for it. Finance Director Storbeck stated that the City uses an outside service for IT and each department pays for the service.

Pam Roth, 701 Kay – she asked if the \$28,000, was an estimate for the Police Department roof. Finance Director Storbeck stated that it was only an estimate given by the DPW. She asked if the City Clerk had a contract or was appointed. City Manager Mitchell stated that the City Clerk is appointed by the City Commission. She asked why raises were given if “we can't afford it”. Mayor Withee commented that these employees can't be replaced without a cost to the City and the raises are based upon the Cost of Living. City Manager Mitchell suggested to compare our salaries to other communities. Finance Director Storbeck also suggested comparing salaries in other communities. He stated that he chooses to live here and do a good job for the citizens of this community. He commented that he could go into the private sector and make more money, but he has chosen to dedicate thirty years of service to the City. He commented that he hired Clerk Cronen into his department many years ago and she has progressed to the position she is in now. He commented that we are dedicated and we want to be here.

Jean Ashley, 1103 Barton – she asked questions regarding the recycling program. Finance Director Storbeck explained the County’s recycling reimbursement. She asked if you have to pay the recycle charge on your tax bill. Finance Director Storbeck stated that the recycling surcharge does not just go towards the curb-side recycling pickups, it also helps fund brush and leaf pickup. She thanked Finance Director Storbeck for taking the time to explain the budget.

Karen Breedveld, 1101 Barton – she asked what does the Economic Development position do. City Manager Mitchell stated that he is the community liaison, economic developer, works with businesses outside of the downtown, looks for investors, assists with IFT’s, and works for the City Manager. Finance Director Storbeck commented that the City does have a contract with Lakeshore Advantage.

Lori Beason, 709 Barton – asked if the County’s person could be used for economic development. City Manager Mitchell stated that they are for the region not specifically for the City of Otsego, and they work with our local Economic Development Director. She asked how many hours the Economic Development Director worked. City Manager Mitchell stated he worked twenty hours per week. She asked what the 2 mills from 2016 were providing. City Manager Mitchell stated that the Public Safety Millage of 2016, is used to supplement the Police and Fire Departments, but do not provide sufficient funding.

Justin Mendoza, Parchment – he introduced himself and announced that he is running for State Representative. He commented that he is excited to work with the people of Otsego.

Nick Breedveld, 1101 Barton – he asked if the Workshop Meetings would be continuing. Mayor Withee stated that Workshop Meetings are usually held once a month, before the second Regular Meeting of the month.

### **COMMISSIONERS' COMMENTS**

Commissioner Milhiem – he thanked Police Chief Misner and Fire Chief Weber for their presentations and for all of the behind the scenes work they both do. He commented that there is a lot of work to do. He thanked Finance Director Storbeck for doing a great job for the fourth year, breaking it down so that we can all understand the budget. He thanked Finance Director Storbeck and all of the Department Heads for all of the work they do, for the balanced budget with very few services cut and making it work moving forward. He commented that he had stated that he would not vote for a deficit budget. He thanked the audience for attending and their input. He invited the audience to come tell us what they want, because it is important to the Commission and it is appreciated. He commented that the new well being drilled will secure our water system and service many in the future. He commented that it is exciting to see things going on and the future development of the Rock-Tenn property.

Commissioner Smith – he thanked Police Chief Misner for the presentation, the breakdown of duties, and for the explanation of what goes on behind the scenes. He thanked Finance Director Storbeck for his budget presentation, the breakdown, and for answering all of the questions. He thanked the audience for attending. He commented that Ms. Ashley had a great question.



Commissioner Krueger – she thanked the audience for attending the meetings as this has been a long process. She thanked Police Chief Misner and Fire Chief Weber for the presentations. She commended Finance Director Storbeck for doing an amazing job. She commented that we have a lot of cool things starting, more relaxed, fun stuff in the downtown that will bring our community out and show what a wonderful community we have.

Commissioner Moore – he commented that this is just his second meeting. He thanked the audience for their questions and for speaking their mind. He thanked Police Chief Misner and Fire Chief Weber for their presentations. He thanked Finance Director Storbeck for the layout of the budget and for answering all of the questions. He commented that he thinks the Commission is taking steps in the right direction and he looks forward to learning more and moving forward.

Mayor Withee – she thanked everyone for their questions, as they are very valuable and she told them as we move forward to stop and ask us (the Commission) anything. She thanked City Manager Mitchell, Finance Director Storbeck, and Clerk Cronen for being here every day. She thanked Police Chief Misner for his presentation. She commented that the original police force at seven officers, the same number we have today, over seventy years later. She thanked Fire Chief Weber for his presentation. She expressed her dying gratitude to Finance Storbeck for his work on the budget.

#### **ADJOURN**

The meeting was adjourned on a motion by Commissioner Milhiem, seconded by Commissioner Moore. CARRIED – 9:02 p.m.

Angela M. Cronen, MMC  
City Clerk