

A Regular Meeting of the Otsego City Commission was held on Monday, May 16, 2022.

The meeting was called to order by Mayor Withee at 7:00 p.m. with the following Commissioners present: Brent Milhiem, Jason Smith, Chuck Moore, and Lauri Krueger. Absent: None. Also present: City Manager, Aaron Mitchell; and Fire Chief, Brandon Weber.

The audience joined the Commission in the Pledge of Allegiance.

The May 2, 2022, Regular and Workshop Meeting Minutes were approved as submitted.

REMARKS FROM THE AUDIENCE REGARDING AGENDA ITEMS

Nick Breedveld, 1001 Barton – asked if he understood Finance Director Storbeck to say that the LCSA money received from the State is designated money. City Manager Mitchell stated that they are based upon the millage rate and is divided into three categories – General Fund, Public Safety, and Solid Waste. Mr. Breedveld asked about the Main Street Funds. City Manager Mitchell stated that in the future, the Main Street funds will be going to the General Fund, Public Safety, and Solid Waste.

I. PRESENTATIONS:

A. COUNTY COMMISSIONER GALE DUGAN UPDATE

Commissioner Dugan gave an update on the most recent County Commission activities. He gave an update on Rock-Tenn.

B. PRESENTATION OF FINAL 2022-2023 ANNUAL APPROPRIATIONS BILL

City Manager Mitchell presented and briefly reviewed the final 2022-2023 Annual Appropriations Bill. He reviewed the Millage Rate and stated that the Headlee Rollback changed the operating millage rate from 11.3657 to 11.1452; Solid Waste .8295; Public Safety 1.8442; making the total millage 13.8189. He briefly explained Headlee and the Truth in Taxation Act.

II. PUBLIC HEARING:

A. BUDGET HEARING FOR 2022-2023 ANNUAL APPROPRIATIONS BILL

Mayor Withee opened the Public Hearing at 7:29 p.m.

John Pickron, 1104 Barton – he asked if the surplus due to more income that costs would be put into the General Fund. City Manager Mitchell stated that any general fund surplus would be put into savings.

There being no comments, the Public Hearing was closed at 7:30 p.m.

III. PLANNING AND ZONING:

IV. ORDINANCES:

V. REQUESTS:

VI. AGREEMENTS:

A. CONSIDERATION OF AWARDING OF BID FOR THE EAST ALLEGAN STREET SANITARY SEWER PROJECT – B&L EXCAVATION

Commissioner Krueger moved to award the bid for the East Allegan Street Sanitary Sewer Project to B&L Excavating, not to exceed \$559,000, seconded by Commissioner Milhiem. CARRIED UNANIMOUSLY

B. CONSIDERATION OF AN AMENDMENT TO THE JONES & HENRY CONTRACT FOR THE EAST ALLEGAN STREET SANITARY SEWER PROJECT – SOIL BORINGS

Commissioner Milhiem moved to approve the amendment to the Jones & Henry Contract for the East Allegan Street Sanitary Sewer Project – Soil Borings, not to exceed \$22,000, seconded by Commissioner Smith. CARRIED UNANIMOUSLY

C. CONSIDERATION OF AN AMENDMENT TO THE JONES & HENRY CONTRACT FOR WATER MAIN LOOP IMPROVEMENTS - EASEMENT

Commissioner Krueger moved to approve the amendment to the Jones & Henry Contract for Water Main Loop Improvements – Easement, seconded by Commissioner Moore. CARRIED UNANIMOUSLY.

VII. RESOLUTIONS:

A. CONSIDERATION OF RESOLUTION NO. 2022-12- A RESOLUTION TO ADOPT THE ANNUAL APPROPRIATIONS BILL JULY 1, 2022 - JUNE 30, 2023

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

**CITY OF OTSEGO
ALLEGAN COUNTY, MICHIGAN
RESOLUTION NO. 2022-12**

**RESOLUTION ADOPTING THE ANNUAL APPROPRIATIONS BILL
JULY 1, 2022 - JUNE 30, 2023**

WHEREAS, it is necessary for the Otsego City Commission to adopt a budget, for fiscal year 2022-2023 to appropriate money for the City's operations and to set the millage levy; and

WHEREAS, the City Commission of the City of Otsego did give notice of the time and place when a public budget hearing would be held in conformity with the provisions of the Michigan Uniform Budgeting and Accounting Act, Michigan Compiled Law (MCL) 141.412. Proof of publication of the Public Notice of Hearing for the 2022-2023 Budget is now on file, and which a public hearing was duly held pursuant to said notice and in conformity therewith; and

WHEREAS, the City Manager of the City of Otsego did on the sixteenth day of May 2022, prepare and furnish to the City Commission an annual estimate of expenditures and revenues for the period of July 1, 2022 through June 30, 2023, hereinafter referred to as the Annual

Appropriations Bill, as provided for in Section 7, Chapter 8 of the Charter of the City of Otsego, which is now on file; and

WHEREAS, the City Commission has given due consideration to the proposed Annual Appropriations Bill, the operational requirements of the City, the proposed millage levies, the proposed Otsego City Fee and Fine Schedule and the comments made at the public hearing.

NOW THEREFORE, BE IT RESOLVED, the General Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

City Commission	\$	28,310
City Manager	\$	89,200
City Clerk	\$	73,655
Board of Review	\$	1,540
City Treasurer/Finance Director	\$	211,595
Assessing	\$	43,255
Elections	\$	36,665
City Hall Building & Grounds	\$	46,335
Department Of Public Works	\$	73,330
General Services	\$	235,360
Cemetery Services	\$	54,535
Ambulance Services	\$	9,500
Planning Commission	\$	13,550
Economic Development	\$	33,245
Parks & Recreation	\$	153,535
<u>Transfers Out</u>	<u>\$</u>	<u>895,895</u>
Total Appropriations	\$	1,999,505

BE IT FURTHER RESOLVED, General Fund revenues for the 2022-2023 fiscal year are estimated as follows:

Property Taxes	\$	1,244,085
Local Community Stabilization Fund	\$	265,000
State Shared Revenue	\$	439,400
<u>Other Revenue</u>	<u>\$</u>	<u>75,590</u>
Total Estimated Revenues	\$	2,024,075

NOW THEREFORE, BE IT RESOLVED, the Major Street Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	47,935
Right of Way Maintenance	\$	24,145
Trees & Shrubs	\$	16,705
Drainage	\$	22,345

Bridge Maintenance	\$	14,260
Traffic Signs & Signals	\$	7,870
Winter Maintenance	\$	40,810
Administration	\$	15,845
M-89 Surface Maintenance	\$	3,700
M-89 Trees & Shrubs	\$	3,530
M-89 Drainage	\$	3,155
M-89 Traffic Signs & Signals	\$	1,125
M-89 Snow Plowing	\$	3,880
M-89 Snow Hauling	\$	4,990
Capital Outlay	\$	32,000
<u>Transfers Out</u>	\$	<u>100,000</u>
Total Appropriations	\$	342,295

NOW THEREFORE, BE IT RESOLVED, the Local Street Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	50,275
Right Of Way Maintenance	\$	27,015
Trees & Shrubs	\$	25,210
Drainage	\$	23,140
Traffic Signs & Signals	\$	4,615
Winter Maintenance	\$	29,335
Administration	\$	12,810
Capital Outlay	\$	639,000
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	811,400

NOW THEREFORE, BE IT RESOLVED, the Public Safety Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Police Department	\$	946,900
Fire Department	\$	408,520
Building Inspection Departments	\$	36,905
<u>Transfers Out</u>	\$	<u>66,370</u>
Total Appropriations	\$	1,458,695

NOW THEREFORE, BE IT RESOLVED, the Solid Waste and Recycling Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Recycling Services	\$	176,400
Rubbish Collection/Disposal	\$	98,025

<u>Transfers Out</u>	\$ 38,925
Total Appropriations	\$ 313,350

NOW THEREFORE, BE IT RESOLVED, the Downtown Development/Main Street Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

DDA / Main Street District	\$ 352,885
<u>Capital Outlay</u>	\$ 86,415
Total Appropriations	\$ 439,300

NOW THEREFORE, BE IT RESOLVED, the Sewer Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Sewer Mains	\$ 154,760
Sewer Treatment	\$ 520,415
Sewer Administration	\$ 69,565
Sewer Fund Depreciation	\$ 245,000
Capital Improvements	\$ 400,000
<u>Debt Service</u>	\$ 82,750
Total Appropriations	\$ 1,472,490

NOW THEREFORE, BE IT RESOLVED, the Water Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Water Mains	\$ 255,270
Water Pumping	\$ 151,780
Water Fund Administration	\$ 73,335
Water Fund Depreciation	\$ 83,000
Capital Outlay	\$ 450,000
<u>Debt Service</u>	\$ 0
Total Appropriations	\$ 1,013,385

NOW THEREFORE, BE IT RESOLVED, the Motor Pool Fund expenditures for the fiscal year, commencing July 1, 2022, and ending June 30, 2023, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Motor Pool Operations	\$ 232,980
<u>Capital Improvements</u>	\$ 265,000
Total Appropriations	\$ 497,980

BE IT FURTHER RESOLVED, the city commission hereby approves total estimated appropriations by fund for the period July 1, 2022, through June 30, 2023, as follows:

Street & Bridge Fund	\$ 350,000
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Equipment Debt Fund	\$	0
Capital Projects Fund	\$	51,190
Equipment Replacement Fund`	\$	55,000
Special Assessment Capital Improvement Fund	\$	0

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 11.1452 mills for the period of July 1, 2022, through June 30, 2023, on all real and personal taxable property in the City of Otsego, according to each property's taxable valuation. This tax is levied for the purpose of defraying the general operating expense and liability of the City of Otsego, and is levied pursuant to Section 5, Chapter 8 of the Charter of the City of Otsego. The maximum authorized levy according to the City Charter of 12.5000 mills is permanently reduced by provisions of the General Property Tax Act, MCL 211.34d, to 11.1452 mills for the 2022 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 0.8295 mills for the period of July 1, 2022, through June 30, 2023, on all real and personal taxable property in the City of Otsego, according to each property's taxable valuation. This tax is levied for the purpose of defraying the balance of the operating expense of the Otsego City Refuse Transfer Station and Recycling Center not funded by the revenues received through the Allegan County Recycling Surcharge Program. This tax is levied pursuant to Otsego City Commission Resolution 95-20, which authorizes a millage levy in accordance with provisions of the Garbage Disposal Plants Act, MCL 123.261, for the purpose of collecting and disposing of solid waste. The maximum authorized levy according to MCL 123.261 of 3.0000 mills is permanently reduced by provisions of the General Property Tax Act, MCL 211.34d, to 2.7263 mills for the 2022 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 1.8442 mills for the period of July 1, 2022, through June 30, 2023, on all real and personal taxable property in the City of Otsego, according to each property's taxable valuation. This tax is levied for the purpose of operating, maintaining, equipping and purchasing for the City's police and fire departments and any other public safety purpose authorized by Law. Voters authorized the 2.0000 mill ten-year levy on August 2, 2016. The maximum authorized levy according to MCL 123.261 of 2.0000 mills is permanently reduced by provisions of the General Property Tax Act, MCL 211.34d, to 1.8442 mills for the 2022 Tax Year.

BE IT FURTHER RESOLVED, a property tax administration fee of one percent, as provided by M.C.L. 211.44(3), shall be added to the total tax bill per parcel for the summer property tax levy,

BE IT FURTHER RESOLVED, said summer taxes shall become due and payable on July 1, 2022, and that all taxes paid on or before August 15, 2022, shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after August 15, 2022, shall be subject to a late penalty charge of two percent and interest at the rate of one-half of one percent per month or fraction thereof, in accordance with Otsego City Charter, Chapter IX, Section 4.

BE IT FURTHER RESOLVED, if August 15, 2022, is a Saturday, Sunday or legal holiday, the

last day to pay said taxes without penalties shall be extended to the next business day which is not a Saturday, Sunday or legal holiday.

BE IT FURTHER RESOLVED, the December property tax levy on behalf of other taxing units shall have a property tax administration fee of one percent added to the total tax bill per parcel, as provided by M.C.L. 211.44(3).

BE IT FURTHER RESOLVED, said December property tax levy shall become due and payable on December 1, 2022, and that all taxes paid on or before February 14, 2023, shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after February 14, 2023, shall be subject to a late penalty charge equal to three percent of the tax, in accordance with M.C.L. 211.44(3).

BE IT FURTHER RESOLVED, if February 14, 2023, is a Saturday, Sunday or legal holiday, the last day to pay said taxes without penalties shall be extended to the next business day which is not a Saturday, Sunday or legal holiday.

BE IT FURTHER RESOLVED, deferments of summer and winter taxes shall be available to those who qualify in accordance with M.C.L. 211.43 and M.C.L. 211.51.

BE IT FURTHER RESOLVED, interest will be waived from February 15 to the last day of February on a summer property tax deferred under M.C.L. 211.51 if a winter deferment is filed on or before February 14.

BE IT FURTHER RESOLVED, taxes will be recorded as paid on the date payments are received at the Otsego City Hall and that no regard shall be given to the date postmarked on payments received by mail or courier.

BE IT FURTHER RESOLVED, the proposed Otsego City Fee and Fine Schedule included within the Annual Appropriations Bill shall be placed into effect beginning July 1, 2022.

BE IT FURTHER RESOLVED, that as part of the budgeting workshops, future capital improvements were discussed and a summary list compiled and included in the Annual Appropriations Bill as a formal Five-Year Capital Improvement Plan.

BE IT FURTHER RESOLVED, the City Treasurer, or his/her designee, is directed to pursue collection procedures necessary to collect outstanding debts for city services, fines or fees, which may include filing of claims through the small claims division of district court or representing the City in a trial before a district court judge, as provided in M.C.L. 600.8407 and 60.8408, respectively.

BE IT FURTHER RESOLVED, customer refunds or overpayments of \$5 or less shall be posted to the respective property's utility bill account in an effort to reduce administrative costs.

BE IT FURTHER RESOLVED, the City Manager is hereby authorized to make intrafund appropriation transfers not to exceed \$2,000, and that all transfers exceeding \$2,000 or which

occur between funds may be made only by further action of the City Commission pursuant to provisions of the Michigan Uniform Budgeting and Accounting Act, MCL 141.439.

NOW, THEREFORE, the City Commission hereby approves the Annual Appropriations Bill containing the estimated expenditures, and revenues which include the levy of taxes, for the period of July 1, 2022, through June 30, 2023, and all sums shall be paid into the several funds to which they belong.

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 WAYNE RAYBURN TO THE PLANNING COMMISSION, FILLING THE UNEXPIRED TERM OF COMMISSIONER SMITH, TERM EXPIRING NOVEMBER 2023

Commissioner Krueger moved to confirm the Mayor's appointment of Wayne Rayburn to the Planning Commission filling the unexpired term of Commissioner Smith term to expire 2023, seconded by Commissioner Milhiem. CARRIED UNANIMOUSLY

IX. DISCUSSION ITEMS:

MANAGER'S REPORT

The City Manager gave updates on the following:

1. STREAM students field trip to the Wells
2. Pavilion parking lot
3. Planning Commission Meeting on May 23rd, will have a Public Hearing for an Outdoor Music Venue in the downtown

COMMUNICATIONS

None.

REMARKS FROM THE AUDIENCE

Robert Alway, 1012 Barton – he stated he appreciates Finance Director Storbeck's work on the budget, as they make sense and he also has clean audits. He stated that the best sign of a good finance director is that they take vacation, and he knows that Finance Director Storbeck does take vacations. He commented that on Tuesday, May 31st, from Noon to 5pm, there will be a blood drive at the First Congregational Church.

Benjamin Dotterer, 917 Windigo – he inquired about placing two driveways on a corner lot in Eley Acres, as he would like to have a driveway to his pole barn. City Manager Mitchell commented that the Zoning Ordinance does not clearly define this. Commissioner Milhiem commented that this was discussed a few years ago, as he has the same issue. City Manager Mitchell stated that this discussion should begin with the Planning Commission.

Jean Ashley, 1103 Barton – she inquired if there is a plan moving forward with the Fire Trucks and “can we be a part of it”. City Manager Mitchell commented that further discussions will take place regarding the fire trucks. He suggested to check the City’s website for when a workshop meeting will be held to discuss the fire trucks. He stated that further input will be needed to decide how to proceed with funding for the fire trucks such as a millage or bond proposal. He commented that there is going to be a lot of questions. He suggested that a group outside of City operations be formed to help with the process of funding new fire trucks. Ms. Ashley commented that she would like to be part of that group.

Nick Breedveld, 1101 Barton – he commented that there are three or four properties in Eley Acres that already have two driveways. He commented that the letter sent to residents in February indicated that the City did not have any money and PA 33 needed to be passed. He commented that he has seen no cuts, raises were given, nothing was set aside for the fire trucks, and Main Street funds should have been going to other places. City Manager Mitchell stated that the Main Street Program was cut, and the General Fund increased by cutting the program. City Manager Mitchell commented that no one wanted to see the Main Street Program cut, but it had to be done, or the General Fund would have been in the red, if there wasn’t the increase in LCSA revenues in the General Fund. A discussion took place regarding the funds saved by cutting the Main Street Program.

Jean Ashley, 1103 Barton – she commented that the Main Street program should have been cut two years ago, when it was brought to the Commission’s attention. She stated that if this group of people had not come to the meetings, would Main Street even been cut? She commented that she was disappointed in no transparency.

Benjamin Dotterer, 917 Windigo – he inquired how much it would cost to replace a play structure. City Manager Mitchell commented that a play structure would cost around \$46,000. Commissioner Milhiem stated that after Covid – there are so many kids at the parks, and our parks should be a high priority and we need to be proud of the City parks.

David Fouch, 359 W Franklin – he asked if the school could be an influence regarding the play equipment. At this time, City Manager Mitchell explained the Community Ed. Committee. Mr. Fouch asked if the PTO or a parents group could be involved. A discussion took place regarding school playgrounds and City parks.

COMMISSIONERS' COMMENTS

Commissioner Smith – he thanked County Commissioner Dugan for his report and for answering all of the questions. He thanked City Manager Mitchell for the budget presentation. He congratulated Wayne Rayburn on his appointment to the Planning Commission. He thanked the audience for attending. He commented that throughout this process everyone has watched, learned, and grown, because everyone cares about the future. He stated he is excited for the

future and the new choices and opportunities we have.

Commissioner Milhiem – he commented that this is his fourth budget and it wasn't status quo this year, as a potential deficit led to new ideas. The PA33 letter that was sent out led to a group that snapped into action and they became aware of the City's needs and the budget options. He stated that fire trucks still need to be purchased and with not deficit spending this year, we will be able to put away approximately \$24,000, towards the purchase of a new fire truck. He thanked the audience for being attentive and voicing their opinions. He thanked the audience for attending the meetings. He commented that we will find a way to improve communications. He thanked all of the Department Heads for their part in the budgeting process and for keeping essential services. He congratulated Wayne Rayburn on his appointment to the Planning Commission. He thanked County Commissioner Dugan for this report.

Commissioner Moore – he echoed Commissioner Milhiem and Commissioner Smith's comments. He expressed his appreciation and thanked the audience for speaking their minds. He commented that it is his belief that this process is an "open book". He asked that the audience keep showing up, stay involved, as the City and Commission needs feedback. He stated that Finance Director Storbeck did an amazing job and made it easy to understand. He also thanked the Department Heads.

Commissioner Krueger – she thanked former Mayor Cyndi Trobeck for persisting that the "word get out there". She stated that if that had not happened, all of you in the audience would not be here. She stated that Finance Director Storbeck, Clerk Cronen, and City Manager Mitchell are needed in this business, as they all are specialist in what they do. She commented that the City of Otsego has the best Department Heads in the area, and they know the needs of their departments and give budget input. She stated that quality of life is so important to the City, especially to the future young families of our community, because of our parks, fire trucks, etc. She commented that she was happy that there was no deficit spending this year, but indicated that we have more things to work on.

Mayor Withee – she thanked everyone for attending and the core group who reports back to the others that can't attend. She commented that she appreciates the budget process, as it is always a challenge. She thanked the Department Heads for finding economical methods to do things, such as pouring of concrete, screening fill dirt, re-using materials, and numerous other activities. She commented that the Department Heads find the best way to spend tax dollars and have always been that way. She reminded everyone of the Memorial Day Parade on May 30th.

ADJOURN

The meeting was adjourned on a motion by Commissioner Milhiem, seconded by Commissioner Smith. CARRIED – 8:22 p.m.

Angela M. Cronen, MMC
City Clerk