A Regular Meeting of the Otsego City Commission was held on Monday, May 19, 2025.

The meeting was called to order by Mayor Withee at 7:00 p.m. with the following Commissioners present: Lauri Krueger, Chuck Moore, Jason Smith, and Wayne Rayburn. Absent: None. Also present: City Manager, Aaron Mitchell; and Finance Director, Brian Kelley.

The audience joined the Commission in the Pledge of Allegiance.

On a motion by Commissioner Krueger, seconded by Commissioner Moore, the May 5, 2025, Regular Minutes were approved as submitted.

REMARKS FROM THE AUDIENCE REGARDING AGENDA ITEMS
None.

I. PRESENTATIONS:

A. HOLLY MCCAW – ALLEGAN COUNTY 100 WOMEN WHO CARE

Holly McCaw was in attendance to give an overview of the group 100 Women Who Care of Allegan County. She stated that the organization currently has seventy-two members, who donate one hundred dollars per quarter. She stated that their goal is to have one hundred members. She explained the process when choosing an organization for the money to be donated to. She stated that they have made forty-three donations for a total of over two hundred twenty-four thousand dollars. She commented that the next tentative date for a meeting is August 12, 2025. She stated that the group has a Facebook page and website. The Commission thanked Ms. McCaw for her presentation.

B. COUNTY COMMISSIONER GALE DUGAN UPDATE

County Commissioner Dugan gave an update on County activities. He thanked the area Fire Departments, volunteers, Road Commission and the Red Cross for their assistance with the recent tornado that went through Allegan County. He commented that Allegan County is currently under a State of Emergency. He also stated that there was zero loss of life.

C. PRESENTATION OF FINAL 2025-2026 ANNUAL APPROPRIATIONS BILL

Finance Director Kelley presented and briefly reviewed the final 2025-2026 Annual Appropriations Bill. He reviewed the Millage Rates - Operating millage 10.8352; Solid Waste 1.4379; Public Safety 3.8887; making the total millage 16.1618. He briefly explained Headlee and the Truth and Taxation Act. He stated that the City's Appropriations Bill also includes the Fine & Fee Schedule, Tax Due Dates, One Percent (1%) Administration Fee on Taxes, Tax Deferments, and allowing the City Manager to approve expenditures up to $2,000. Finance Director Kelley answered questions of the Commission. Finance Director Kelley thanked Director of Public Services Bosch, City Hall Staff, City Manager Mitchell, Director of Fire and Police Misner, and Matt Storbeck for setting a great foundation. He thanked the City Commission for their support and grace, and commented that he looks forward to many more presentations and budgets. The Commission thanked Finance Director Kelley for his presentation and hard work.

II. PUBLIC HEARING:

A. BUDGET HEARING FOR 2025-2026 ANNUAL APPROPRIATIONS BILL

The Public Hearing was opened at 7:52 p.m. There being no comments, the Public Hearing was closed at 7:53.

III. PLANNING AND ZONING:

IV. ORDINANCES:

V. REQUESTS:

A. CONSIDERATION OF A REQUEST FROM THE VFW TO HOLD A MEMORIAL DAY PARADE ON MAY 26, 2025, PARADE IMMEDIATELY FOLLOWING THE 9:00 A.M. CEREMONY AT THE CEMETERY

Commissioner Smith moved to grant the request from the VFW to hold a Memorial Day Parade on May 26, 2025, parade immediately following the 9:00 a.m. ceremony at the cemetery, seconded by Commissioner Krueger. CARRIED UNANIMOUSLY

B. CONSIDERATION OF AN ELECTRONIC MESSAGE BOARD POLICY

A discussion took place regarding the message board and its capabilities. Commissioner Smith moved to adopt the Electronic Message Board Policy, as presented, seconded by Commissioner Rayburn. CARRIED UNANIMOUSLY

VI. AGREEMENTS:

A. CONSIDERATION OF AN AGREEMENT WITH APG INC. FOR PROFESSIONAL SERVICES – ASSESSING

City Manager Mitchell stated that the new contract has an increase of less than two-percent for the next three years. He explained that in today's world assessors do not have scheduled office hours, and he is recommending that Assessor Paille have less regularly scheduled office hours. He commented that she has always went above and beyond for the residents and the office. Commissioner Krueger moved to authorize the Mayor and City Clerk to enter into an agreement with APG Inc., for Professional Services – Assessing, seconded by Commissioner Rayburn. CARRIED UNANIMOUSLY

B. CONSIDERATION OF A BID APPROVAL FOR DEMOLITION OF THE ELK'S BUILDING

Commissioner Smith moved to approve the bid for demolition from Pitsch, not to exceed ninety-seven thousand dollars, seconded by Commissioner Moore. CARRIED UNANIMOUSLY. City Manager Mitchell commented that a sale will be scheduled in the near future.

VII. RESOLUTIONS:

A. CONSIDERATION OF RESOLUTION NO. 2025-08 - A RESOLUTION TO ADOPT THE 2025-2026 ANNUAL APPROPRIATIONS BILL

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

CITY OF OTSEGO
MICHIGAN

RESOLUTION ADOPTING THE ANNUAL APPROPRIATIONS BILL
JULY 1, 2025 - JUNE 30, 2026

RESOLUTION NO. 2025-08

WHEREAS, it is necessary for the Otsego City Commission to adopt a budget, for fiscal year 2025-2026 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 2025-2026 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 nineteenth day of May 2025, prepare and furnish to the City Commission an annual estimate of expenditures and revenues for the period of July 1, 2025 through June 30, 2026, 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, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

City Commission	$	31,677
City Manager	$	124,520
City Clerk	$	97,569
Board of Review	$	1,603
City Treasurer/Finance Director	$	213,732
Assessing	$	46,184
Elections	$	38,673
City Hall Building & Grounds	$	58,636
Department of Public Works	$	89,102
General Services	$	322,905
Cemetery Services	$	35,815
Ambulance Services	$	11,056
Planning Commission	$	2,800
Economic Development	$	35,904
Parks & Recreation	$	226,405
Capital Outlay	$	97,250
Transfers Out	$	1,400,000
Total Appropriations	$	2,833,831

BE IT FURTHER RESOLVED, General Fund revenues for the 2025-2026 fiscal year are estimated as follows:

Property Taxes	$	1,411,382
Local Community Stabilization Fund	$	470,000
State Shared Revenue	$	535,220
Other Revenue	$	79,015
Total Estimated Revenues	$	2,495,617

NOW THEREFORE, BE IT RESOLVED, the Major Street Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	$	45,485
Right of Way Maintenance	$	16,808
Trees & Shrubs	$	19,186
Drainage	$	24,341
Bridge Maintenance	$	1,406
Traffic Signs & Signals	$	12,788
Winter Maintenance	$	39,657
Administration	$	25,669
M-89 Surface Maintenance	$	4,078
M-89 Trees & Shrubs	$	5,069
M-89 Drainage	$	7,200
M-89 Traffic Signs & Signals	$	181
M-89 Snow Plowing	$	938
M-89 Snow Hauling	$	3,324
Capital Outlay	$	15,000
Transfers Out	$	100,000
Total Appropriations	$	321,130

NOW THEREFORE, BE IT RESOLVED, the Local Street Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	$	62,929
Right of Way Maintenance	$	19,007
Trees & Shrubs	$	22,033
Drainage	$	15,678
Traffic Signs & Signals	$	5,487
Winter Maintenance	$	33,132
Administration	$	21,659
Capital Outlay	$	72,000
Transfers Out	$	0
Total Appropriations	$	251,925

NOW THEREFORE, BE IT RESOLVED, the Public Safety Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Police Department	$	1,217,205
Fire Department	$	763,465
Building Inspection Departments	$	24,225
Transfers Out	$	167,670
Total Appropriations	$	2,172,565

NOW THEREFORE, BE IT RESOLVED, the Solid Waste and Recycling Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Recycling Services	$	237,759
Rubbish Collection/Disposal	$	115,938
Transfers Out	$	17,710
Total Appropriations	$	371,407

NOW THEREFORE, BE IT RESOLVED, the Sewer Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Sewer Mains	$	187,731
Sewer Treatment	$	561,791
Sewer Administration	$	107,908
Sewer Fund Depreciation	$	260,350
Capital Improvements	$	228,000
Debt Service	$	83,375
Total Appropriations	$	1,429,155

NOW THEREFORE, BE IT RESOLVED, the Water Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Water Mains	$	691,976
Water Pumping	$	217,945
Water Fund Administration	$	110,443
Water Fund Depreciation	$	89,000
Capital Outlay	$	0
Debt Service	$	0
Total Appropriations	$	1,109,364

NOW THEREFORE, BE IT RESOLVED, the Motor Pool Fund expenditures for the fiscal year, commencing July 1, 2025, and ending June 30, 2026, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Motor Pool Operations	$	272,036
Capital Improvements	$	110,000
Total Appropriations	$	381,948

BE IT FURTHER RESOLVED, the city commission hereby approves total estimated appropriations by fund for the period July 1, 2025, through June 30, 2026, as follows:

Street & Bridge Fund	$	205,000
Capital Projects Fund	$	800,000
Equipment Replacement Fund`	$	146,000
Special Assessment Capital Improvement Fund	$	0

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 10.8352 mills for the period of July 1, 2025, through June 30, 2026, 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 10.8352 mills for the 2025 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 3.8887 mills for the period of July 1, 2025, through June 30, 2026, 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. The 4.0000 mill ten-year levy, approved by voters on May 2, 2023, is permanently reduced by provisions of the General Property Tax Act, MCL 211.34d, to 3.8887 mills for the 2025 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 1.4379 mills for the period of July 1, 2025, through June 30, 2026, 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 2.6504 mills for the 2025 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, 2025, and that all taxes paid on or before August 15, 2025, shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after August 15, 2025, 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, 2025, is a Friday, 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 Friday, 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, 2025, and that all taxes paid on or before February 14, 2026, shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after February 14, 2026, 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, 2026, is a Friday, 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 Friday, 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, 2025.

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 Otsego 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, 2025, through June 30, 2026, and all sums shall be paid into the several funds to which they belong.

YEAS: Commissioners: Stacey Withee, Lauri Krueger, Jason Smith, Chuck Moore, Wayne Rayburn.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

VIII. APPOINTMENTS:

IX. DISCUSSION ITEMS:

MANAGER'S REPORT
The City Manager commented and gave updates on the following:

1. New sign update.
2. Announced that Marty Bennett has been hired as the City's Part-Time Community Liaison/Economic Development Director
3. Future Dam Repairs

COMMUNICATIONS
None.

REMARKS FROM THE AUDIENCE
Gale Dugan, 318 24th Street – he commented that he would be glad to donate rocks if needed for the dam.

COMMISSIONER'S' COMMENTS
Commissioner Krueger – she announced that it is Emergency Medical Services (EMS) Week. She thanked and acknowledged the Otsego Fire Department and Plainwell EMS. She thanked and commended all of the area police departments, fire departments, Michigan State Police, Plainwell EMS and the dive team for responding to a recent call that was a really hard situation.

Commissioner Rayburn – he thanked Finance Director Kelley and Commissioner Dugan for their presentations.

ADJOURN
Commissioner Smith moved to adjourn the meeting, seconded by Commissioner Rayburn. CARRIED. 8:33 p.m.

Angela M. Cronen, MMC
City Clerk