

A Regular Meeting of the Otsego City Commission was held Monday, May 21, 2018.

The meeting was called to order by Mayor Trobeck at 7:00 p.m. with the following Commissioners present: Tom Gilmer, Nick Breedveld, Stacey Withee and Jim Misner. Absent: None.

Also present: Fire Chief, Brandon Weber; Finance Director, Matthew Storbeck; Police Chief, Gordon Konkle; DPW Supervisor, Mike Bosch; WWTP Superintendent, Luke Keyzer; and City Manager, Aaron Mitchell.

The audience joined the Commission in the Pledge of Allegiance.

The May 7, 2018, Meeting Minutes were approved.

There were no remarks on agenda items.

I. PRESENTATIONS:

A. PRESENTATION OF FINAL 2018-2019 ANNUAL APPROPRIATIONS BILL
Finance Director, Matthew Storbeck presented and briefly reviewed the final 2018-2019 Annual Appropriations Bill. Finance Director Storbeck explained a few minor changes that were made after the Workshop Meetings. He reviewed the Millage Rate and stated that the Headlee Rollback changed the operating millage rate from 12.0600 to 11.9719; Solid Waste 1.3585; Public Safety 1.9812; making the total millage 15.316. He briefly discussed the Truth in Taxation Act and the Fine and Fee Schedule.

II. PUBLIC HEARING:

A. BUDGET HEARING FOR 2018-2019 ANNUAL APPROPRIATIONS BILL
Mayor Trobeck opened the Public Hearing at 7:08 p.m. There being no comments, the Public Hearing was closed at 7:09 p.m.

III. PLANNING AND ZONING:

IV. ORDINANCES:

V. REQUESTS:

VI. AGREEMENTS:

A. CONSIDERATION OF AN AGREEMENT WITH THE AMERICAN
FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES LOCAL
2628.1

Manager Mitchell commented that the negotiations went very well with minor changes to the contract and cost of living salary increases. Commissioner Withee moved to authorize the Mayor and City Clerk to enter into an agreement with the American Federation of State, County and Municipal Employees Local 2628.1, for a three year labor agreement with the Department of Public Works and the Waste Water Treatment Plant employees, seconded by Commissioner Breedveld. CARRIED UNANIMOUSLY

B. CONSIDERATION OF AN AGREEMENT WITH SIEGFRIED CRANDALL PC FOR AUDITING SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2019 THROUGH 2021

Manager Mitchell stated that the proposal for auditing services from the City's long time auditor had dropped \$900.00. He commented that this is a testament to their past working relationship with Finance Director Storbeck and Clerk Cronen. Commissioner Gilmer moved to authorize the Mayor and City Clerk to enter into an agreement with Siegfried Crandall PC for auditing services from Fiscal Year ending June 30, 2019 through 2021, seconded by Commissioner Withee. CARRIED UNANIMOUSLY

VII. RESOLUTIONS:

A. CONSIDERATION OF RESOLUTION NO. 2018-12 - A RESOLUTION TO ADOPT THE 2018-2019 ANNUAL APPROPRIATIONS BILL

Commissioner Gilmer offered the following resolution and moved for its adoption, seconded by Commissioner Misner.

**CITY OF OTSEGO
MICHIGAN
RESOLUTION NO. 2018-12**

**RESOLUTION ADOPTING THE ANNUAL APPROPRIATIONS BILL
JULY 1, 2018 - JUNE 30, 2019**

WHEREAS, it is necessary for the Otsego City Commission to adopt a budget, for fiscal year 2018-2019 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 2018-2019 Budget is now on file, and which 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 twenty-first day of May 2018, prepare and furnish to the City Commission an annual estimate of expenditures and revenues for the period of July 1, 2018 through June 30, 2019, 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, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

City Commission	\$	27,540
City Manager	\$	81,805
City Clerk	\$	75,160
Board of Review	\$	1,320

City Treasurer/Finance Director	\$	195,845
Assessing	\$	39,215
Elections	\$	21,715
City Hall Building & Grounds	\$	41,040
Cemetery Services	\$	42,750
Department Of Public Works	\$	64,430
General Services	\$	192,965
Recycling Services	\$	137,400
Refuse Transfer Station	\$	77,030
Ambulance Services	\$	8,800
Planning Commission	\$	3,550
Economic Development	\$	28,925
Parks & Recreation	\$	123,440
Capital Improvements	\$	0
<u>Transfers Out</u>	\$	<u>906,760</u>
Total Appropriations	\$	2,069,690

BE IT FURTHER RESOLVED, General Fund revenues for the 2018-2019 fiscal year are estimated as follows:

Taxes, Collection Fees & Interest	\$	1,253,050
Local Community Stabilization Fund	\$	125,000
State Shared Revenue	\$	390,770
<u>Other Revenue</u>	\$	<u>131,900</u>
Total Estimated Revenues	\$	1,900,720

NOW THEREFORE, BE IT RESOLVED, the Major Street Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	49,895
Right of Way Maintenance	\$	28,425
Trees & Shrubs	\$	17,425
Drainage	\$	18,025
Bridge Maintenance	\$	8,295
Traffic Signs & Signals	\$	8,645
Winter Maintenance	\$	49,100
Administration	\$	13,085
M-89 Surface Maintenance	\$	4,975
M-89 Trees & Shrubs	\$	2,785
M-89 Drainage	\$	3,815
M-89 Traffic Signs & Signals	\$	1,305
M-89 Snow Plowing	\$	4,060
M-89 Snow Hauling	\$	6,325
Capital Improvements	\$	19,400
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	235,560

NOW THEREFORE, BE IT RESOLVED, the Local Street Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	45,685
Right Of Way Maintenance	\$	27,755
Trees & Shrubs	\$	25,220
Drainage	\$	22,100
Traffic Signs & Signals	\$	6,270
Winter Maintenance	\$	36,540
Administration	\$	13,215
Capital Improvements	\$	63,075
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	239,860

NOW THEREFORE, BE IT RESOLVED, the Public Safety Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Police Department	\$	878,140
Fire Department	\$	278,190
Building Inspection Departments	\$	34,315
<u>Transfers Out</u>	\$	<u>8,670</u>
Total Appropriations	\$	1,199,315

NOW THEREFORE, BE IT RESOLVED, the Downtown Development/Main Street Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

DDA / Main Street District	\$	406,870
Capital Improvements	\$	0
Debt Service	\$	0
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	406,870

NOW THEREFORE, BE IT RESOLVED, the Capital Projects Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Capital Improvements	\$	79,270
<u>Transfers Out</u>	\$	<u>69,970</u>
Total Appropriations	\$	148,940

NOW THEREFORE, BE IT RESOLVED, the Sewer Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Sewer Mains	\$	169,665
Sewer Treatment	\$	631,440
Sewer Administration	\$	64,990
Capital Improvements	\$	10,000
<u>Debt Service</u>	\$	<u>16,565</u>
Total Appropriations	\$	892,660

NOW THEREFORE, BE IT RESOLVED, the Water Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Water Mains	\$	380,945
Water Pumping	\$	174,290
Water Fund Administration	\$	66,010
Capital Improvements	\$	120,000
<u>Debt Service</u>	\$	<u>0</u>
Total Appropriations	\$	741,245

NOW THEREFORE, BE IT RESOLVED, the Motor Pool Fund expenditures for the fiscal year, commencing July 1, 2018, and ending June 30, 2019, are hereby estimated and appropriated on a departmental and activity total basis as follows:

Motor Pool Operations	\$	210,525
<u>Capital Improvements</u>	\$	<u>157,000</u>
Total Appropriations	\$	367,525

BE IT FURTHER RESOLVED, the city commission hereby approves total estimated appropriations by fund for the period July 1, 2018, through June 30, 2019, as follows:

Street & Bridge Fund	\$	60,600
Equipment Debt Fund	\$	0
Equipment Replacement Fund`	\$	0
Special Assessment Capital Improvement Fund	\$	0

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 11.9719 mills for the period of July 1, 2018, through June 30, 2019, 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 11.9719 mills for the 2018 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 1.3585 mills for the period of July 1, 2018, through June 30, 2019, 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 2.9287 mills for the 2018 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 1.9812 mills for the period of July 1, 2018, through June 30, 2019, 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 1.9812 mills for the 2018 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, 2018, and that all taxes paid on or before August 15, 2018, shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after August 15, 2018, 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, 2018, 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, 2018, and that all taxes paid on or before February 14, 2019, shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after February 14, 2019, 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, 2019, 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, 2019, 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, 2019.

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, 2018.

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, 2018, through June 30, 2019, and all sums shall be paid into the several funds to which they belong.

YEAS: Commissioners: Cyndi Trobeck, Tom Gilmer, Stacey Withee, Nick Breedveld,
Jim Misner.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

VIII. APPOINTMENTS:

IX. DISCUSSION ITEMS:

MANAGER'S REPORT

1. Blight Ordinance – from Workshop Meeting. Manager Mitchell stated that currently the City is operating under the International Maintenance Code and he would like to see a new ordinance making it more compact and potential interaction with the residents better. Manager Mitchell asked the Commission for specifics that they

- would like to see in the ordinance, before he sends it to the City Attorney for review. Commissioner Breedveld commented that the fees associated with the ordinance should make the City whole. Commissioner Misner asked for clarification on the length of the grass. Manager Mitchell commented that it is currently covered in the City's Ordinances, and he will look at the ordinance.
2. New City Logo/Website – from Workshop Meeting. Manager Mitchell stated that he would like to begin branding efforts, beginning with the City Logo and the City's website. He stated that he and Clerk Cronen had met with a website developer last week and the pricing for the start-up and the monthly service fee is very reasonable. It was suggested that Manager Mitchell contact some of the municipalities that currently have this company for references, and bring it back to the Commission. Commissioner Withee and Mayor Trobeck volunteered to be on the Branding/Logo Committee.
 3. Manager Mitchell answered questions of the Commission at this time.

COMMUNICATIONS

At this time, Mayor Trobeck asked for a moment of silence in memory of former Commissioner Kathy Misner.

REMARKS FROM THE AUDIENCE

Aric Nesbitt – he announced his candidacy for the State Senate. He gave a brief overview of his background and work history.

Gale Dugan, County Commissioner – he gave an update on the County Commission's latest meetings. He also complimented Manager Mitchell for attending the last County Commission Meeting to introduce himself.

Robert Alway, 1012 Barton – he thanked Finance Director Storbeck for all of the financial information.

Al Radspeiler, Hopkins – he explained the circumstances of his purchase of a home on West Orleans Street. He asked why he was the only one on the 300 block of West Orleans Street that got a citation. He gave a lengthy detailed description as to why he thinks he is being singled out and picked on by the City. Mayor Trobeck stated that all complaints go through the City Manager. He stated that he will only talk to the Mayor.

COMMISSIONERS' COMMENTS

Commissioner Gilmer – he commented that he is happy to be back. He thanked Police Chief - Konkle, Fire Chief – Brandon Weber, and Officer Aaron LaLone for their quick response when he had to use 911. He stated that if it wasn't for their quick response he might not be here. He commented that they helped his wife and got me to the hospital in the needed time. He commented that some people think it is expensive to have the Police Department and Fire Department, he stated "I have not wasted a dime in the last thirty-five years for the services." He thanked everyone for the calls.

Commissioner Withee – she thanked Finance Director Storbeck for the budget. She also complimented him on getting the audit prices lowered. She commented that the City has a well trained staff.

Commissioner Misner – he thanked the audience, Police Officers, and Department Heads for attending the meeting. He thanked everyone for the moment of silence for his wife.

Mayor Trobeck – she thanked Finance Director Storbeck. She thanked Mr. Radspeiler, Mr. Nesbitt, and County Commissioner Dugan for attending. She commented that there is not a meeting that goes by where she doesn't miss the presence of Commissioner Kathy Misner. She commented that her thoughts and prayers are with Commissioner Jim Misner.

The meeting was adjourned on a motion by Commissioner Misner, seconded by Commissioner Withee. CARRIED – 7:58 p.m.

Angela M. Cronen, MMC
City Clerk