

A Regular Meeting of the Otsego City Commission was held Monday, May 16, 2016.

The meeting was called to order by Mayor Gilmer at 7:00 p.m. with the following Commissioners present: Kathy Misner, Ryan Wieber, Cyndi Trobeck, and Stacey Withee. Absent: None. Also present City Manager Beard and Finance Director Storbeck,

The audience joined the Commission in the Pledge of Allegiance.

The Regular Meeting Minutes of May 2, 2016, and the Special Meeting Minutes of May 9, 2016, were approved as submitted.

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

Robert Alway, 1012 Barton – asked the dates of the city-wide garage sales.

### **I. PRESENTATIONS:**

A. PRESENTATION OF FINAL 2016-2017 ANNUAL APPROPRIATIONS BILL  
Finance Director, Matthew Storbeck presented and briefly reviewed the final 2016-2017 Annual Appropriations Bill. Finance Director Storbeck explained the changes that were made at the request of the Commission, due to the Public Safety Millage not passing. He stated that Expenditures are \$2,075,410, and Revenues \$2,008,170. He stated that the total millage would be 14.1358. He briefly discussed the Truth in Taxation Act.

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

A. BUDGET HEARING FOR 2016-2017 ANNUAL APPROPRIATIONS BILL  
Mayor Gilmer opened the Public Hearing at 7:09 p.m.

Robert Alway, 1012 Barton - he asked if the funds budgeted for the Farmer Street project would be moved to the next fiscal year. Finance Director Storbeck stated that they would be moved to the 2016-2017 budget.

There being no further comments, the Public Hearing was closed at 7:10 p.m.

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

### **IV. ORDINANCES:**

### **V. REQUESTS:**

A. CONSIDERATION OF A REQUEST FROM THE OTSEGO CHAMBER OF COMMERCE TO HOLD THEIR ANNUAL CITY-WIDE GARAGE SALE ON JUNE 10 AND 11, 2016

Commissioner Trobeck moved to grant the request from the Otsego Chamber of Commerce to hold their Annual City-Wide Garage Sale on June 10 and June 11, waiving the permit fee and allowing signs in the City's right-of-way – at the discretion of Chief Konkle, seconded by Commissioner Misner. CARRIED UNANIMOUSLY

**B. CONSIDERATION OF A REQUEST FROM THE OTSEGO DISTRICT LIBRARY FOR THEIR 4<sup>TH</sup> ANNUAL “LYRICS ON THE LAWN” – ON THURSDAYS IN AUGUST 2016, BEGINNING AT 7PM**

Commissioner Withee moved to grant the request from the Otsego District Library for their 4<sup>th</sup> Annual “Lyrics on the Lawn” – on Thursdays in August 2016, beginning at 7 p.m., seconded by Commissioner Wieber. CARRIED UNANIMOUSLY

**VI. AGREEMENTS**

**A. CONSIDERATION OF AMENDING CITY MANAGER BEARD’S CONTRACT**

Commissioner Trobeck moved to amend the Manager Beard’s contract to reflect a one percent salary increase, beginning July 1, 2016, seconded by Commissioner Withee. CARRIED UNANIMOUSLY

**VII. RESOLUTIONS:**

**A. CONSIDERATION OF RESOLUTION NO. 2016-21 - A RESOLUTION APPROVING THE ANNEXATION OF PROPERTY**

Manager Beard reviewed the property that the City acquired by being the last entity of the Otsego Water Power Company. Commissioner Wieber, supported by Commissioner Misner, moved the adoption of the following resolution:

**CITY COMMISSION**

**CITY OF OTSEGO**

Allegan County, Michigan

**RESOLUTION NO. 2016-21**

**A RESOLUTION APPROVING THE ANNEXATION OF PROPERTY**

WHEREAS, the City of Otsego, Allegan County, Michigan, owns the following described real property:

THAT PT SW 1/4 LYING BELOW CONTOUR 698 SEC 13 T1N R12W, PPN# 03-17-013-018-00; AND

THAT PT E 1/4 OF SEC LYING BELOW CONTOUR 698 SEC 23 T1N R12W, PPN# 03-17-023-014-00; AND

THAT PT OF SEC LYING BELOW CONTOUR 698 SEC 24 T1N R12W, PPN# 03-17-024-036-00, EXCLUDING THAT PORTION OF SAID PROPERTY IDENTIFIED ON THE ATTACHED EXHIBIT A; AND

THAT PT W 1/2 E 1/2 THAT LIES N OF KALA RIVER & E 300 FT NW 1/4 LYING BELOW CONTOUR 698 SEC 23 T1N R12W, PPN# 03-54-023-029-00.

(collectively, the “Property”); and

WHEREAS, the Property, as described above and depicted on the attached Exhibit A, is adjacent to the jurisdictional boundary of the City; and

WHEREAS, the Property is vacant and unoccupied; and

WHEREAS, the City Commission believes the City is better able to provide municipal services to the Property, and assure its development is consistent with the land use provisions of the City, if the City's boundaries are expanded to include the Property.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Pursuant to the authority of the City as provided by Section 9 of the Home Rule Cities Act (1909 PA 279, as amended, MCL 117.9(8)), the Property is annexed to and incorporated within the jurisdictional boundaries of the City of Otsego.
2. The City Manager, City Clerk and City Attorney are directed to take any and all action necessary to effectuate this annexation, including, but not limited to, any required filing of certified copies of this Resolution with state, county or township officials.
3. All resolutions and parts of resolutions are, to the extent of any conflict with this Resolution, rescinded.

YEAS: Commissioners: Tom Gilmer, Ryan Wieber, Cyndi Trobeck, Kathy Misner & Stacey Withee.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

**B. CONSIDERATION OF RESOLUTION NO. 2016-22 - A RESOLUTION TO ADOPT THE 2016-2017 ANNUAL APPROPRIATIONS BILL**

Commissioner Misner commented that the millage proposal was very emotional for the Commission especially when we have to ask for money. She stated that it becomes more emotional for the Commission when we don't understand why it didn't pass. She commented that she is sad that she immediately acted upon cuts, such as cutting the sergeant position, as she does not like this approach. She stated that she is not sorry that the Public Safety Millage is going on the August ballot and if it doesn't pass, we have to keep trying. She commented that she feels differently than at the last meeting regarding the cuts. She stated that when you look at the public's welfare this brings on a whole new meaning. She commented that she thought that the cutting of the sergeant's position was tied to his retirement. She commented that she was disappointed in herself for being too emotional, angry, frustrated, and mad that the residents did not support the Commission and our City. She stated that this is a trickle-down effect from the State and Federal Government, both politically and economically. Commissioner Misner stated that she would like to see additional changes brought to the table. Mayor Gilmer commented that there will be budget adjustments made throughout the year or more cuts.

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

CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN

RESOLUTION NO. 2016-22

RESOLUTION ADOPTING THE ANNUAL APPROPRIATIONS BILL  
JULY 1, 2016 - JUNE 30, 2017

WHEREAS, it is necessary for the Otsego City Commission to adopt a budget, for fiscal year 2016-2017 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 2016-2017 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 sixteenth day of May 2016, prepare and furnish to the City Commission an annual estimate of expenditures and revenues for the period of July 1, 2016 through June 30, 2017, 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, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

City Commission	\$	25,785
City Manager	\$	85,080
City Clerk	\$	60,410
Board of Review	\$	1,355
City Treasurer/Finance Director	\$	168,955
Assessing	\$	33,130
Elections	\$	20,050
City Hall Building & Grounds	\$	35,550
Cemetery Services	\$	37,110
Police Department	\$	790,510
Fire Department	\$	221,015

Building Inspection Department	\$	22,245
Department Of Public Works	\$	56,550
General Services	\$	175,925
Recycling Services	\$	117,900
Refuse Transfer Station	\$	70,410
Ambulance Services	\$	8,725
Planning Commission	\$	1,650
Economic Development	\$	24,285
Parks & Recreation	\$	118,770
Capital Improvements	\$	0
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	2,075,410

BE IT FURTHER RESOLVED, General Fund revenues for the 2016-2017 fiscal year are estimated as follows:

Taxes, Collection Fees & Interest	\$	1,201,340
State Shared Revenue	\$	475,655
<u>Other Revenue</u>	\$	<u>331,175</u>
Total Estimated Revenues	\$	2,008,170

NOW THEREFORE, BE IT RESOLVED, the Major Street Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	41,385
Right of Way Maintenance	\$	19,165
Trees & Shrubs	\$	14,725
Drainage	\$	16,860
Bridge Maintenance	\$	7,935
Traffic Signs & Signals	\$	7,475
Winter Maintenance	\$	46,800
Administration	\$	20,205
M-89 Surface Maintenance	\$	5,600
M-89 Trees & Shrubs	\$	1,900
M-89 Drainage	\$	990
M-89 Traffic Signs & Signals	\$	340
M-89 Snow Plowing	\$	3,835
M-89 Snow Hauling	\$	5,745
Capital Improvements	\$	675,000
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	867,960

NOW THEREFORE, BE IT RESOLVED, the Local Street Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	37,675
Right Of Way Maintenance	\$	22,025
Trees & Shrubs	\$	28,300
Drainage	\$	20,720
Traffic Signs & Signals	\$	5,410
Winter Maintenance	\$	34,440
Administration	\$	18,405
Capital Improvements	\$	0
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	166,975

NOW THEREFORE, BE IT RESOLVED, the Downtown Development/Main Street Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

DDA / Main Street District	\$	319,555
Capital Improvements	\$	0
Debt Service	\$	21,500
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	341,055

NOW THEREFORE, BE IT RESOLVED, the Capital Project Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Capital Improvements	\$	111,950
<u>Transfers Out</u>	\$	<u>70,000</u>
Total Appropriations	\$	181,950

NOW THEREFORE, BE IT RESOLVED, the Sewer Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Sewer Mains	\$	185,725
Sewer Treatment	\$	542,830
Sewer Administration	\$	58,505
<u>Capital Improvements</u>	\$	<u>192,000</u>
Total Appropriations	\$	979,060

NOW THEREFORE, BE IT RESOLVED, the Water Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Water Mains	\$	257,935
Water Pumping	\$	146,770
Water Fund Administration	\$	59,340

Capital Improvements	\$	176,000
<u>Debt Service</u>	\$	<u>0</u>
Total Appropriations	\$	640,045

NOW THEREFORE, BE IT RESOLVED, the DPW Equipment Fund expenditures for the fiscal year, commencing July 1, 2016 and ending June 30, 2017 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Equipment Pool Operations	\$	204,995
<u>Capital Improvements</u>	\$	<u>170,000</u>
Total Appropriations	\$	374,995

BE IT FURTHER RESOLVED, the city commission hereby approves total estimated appropriations by fund for the period July 1, 2016 through June 30, 2017 as follows:

Street & Bridge Fund	\$	360,000
Equipment & Replacement Debt Fund	\$	43,125
Special Assessment Capital Improvement Fund	\$	33,600

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 12.0854 mills for the period of July 1, 2016 through June 30, 2017, 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 12.0854 mills for the 2016 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 1.5795 mills for the period of July 1, 2016 through June 30, 2017 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 2.9566 mills for the 2016 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of .4709 mills for the period of July 1, 2016 through June 30, 2017, 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 annual payment of principal and interest due on voter approved bonds for the purchase of a fire truck and related equipment. Voters authorized the \$200,000 five year bond issuance on May 7, 2013.

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, 2016 and that all taxes paid on or before August 15, 2016 shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after August 15, 2016 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, 2016 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, 2016 and that all taxes paid on or before February 14, 2017 shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after February 14, 2017 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, 2017 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, 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, 2016.

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, 2016 through June 30, 2017 and all sums shall be paid into the several funds to which they belong.

YEAS: Commissioners: Tom Gilmer, Ryan Wieber, Cyndi Trobeck, Kathy Misner & Stacey Withee.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

#### **VIII. APPOINTMENTS:**

#### **IX. DISCUSSION ITEMS:**

#### **MANAGER'S REPORT**

1. He gave updates on the following: New DPW employee – Jason Emig; hired Mary Burr and Chelsey Weber for summer flower positions; Main Street Clean-up was a success; Emergency Action Plan for the Dam; and he thanked everyone for their hard work on the budget.

#### **COMMUNICATIONS**

None.

#### **REMARKS FROM THE AUDIENCE**

None.

#### **COMMISSIONERS' COMMENTS**

Commissioner Withee – she thanked Finance Director Storbeck for all of his hard work. She thanked her fellow commissioners for the consideration and participation in the budget process.

Mayor Gilmer – he stated that he hopes that the Public Safety Millage will pass in August, as there have been painful cuts. He commented that he feels that the cuts have negatively impacted our employees, as they are putting in extra time that they are not being compensated for their loyalty to the City with their salaries being adjusted. He reminded everyone of the Memorial Day Parade on May 30<sup>th</sup>. He stated that the next City Commission meeting will be on June 6<sup>th</sup>. He thanked the audience for attending and voicing their concerns.

The meeting was adjourned on a motion by Commissioner Misner, seconded by Commissioner Withee. CARRIED – 7:36 p.m.

Angela M. Cronen, MMC  
City Clerk