

A Regular Meeting of the Otsego City Commission was held Monday, May 15, 2017.

The meeting was called to order by Mayor Trobeck at 7:00 p.m. with the following Commissioners present: Nick Breedveld, Kathy Misner, Ryan Wieber and Tom Gilmer. Absent: None. Also present City Manager Beard; Finance Director Storbeck; Police Chief Konkle; WWTP Superintendent Keyzer, and DPW Supervisor Bosch.

The audience joined the Commission in the Pledge of Allegiance.

The Regular Meeting Minutes of May 1, 2017, were approved as submitted.

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

None.

### **I. PRESENTATIONS:**

A. PRESENTATION OF FINAL 2017-2018 ANNUAL APPROPRIATIONS BILL  
Finance Director, Matthew Storbeck presented and briefly reviewed the final 2017-2018 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 for the first time since 1993, the Headlee Rollback changed the millage rate from 12.0854 to 12.0600, making the total millage 16.3543. He briefly discussed the Truth in Taxation Act.

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

A. BUDGET HEARING FOR 2017-2018 ANNUAL APPROPRIATIONS BILL  
Mayor Trobeck opened the Public Hearing at 7:10 p.m.

Robert Alway, 1012 Barton - he asked if funds were budgeted in the Local Street Fund for sidewalk improvements. Manager Beard stated that funds have been dedicated for improvements to sidewalks on the west side of the City. Mr. Alway also requested that the City Commission consider the placement of bicycle racks in the downtown.

There being no further comments, the Public Hearing was closed at 7:14 p.m.

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

### **IV. ORDINANCES:**

### **V. REQUESTS:**

#### **A. CONSIDERATION OF AMENDMENT TO EMPLOYMENT AGREEMENT WITH CITY MANAGER BEARD**

Commissioner Misner moved to authorize the Mayor and City Clerk to amend the City Manager's contract to reflect a two and one half percent raise, beginning July 1, 2017, seconded by Commissioner Gilmer. CARRIED UNANIMOUSLY.

**B. CONSIDERATION OF A CONTRACT WITH BRENNER EXCAVATING FOR PHASE 2 OF SOUTH FARMER STREET**

Manager Beard gave an overview of the bidding process and how bids were tabulated. He commented that the project came in below the engineers estimate. He explained that the bids were received in two formats, which included the traditional bid and a la carte bids. A lengthy discussion took place regarding the awarding of the bid. Manager Beard stated that it was a difficult decision, but in the interest of the project and the residents, having a general contractor oversee the entire project would be more beneficial. Commissioner Misner commented that she agreed with hiring a general contractor. Commissioner Breedveld commented that he had concerns with the bid process and the awarding of the bid. Commissioner Gilmer commented that funds are not the only element that is looked at when awarding a bid, and he is comfortable with awarding the bid to a general contractor. Commissioner Wieber commented that having a general contractor is a better value for the service that it will provide. Roger Marks, the City's Engineer commented that it would ultimately cost more to have the three separate contractors, due to the need for the City to fill that role. Commissioner Wieber moved to authorize the Mayor and City Clerk to enter into an agreement with Brenner Excavating for Phase Two of South Farmer Street, seconded by Commissioner Breedveld. No – Commissioner Breedveld. CARRIED.

**C. CONSIDERATION OF A LETTER OF UNDERSTANDING WITH THE MICHIGAN COUNCIL 25 – AFSCME, AFL-CIO, LOCAL 2628.10 – FOR WAGES**

Commissioner Gilmer moved to authorize the Mayor and City Clerk to execute a Letter of Understanding with the Michigan Council 25 – AFSCME, AFL-CIO, Local 2628.10, for wages, seconded by Commissioner Wieber. CARRIED UNANIMOUSLY

**VI. AGREEMENTS**

**VII. RESOLUTIONS:**

**A. CONSIDERATION OF RESOLUTION NO. 2017-19 - A RESOLUTION TO ADOPT THE 2017-2018 ANNUAL APPROPRIATIONS BILL**

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

**CITY OF OTSEGO  
MICHIGAN  
RESOLUTION NO. 2017-19**

**RESOLUTION ADOPTING THE ANNUAL APPROPRIATIONS BILL  
JULY 1, 2017 - JUNE 30, 2018**

WHEREAS, it is necessary for the Otsego City Commission to adopt a budget, for fiscal year 2017-2018 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 2017-2018 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 fifteenth day of May 2017, prepare and furnish to the City Commission an annual estimate of expenditures and revenues for the period of July 1, 2017 through June 30, 2018, 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, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

City Commission	\$	27,530
City Manager	\$	86,880
City Clerk	\$	62,915
Board of Review	\$	1,355
City Treasurer/Finance Director	\$	172,360
Assessing	\$	38,215
Elections	\$	21,055
City Hall Building & Grounds	\$	37,775
Cemetery Services	\$	34,110
Department Of Public Works	\$	59,625
General Services	\$	183,035
Recycling Services	\$	133,100
Refuse Transfer Station	\$	77,380
Ambulance Services	\$	8,620
Planning Commission	\$	3,550
Economic Development	\$	28,135
Parks & Recreation	\$	143,405
Capital Improvements	\$	0
<u>Transfers Out</u>	<u>\$</u>	<u>876,555</u>
Total Appropriations	\$	1,995,600

BE IT FURTHER RESOLVED, General Fund revenues for the 2017-2018 fiscal year are estimated as follows:

Taxes, Collection Fees & Interest	\$	1,243,085
Local Community Stabilization Fund	\$	416,000
State Shared Revenue	\$	369,700
<u>Other Revenue</u>	<u>\$</u>	<u>122,950</u>
Total Estimated Revenues	\$	2,151,735

NOW THEREFORE, BE IT RESOLVED, the Major Street Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	43,360
Right of Way Maintenance	\$	24,425
Trees & Shrubs	\$	16,615
Drainage	\$	16,005
Bridge Maintenance	\$	8,090
Traffic Signs & Signals	\$	8,070
Winter Maintenance	\$	48,105
Administration	\$	22,460
M-89 Surface Maintenance	\$	5,545
M-89 Trees & Shrubs	\$	1,835
M-89 Drainage	\$	3,490
M-89 Traffic Signs & Signals	\$	1,125
M-89 Snow Plowing	\$	3,870
M-89 Snow Hauling	\$	6,100
Capital Improvements	\$	460,520
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	669,615

NOW THEREFORE, BE IT RESOLVED, the Local Street Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Surface Maintenance	\$	39,485
Right Of Way Maintenance	\$	24,255
Trees & Shrubs	\$	30,225
Drainage	\$	21,495
Traffic Signs & Signals	\$	5,585
Winter Maintenance	\$	35,480
Administration	\$	20,190
Capital Improvements	\$	95,000
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	271,715

NOW THEREFORE, BE IT RESOLVED, the Public Safety Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Police Department	\$	864,280
Fire Department	\$	219,595
Building Inspection Departments	\$	26,615
<u>Transfers Out</u>	\$	<u>70,700</u>
Total Appropriations	\$	1,181,190

NOW THEREFORE, BE IT RESOLVED, the Downtown Development/Main Street Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

DDA / Main Street District	\$	343,780
Capital Improvements	\$	0
Debt Service	\$	0
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	343,780

NOW THEREFORE, BE IT RESOLVED, the Capital Projects Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Capital Improvements	\$	66,600
<u>Transfers Out</u>	\$	<u>0</u>
Total Appropriations	\$	66,600

NOW THEREFORE, BE IT RESOLVED, the Sewer Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Sewer Mains	\$	166,440
Sewer Treatment	\$	620,600
Sewer Administration	\$	61,160
<u>Capital Improvements</u>	\$	<u>105,000</u>
Total Appropriations	\$	953,200

NOW THEREFORE, BE IT RESOLVED, the Water Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Water Mains	\$	319,830
Water Pumping	\$	168,100
Water Fund Administration	\$	60,895
Capital Improvements	\$	165,000
<u>Debt Service</u>	\$	<u>0</u>
Total Appropriations	\$	713,825

NOW THEREFORE, BE IT RESOLVED, the Motor Pool Fund expenditures for the fiscal year, commencing July 1, 2017 and ending June 30, 2018 are hereby estimated and appropriated on a departmental and activity total basis as follows:

Motor Pool Operations	\$	212,730
<u>Capital Improvements</u>	\$	<u>60,000</u>
Total Appropriations	\$	272,730

BE IT FURTHER RESOLVED, the city commission hereby approves total estimated appropriations by fund for the period July 1, 2017 through June 30, 2018 as follows:

Street & Bridge Fund	\$	418,085
Equipment Debt Fund	\$	43,570
Equipment Replacement Fund`	\$	38,000
Special Assessment Capital Improvement Fund	\$	22,000

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 12.0600 mills for the period of July 1, 2017 through June 30, 2018, 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 12.0600 mills for the 2017 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of 1.8436 mills for the period of July 1, 2017 through June 30, 2018 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 2017 Tax Year.

BE IT FURTHER RESOLVED, that the City Commission does hereby levy a tax of .4507 mills for the period of July 1, 2017 through June 30, 2018, 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, that the City Commission does hereby levy a tax of 2.0000 mills for the period of July 1, 2017 through June 30, 2018, 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. This millage is to be levied through the 2026 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, 2017 and that all taxes paid on or before August 15, 2017 shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after August 15, 2017 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, 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, 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, 2017 and that all taxes paid on or before February 14, 2018 shall be collected in full without any additional charge.

BE IT FURTHER RESOLVED, taxes collected after February 14, 2018 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, 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, 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, 2017.

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, 2017 through June 30, 2018 and all sums shall be paid into the several funds to which they belong.

YEAS: Commissioners: Cyndi Trobeck, Kathy Misner, Tom Gilmer, Ryan Wieber,  
& Nick Breedveld.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

A. CONSIDERATION OF RESOLUTION NO. 2017-20 – A RESOLUTION  
AUTHORIZING THE CITY CLERK TO APPLY FOR A GRANT FOR NEW  
VOTING EQUIPMENT

Manager Beard explained that the City Clerk will be applying for a grant for funds to purchase new voting equipment. Commissioner Misner offered the following resolution and moved for its adoption, seconded by Commissioner Wieber.

CITY OF OTSEGO  
MICHIGAN  
RESOLUTION NO. 2017-20

A RESOLUTION AUTHORIZING THE CITY CLERK  
TO APPLY FOR A GRANT FOR NEW VOTING EQUIPMENT

**WHEREAS**, the Otsego City Commission wishes to apply to the Secretary of State for a grant to purchase a new voting system, which includes precinct tabulators, accessible voting devices for use by individuals with disabilities, and related Election Management System (EMS) software.

**WHEREAS**, partial funding for the new voting system will be provided by the State, and will include a combination of Federal Help America Vote Act and State-appropriated funds. Local funding obligations are detailed in the attached Dominion quote.

**WHEREAS**, the City of Otsego plans to begin implementation of the new voting system in 2018.

**WHEREAS**, the deadline for submitting the required State Grant Application is June 8, 2017.

**NOW, THEREFORE, BE IT RESOLVED** that the Otsego City Clerk is authorized to submit this Grant Application on behalf of the City of Otsego, Allegan County on this day of 15<sup>th</sup> day of May, 2017.



YEAS: Commissioners: Cyndi Trobeck, Kathy Misner, Tom Gilmer, Ryan Wieber,  
& Nick Breedveld.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

B. CONSIDERATION OF RESOLUTION NO. 2017-21 – A RESOLUTION TO  
AMEND THE 2016-2017 ANNUAL APPROPRIATIONS BILL

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

CITY OF OTSEGO  
MICHIGAN  
RESOLUTION NO. 2017-21

RESOLUTION TO AMEND THE 2016-2017 ANNUAL APPROPRIATIONS BILL

WHEREAS, the Otsego City Commission approved the 2016-2017 Annual Appropriations Bill  
which limited amounts for expenditures and anticipated revenues for the 2016-2017 fiscal year;  
and

WHEREAS, certain activities and/or revenue sources will exceed previous projections; and

WHEREAS, the Otsego City Commission wishes to formally amend the annual appropriations  
bill in acknowledgement of the need for revisions,

THEREFORE, BE IT RESOLVED, that the Otsego City Commission hereby approves the  
following increases and decreases to the 2016-2017 Annual Appropriations Bill:

General Fund Expenditures	
101-336-802.002 Fire Dept Contracts- Training Instructors	\$ 4,200.00
<u>101-336-956.000 Fire Dept Training Programs &amp; Conferences</u>	<u>(\$ 4,200.00)</u>
Net Increase/(Decrease)	\$ 0.00

YEAS: Commissioners: Cyndi Trobeck, Kathy Misner, Tom Gilmer, Ryan Wieber,  
& Nick Breedveld.

NAYS: Commissioners: None.

ABSTAIN: Commissioners: None.

ABSENT: Commissioners: None.

RESOLUTION DECLARED ADOPTED.

## **VIII. APPOINTMENTS:**

## **IX. DISCUSSION ITEMS:**

### **MANAGER'S REPORT**

1. Manager Beard gave an update on the following: Main Street Clean-up on Saturday – and thanked Commissioner Wieber for organizing the successful event; advertising for the open Main Street Manager position; Memorial Day Parade; upcoming visit from the Otsego 3<sup>rd</sup> Graders; and the State Revolving Fund Loan update.
2. Manager Beard asked the Commission if they had any questions regarding his Manager's Report.

### **COMMUNICATIONS**

None.

### **REMARKS FROM THE AUDIENCE**

Robert Alway, 1012 Barton – he stated that in regards to the new Voting Equipment, he likes paper ballots. He also requested that bicycle racks be placed in the downtown.

Mike Bosch, DPW Superintendent – he thanked Manager Beard, Roger Marks of C2AE; WWTP Superintendent Keyzer; and everyone else that helped with the bidding process. He stated that he was the one that brought the idea of bidding the job with the addition of the a la carte bids. He stated that hindsight- he made a mistake accepting the al a carte bids. He briefly reviewed the bidding process. He stated that the a la carte bidders have been in business for a long time and he considers them his friends and acquaintances and it was a very hard decision to make. A lengthy discussion took place regarding the bidding process.

Nick, Brenner Excavating – he stated that Brenner Excavating has been in business for forty-one years and he commented that they have a great relationship with their sub-contractors.

Stacey Withee, 614 S Farmer – she commented that she will be one of the residents affected by the construction and she is happy with the Commission's choice of hiring Brenner Excavating. She commented that she is looking forward to a smooth project.

### **COMMISSIONERS' COMMENTS**

Commissioner Wieber – he thanked Finance Director Storbeck and City Manager Beard for the budget presentations. Hs also stated that it is nice to have a budget that has positive news.

Commissioner Gilmer – he commented that not having a general contractor for the Phase Two Farmer Street Project would have tied up DPW Supervisor Bosch and cost more in the long run. He commented that he is happy with the bid being awarded to Brenner Excavating. He reminded everyone of the Memorial Day Parade.

Commissioner Breedveld – he commented that he appreciates all of work on the bidding process for the Phase Two Farmer Street project, but still has an issue with not awarding the project to the a la carte bidders, as there are ways to hold contractors responsible. He stated that he votes his conscience and it is not a personal disagreement. He stated that Brenner has done good work in the past.

Mayor Trobeck – she stated that business is business and personal is personal. She commented that she reviewed the numbers of the Farmer Street Phase Two project and she stands by her vote. She thanked Finance Director Storbeck and Manager Beard for their work on the budget. She thanked the Clerk Cronen for her work on the new voting machines purchase. She stated that past women City Commissioners were recently honored at the Otsego United Methodist Church and Commissioner Misner was honored for her many years of service on the City Commission. Commissioner Misner commented that it is an honor and privilege to be on the City Commission.

The meeting was adjourned on a motion by Commissioner Misner, seconded by Commissioner Gilmer. CARRIED – 8:03 p.m.

Angela M. Cronen, MMC  
City Clerk