



CITY COUNCIL WORKSHOP MEETING MINUTES

January 8, 2025

The City Council met for a Workshop Meeting at 4:00 p.m.
City Hall
102 Butler St., Saugatuck, MI 49453.

Call to Order:

The meeting was called to order by Mayor Anderson at 4:00 p.m.

Attendance:

Present: Mayor Anderson, Mayor Pro-Tem Stanton and Councilmembers Clark, Gardner, Muncey and Peterson.

Absent: Dean.

Others Present: City Manager Cummins, Treasurer Bredeweg, Attorney Jake Witte and Clerk Wolters.

Agenda Changes: None.

Guest Speakers: None.

Public Comment on Agenda Items Only: None.

Discussion Items:

Audit Presentation – Fiscal Year 2023/2024:

Treasurer Nicole Bredeweg and Mr. Ken Berthiaume from Berthiaume & Company presented the 2023-2024 annual audit, including auditing the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

The auditor found that the city's bookkeeping was in strong condition, with only three recommended adjusting journal entries, a figure consistent with the prior year and considered low compared to other audits. As a result, Berthiaume & Company issued an standard opinion, the highest standard of financial reporting, indicating that the financial statements fairly represented the city's financial position.

Key financial insights included an increase in the city's net position by approximately \$1,519,000 million, driven by higher property tax revenues and increased investment earnings. Property tax revenue rose by \$261,000, while investment earnings improved by \$220,000, benefiting from favorable interest rates. The city's financial health was further supported by \$10.8 million in cash and

investments, no unfunded pension liability, and a well-managed long-term debt of \$1.6 million related to the 2017 Street Improvement Bonds.

The general fund maintained a healthy balance, with an unassigned fund balance of approximately \$5.2 million, exceeding the city's annual general fund expenditures of \$4 million. The street funds were also in strong financial standing, with a balance of \$3 million dedicated to street improvements and maintenance. Additionally, the motor pool fund, which manages equipment rentals for street projects, held a solid fund balance of \$826,000.

Berthiaume concluded by affirming the city's strong financial position and thanking city officials for their cooperation throughout the audit process.

Revenue and Expenses through 2nd Quarter:

Treasurer Nicole Bredeweg provided a mid-year financial update, noting that most budgeted items remain under 50% of their allocated amounts, indicating stable financial performance. Certain expenditures, such as those related to Oval Beach, are expected to be higher due to seasonal revenue trends, with the majority of income generated during the summer months.

On the revenue side, the city has exceeded projections in areas such as penalties, interest, and Oval Beach revenue, with two months remaining in the fiscal period. Additionally, unbudgeted grants and donations, including contributions from the Convention and Visitors Bureau (CVB) for holiday lighting, the milfoil grant, and funds from the Venetian Festival, have further bolstered city finances.

However, some expenditure lines are trending higher than anticipated due to inflation and unplanned costs. Notable expenses include contractual services for Plante Moran, City Hall capital outlays for irrigation, concrete repairs, landscaping, and gutter maintenance, as well as new signage installed by Public Works. Additionally, capital outlays at Oval Beach, such as Wi-Fi upgrades and radio replacements, have been more costly than expected.

Bredeweg emphasized that these expenditures are being actively monitored, and potential adjustments, such as reallocating staff time and reassigning certain expenses, are under consideration to maintain budget stability.

Temporary Placemaking Installation at Cook Park:

The City Council has prioritized strengthening collaboration with the Convention and Visitors Bureau (CVB), supporting local businesses, and promoting year-round tourism for the current fiscal year.

As part of these efforts, the CVB has partnered with the Saugatuck Center for the Arts (SCA) to manage placemaking projects. One proposed initiative includes a temporary, interactive installation at Cook Park from November 2025 to March 2026. Designed to be large-scale and occupy significant park space, the installation aims to attract more visitors during the shoulder seasons and enhance the area's tourism appeal. Council input is being sought on permitting the CVB to use Cook Park for this initiative. If approved, the CVB and SCA will issue a request for proposals to design and install the project. The final plans will be reviewed by the Parks and Public Works Committee, the Historic District Commission, and the City Council before implementation.

Public Comments: None.

Closed Session:

Motion by Dean, second by Stanton to move into a closed session pursuant to MCL 15.268 (h), to discuss a confidential written legal opinion regarding the City ethics policy. Via roll call vote, motion carried 5-2. Yes – Anderson, Clark, Dean, Muncey and Stanton. No – Gardner and Peterson.

The council moved into closed session at 4:54 p.m.

The council reconvened in open session at 6:01 p.m.

Correspondence: None.

Council Comments:

- Councilmember Anderson
- Councilmember Clark acknowledged the divisiveness present in the city but emphasized that it remains a great place to live. He recognized that while council members may not always agree, they each aim to represent the town's best interests. Clark highlighted the power of the vote, which the people have entrusted them with, and stressed the importance of respecting the collective decision-making process, even when individual opinions differ. He called for more respect and unity moving into 2025, expressing optimism for the year ahead.
- Councilmember Dean did not have a comment.
- Councilmember Gardner addressed the discussion about working better together, emphasizing the importance of focusing on collaboration. He suggested reaching out to neighboring boards or supervisors to learn about the processes they've used to improve teamwork. Gardner also highlighted the need for a shift in behavior, stressing that disagreement does not equate to personal animosity. He clarified that opposing an idea does not mean he dislikes the person, but simply has a differing opinion, and urged others to approach discussions with that understanding.
- Councilmember Muncey reflected positively on the meeting, expressing satisfaction with the discussion and pointing out that, while the Council may appear divided on certain issues, they generally agree on most matters. He urged everyone to move away from the idea of "witch hunting" when it comes to differing opinions, emphasizing that disagreements should not be viewed negatively. Additionally, Muncy took the opportunity to promote the upcoming Douglas Gallery Stroll, where attendees can enjoy homemade soups from local restaurants while exploring galleries on Saturday from 12:30 to 5 p.m. He encouraged everyone to support local businesses by shopping in Saugatuck afterward, helping to keep the winter spirit alive in the area.
- Councilmember Peterson did not have a comment.

- Mayor Pro-Tem Stanton expressed that it is difficult and hurtful to face false allegations, especially when they are made publicly. She emphasized the concern that such statements can be frightening and urged everyone to refrain from sharing unverified information about individual council members or members of the audience. Stanton called for improved cooperation and more thoughtful communication in the year ahead.

Adjournment:

Motion by Stanton, second by Muncey to adjourn the meeting. Upon voice vote, motion carried unanimously. Mayor Anderson adjourned the meeting at 6:21 p.m.

Respectfully Submitted

Jamie Wolters, City Clerk