



CITY OF HART
407 S. STATE ST.
HART, MI 49420
REGULAR MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
January 09, 2024
MINUTES –APPROVED

PRESENT: Councilors: Mayor Vicki Platt, Justin Adams, Jim Evans, Dean Hodges, Amanda Klotz, and Kris Trygstad

ABSENT: Catalina Burillo

OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, DPW Superintendent – Brad Whitney, Energy Superintendent – Mike Schiller, and Sharon Hallack

Mayor Platt called the meeting to order; following the roll call, then led the Council in the pledge of allegiance.

APPROVAL OF AGENDA:

- A. Klotz motioned to approve the agenda and was supported by K. Trygstad
 - Ayes: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS:

- None

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Jordan Smith, Maner Costerisan – 2023 Audit Review
2023 Audit Presentation – Jordan Smith, Maner Costerisan
Independent Auditor’s Report
Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hart, Michigan (the City), for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 14, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 11 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-based Information Technology Arrangements, during the year ended June 30, 2023. The implementation of GASB Statement No. 96 did not have an impact on the City’s financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, business-type activities, and proprietary fund financial statements were:

Management's calculation of current and noncurrent compensated absence liabilities is based on an estimate of employees' use of compensated absence.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

Management's calculation of the allowance for uncollectible receivables for the current period is based on the past experience of collections.

Management's calculation of the net other post-employment benefit liability and related deferrals are estimated based upon certain valuation assumptions.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements were detected as results of audit procedures and were corrected by management: due from other governmental units, net other post-employment benefits (OPEB) liability and related deferrals, long-term debt, and other post-employment benefits trust activity.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to their financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. Management did engage an outside expert to review the financial statements on their behalf and to provide the skills, knowledge, and experience to ensure our independence under relevant professional standards. To our knowledge, this was the only such consultation with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and OPED schedules, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit for the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Hart and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,
Maner Costerisan PC

CONSENT AGENDA:

- Approval of minutes from December 12th, 2023.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
 - J. Adams motioned to approve Consent Agenda and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1

ACTION ITEMS:

- Resolution 2024-01 Approve 2024-2034 Joint Fire Administrative Board Agreement
WHEREAS, the City of Hart participates in an interlocal multi-party agreement for the provision of fire protection services; and
WHEREAS, the Hart Area Joint Fire Administrative Board has identified the existing operating agreement will expire on June 30, 2024; and
WHEREAS, a new agreement has been drafted to begin in July 1, 2024 and remain in effect through June 30, 2034. The new agreement is materially similar to the existing agreement;
WHEREAS, the proposed new agreement allows budget shares of each party equivalent to a millage which shall not exceed 2 mils of taxable value, to approved through an annual budget;
WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

*Accepts and approves July 2024 proposed Hart Area Joint Fire Administrative Board Agreement
And directs the Mayor and City Clerk to sign on behalf of the City of Hart
Allocates the equivalent of up to two (2) mills of property taxes to the
Hart Area Fire Department beginning in FY24 budget year.*

Upon Discussion of the board, they are requiring more information on the proposed 2 mils and have tabled the resolution until City Manager gets more information.

- A. Klotz motioned to table Resolution 2024-01 and supported by J. Adams
 - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2024-02 Direct City Manager and City Staff to execute work following City Ordinance Chapter 1048 (Water)

WHEREAS, the City of Hart operates and maintains a fresh drinking water system; and
WHEREAS, the State of Michigan Department of Environment, Great Lakes, and Energy oversee state statutes which establish safe drinking water standards;
WHEREAS, current standards are adopted in City ordinance 1048, most recently reviewed in 2016; and
WHEREAS, current standards include language pursuant to Michigan Administrative Code R325.11401 through R325.11407 requiring regular inspection of commercial and residential water cross connections; and
WHEREAS, a 2024 water system project in the City of Hart includes the additional of automated meter reading technology, replacement of aging water meters, cross-connection inspections; and
WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

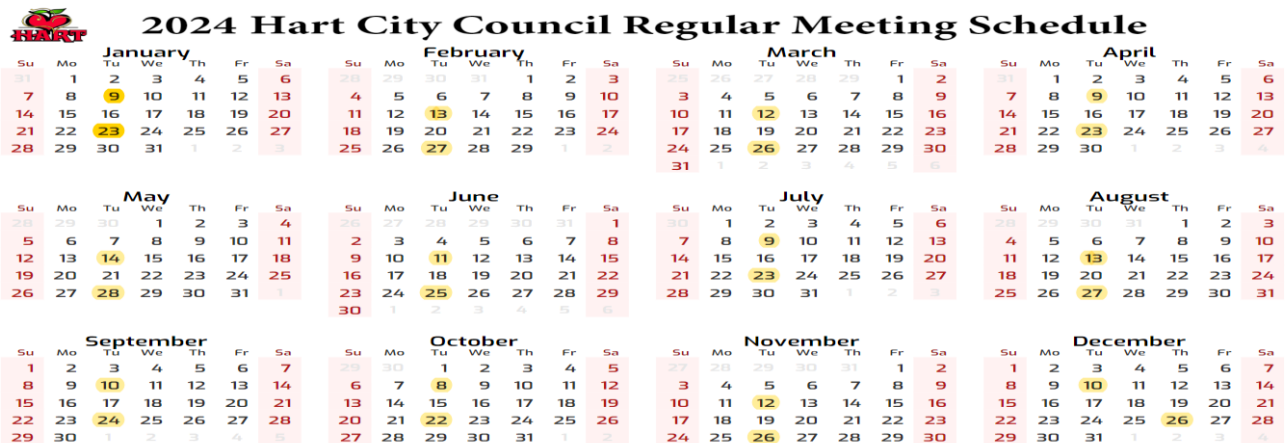
Has reviewed existing City ordinance 1048 and reaffirms the City Manager and Water Departments responsibility to follow the state mandates as referenced by the ordinance.

Directs the City Manager, City Staff, and third-party contractors to execute work pursuant to meet safe drinking water standards.

- J. Adams motioned to approve Resolution 2024-02 and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1

DISCUSSION ITEMS:

- 2024 City Council Regular Meeting Calendar



- Mayoral Board and Commission Appointments
Current board members all have a seat on a local board if anyone would like to change and sit on a different board please let Mayor Platt know.
- City Council Retreat PI Assessment
As of today everyone on Council except for 2 have completed the PI Assessment with Matt. City Council Retreat will be held at Hart Middle School on Jan 20th, 2024

CITY MANAGER'S REPORT:

Updates:

- HydroCorp will begin residential water cross-connection and water meter AMI (automated meter reading) program deployment in March with notice going out to residents in the next few weeks.
- Wadel Construction has begun work on the Riverside Lift Station seeking completion in February.
- Seven water system leaks in the past five months
- The State of Michigan Department of Environment, Great Lakes and Energy (EGLE) will be visiting the BioPure facility Wednesday January 10th to discuss plant operations and review some historical data. City Staff continues to work closely with regulatory officials to ensure proper compliance with local, state and federal laws.
- Budget work for the fiscal year 2025 will begin this month with input from department superintendents to help craft our priorities and goals for next year.
- City Council retreat will be held at Hart Middle School on January 20th with a tentative schedule of
8am – Room open/breakfast snacks & coffee
8:30 to 9:45am – How we Engage with Each Other
9:45am – Break
10am to 11:45am – Hart 2034 Community Engagement – Council plus invited Community members.
Noon to 12:30pm – Lunch
12:30pm to 2:00pm – Strategic Opportunities
2:00 to 2:15pm – Break
2:15 to 4:00pm – Vision, Mission & Values
4pm - Adjourn

Legacy Topics:

- The City Attorney is working on City Charter amendment verbiage to be approved by Council, the attorney general, and the governor. The amendments will be processed for ballot approval at the next general election.
- Safe Routes to School trail project – pending state approval projected start date June 2024.

Upcoming Topics:

- Adoption of 2022-2026 Park and Rec Master Plan
- Veteran’s Memorial Park project bid request advertised in November.
- Council review of rental inspection policies, procedures, and implementation.

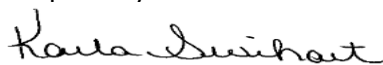
COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- J. Evans communicated that he would like to be on the Power Board and also the Water Board.
- Mayor Platt, Hart Hills race will be on May 4th and as always, they are looking for volunteers. If you’re looking for something fun to do on that day.

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned upon a motion by A. Klotz and supported by J. Adams. The next regularly scheduled meeting will be on January 23rd, 2024, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk