



CITY OF HART
407 S. STATE ST.
HART, MI 49420
REGULAR MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
May 26th, 2026
MINUTES – Approved

PRESENT: Mayor Amanda Klotz, Councilors Catalina Burillo, Jim Cunningham, Dean Hodges, Andrew Mullen, Betty Root and Karen Thomson

ABSENT: None

OTHERS PRESENT: City Manager – Nichole Kleiner, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, Parks and Recs Superintendent – Chris TerHaar, Trey Cholic, Dwight Fehuring, Christine Juska, and Troy Maloney

APPROVAL OF AGENDA:

- J. Cunningham motioned to agenda adding 5a, Troy Maloney West Michigan Fire Authority budgetary info was supported by A. Mullen
 - Ayes: 7 Nays: 0 Absent: 0

PUBLIC COMMENTS:

- Trey Cholic, wanted to introduce myself,

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Hart Area Fire Department Joint Agreement Overview, Troy Maloney, Emergency Manager
Troy presented City Council with Budget financials for Joint Powers Authority.

CONSENT AGENDA:

- Approval of minutes from May 12th, 2026
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
 - A. Mullen motioned to approve the Consent Agenda, and was supported by K. Thomson
 - Ayes: 7 Nays: 0 Absent: 0

ORDINANCES:

SEE PLANNING COMMISSION MINUTES 05/07/2026 FOR ORDINANCE @ www.cityofhart.org under Services, Forms and Publications.

- Second Reading and Adoption – Ordinance 2026-01 - 1243.28f – Pervious Surfaces, 1243.22 – Native Vegetation, and 1243.22G -Tree Planting, Maintenance, and Removal
 - B. Root motioned to approve Ordinance 2026-01 and was supported by A. Mullen
 - Ayes: 7 Nays: 0 Absent: 0
- Second Reading and Adoption – Ordinance 2026-02 – 1242.07, “Moratorium on Data Centers”
 - C. Burillo motioned to approve Ordinance 2026-02
 - Ayes: 7 Nays: 0 Absent: 0
- Second Reading and Adoption – Ordinance 2026-03 - 1243.04 Limitations on Lot Splits
 - B. Root motioned to approve Ordinance 2026-03 and was supported by A. Mullen
 - Ayes: 7 Nays: 0 Absent: 0

ACTION ITEMS:

- Resolution 2026-26 Authorize Hart Area Fire Department Budget Contribution
 WHEREAS, the City of Hart is a party to the Hart Area Fire Protection Agreement governing the operation and funding of the Hart Area Fire Department; and
 WHEREAS, pursuant to the Agreement, the Hart Area Fire Administrative Board submits an annual proposed budget to the participating entities for consideration and adoption; and
 WHEREAS, the Hart Area Fire Administrative Board submitted its proposed Fiscal Year 2026-2027 budget request on March 26, 2026, requesting a City of Hart contribution in the amount of \$64,979.00 based on a 1 mill allocation formula; and
 WHEREAS, the current City of Hart General Fund budget includes \$52,000 budgeted for fire protection services; and
 WHEREAS, the City Council has determined it necessary and appropriate to increase the Fire Department budget allocation to fully fund the City’s required share under the proposed Hart Area Fire Department budget; and
 WHEREAS, the Hart Area Fire Protection Agreement provides that annual budget shares shall be allocated proportionate to taxable value and shall not exceed 2 mills, with any increase not to exceed .25 mills in a budget year.

NOW, THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL hereby

Approves increasing the Fiscal Year 2026-2027 General Fund Fire Department budget from \$52,000 to \$64,979.00 for purposes of funding the City’s contribution to the Hart Area Fire Department budget.

BE IT FURTHER RESOLVED THAT the City Manager and City Clerk/Treasurer are authorized to take all actions necessary to implement this budget adjustment and process payment in accordance with the Hart Area Fire Protection Agreement.

- J. Cunningham motioned to approve Resolution 2026-26 and was supported by B. Root
 - Ayes: 7 Nays: 0 Absent: 0

DISCUSSION ITEMS:

- None

CITY MANAGER'S REPORT:

- Welcome Trey Cholic- the Starting Block
- FY 26/27 Budgeted Priorities Key considerations, and Financial Review by Fund

Pursuant to Chapter IX of the City Charter and the Uniform Budgeting and Accounting Act, the proposed FY 2026–2027 budget is respectfully submitted for Council consideration.

The proposed budget reflects continued focus on maintaining core City services, addressing infrastructure and utility system needs, supporting economic development initiatives, and improving long-term financial sustainability.

FY 2026–2027 Budget Priorities

- Seek a public safety millage for long-term sustainability
- Implement a new city website
- Initiation of water infrastructure improvements and lead service line replacements utilizing recommended bond and loan financing strategies
- Downtown redevelopment and housing initiatives
- Safe Routes to School implementation and Plum Street realignment
- Financial stabilization and deficit reduction planning
- Cyber security efforts, technology, and operational improvements
- Repair deck at Hart Commons

- City Hall improvements (boiler repairs, mini-splits, security improvements)
- Demo boy scout cabin and finish/furnish cabins for rental
- Continued planning and funding efforts necessary to complete MDOT-required State Street Turnback improvements by 2030.

Staffing

- Full-Time Employees: 26
- Part-Time Employees: 4
- Proposed Staffing Changes: succession planning and cross-training efforts to support operational continuity and long-term institutional knowledge transfer for utility and public works functions.

Key Considerations

- Inflationary cost increases with health care increasing significantly, continue to impact operations and capital projects
- Ongoing Headlee rollback impacts on property tax revenue growth.
- Utility infrastructure and equipment replacement remain ongoing priorities.
- Existing lead service line replacement mandates currently exceed the City’s available funding and replacement pace
- The City continues to pursue outside grant funding opportunities to reduce local financial impact.

Financial Overview of FY 2026-27 Budget

Fund	Revenues	Expenses	Balance	Current Fund YTD Balance	26-27 Ending Fund Balance
General Fund – 101	\$ 2,329,522	\$ 2,213,116	\$ 116,406	\$ (152,569)	\$ (16,586)
Major Streets – 202	\$ 245,000	\$ 1,344,800	\$ (1,099,800)	\$ 3,511,382	\$ 2,411,582
Local Streets – 203	\$ 218,200	\$ 211,535	\$ 6,665	\$ 303,521	\$ 310,186
Street Mileage - 204	\$ 119,000	\$ 50,000	\$ 69,000	\$ 179,175	\$ 248,175
Park – 208	\$ 323,575	\$ 235,170	\$ 88,405	\$ (239,835)	\$ (151,430)
Cemetery - 209	\$ 32,100	\$ 32,000	\$ 100	\$ 10,486	\$ 10,586
TIFA - 215	\$ 325,000	\$ 698,000	\$ (373,000)	\$ 451,898	\$ 73,398
Hart Lk Board - 241	\$ 40,500	\$ 10,500	\$ 30,000	\$ 53,737	\$ 64,237
HEART – 244	\$ 14,000	\$ 12,400	\$ 1,600	\$ 64,412	\$ 66,012
Historic Dist - 702	\$ -	\$ 40,500	\$ (40,500)	\$ 232,079	\$ 232,079
Electric/Hydro - 580	\$ 5,573,836	\$ 5,331,189	\$ 242,647	\$ 9,820,204	\$ 10,262,472
Sewer – 590	\$ 2,500,382	\$ 1,924,304	\$ 576,078	\$ 8,642,588	\$ 9,720,371
Water - 591	\$ 575,011	\$ 253,782	\$ 321,229	\$ 4,069,153	\$ 4,437,267
Total	\$12,296,126	\$12,356,296	\$ (60,170)		

The proposed FY 2026–2027 budget is balanced and presented for City Council review and adoption at the June 9, 2026 council meeting after notice of public budget hearing is posted.

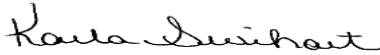
COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Motion to enter into Closed Session pursuant to Section 8(a) of the Michigan Open Meetings Act, MCL 15.268(a), to conduct the six-month performance evaluation of the City Manager.
 - A. Mullen motioned to go into closed session at 8:32pm pursuant to Section 8(a) of the Michigan Open Meetings Act, MCL 15.268(a) and was supported by J. Cunningham
· Ayes: 7 Nays: 0 Absent: 0
 - A. Mullen motioned to go back into open session at 8:50pm and was supported by K. Thomson
· Ayes: 7 Nays: 0 Absent: 0

ADJOURN:

- There being no further business to come before the Council, Mayor Klotz adjourned the meeting at 8:51pm. The next regularly scheduled meeting will be on June 9th, 2026, at 7:30 pm.

Respectfully Submitted,



Karla Swihart, City Clerk