CITY OF HART
407 S. STATE ST.
HART, MI 49420
REGULAR MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
OCTOBER 14th, 2025
MINUTES – Approved

PRESENT: Mayor Amanda Klotz, Councilors, Catalina Burillo, Jim Cunningham, Dean Hodges, Andrew Mullen, and Betty Root
ABSENT: Karen Thomson
OTHERS PRESENT: Interim City Manager Nichole Kleiner, City Clerk/Treasurer – Karla Swihart, Christine Juska, Claire Marshall, and Patty Kersjes.

APPROVAL OF AGENDA:

- C. Burillo motioned to approve the 1st Amended Agenda and was supported by A. Mullen
  - Ayes: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS:

- Patty Kersjes – Main Street Spa, I'm here to express some concerns over what happened to Scott and Stacy Hegg, I think it's important that we follow rules and abide by them, but that seems not to be the case. As you know, I received two TIFA grants. I formed everything in the form of questions as I question how and why some things are not discussed in front of the Council, and some things are. For example, the Radiant Church received an $80,000 grant from TIFA, and they will receive $40,000 for windows. "Did they hire local contractors"? "Do they pay taxes"? The Hart Christin Fellowship, did Council approve the rent for that? "They pay 1/3 of the utilities," and the other two buildings all winter did not have heat or electricity. They were there, they were on and serviceable, but nobody was there to use them, and again, they only paid 1/3 for the biggest building. Was this approved by City Council? I know TIFA did, but did City Council, as that's a lot of money? Are they a 301C3, 501c3, or a 501c7, a non-tax-exempt cause? As of March, they did not have that and should be paying Taxes on that building.
  Also, regarding Cindy Beth, did the City Council approve that sale? She got those buildings for $1.00. I also went for that place and had done a lot of research and secured funding based on the value of those buildings; the house itself could have been valued at $250,000. The problem with the house, as I had contractors go in and look at it, was only cosmetic. The little schoolhouse again cosmetic valued at $75,000, the church, I didn't have a good idea, but based that at $150,000 to $300,000 value. And I know that's true because I received the ability to get a loan for those amounts, and she got it for $1.00. Did the City Council have to approve that? To me, that's a lot of money for Council not to approve it. I like her idea, I think she's a phenomenal person, and I think she'll do great with what she does, but again, did Council approve it? TIFA is currently working on a $7,000,000.00 project in downtown Hart. They have received a grant for $1,000,000.00, which is a match grant. How are they matching that, and did City Council approve it? Again, that's a small portion of that project; the people who are designing it have two other projects in the City of Hart that have problems, and yet we continue to use this company. Did City Council approve using them for that amount of money? And this is all to say the many decisions TIFA makes and has made, and yet one was questioned, and I know from the paper City Council said Heggs didn't follow the rules and ordinances that were put down. Cindy Beth didn't either, but that doesn't matter in I think if we are going to do something and be a City of ethics, we need to follow the rules, or we need to respect what the TIFA board is doing or saying. Even at 1st I was like a parking lot. But they are also going to restore the old Mill, which I know a lot of people are not excited about, but I am. That parking the venue that they are bringing in, that is 150 to 300 people per event, "potently" coming to Hart, to me, that's why we should be like Yes, let's put a parking lot, let's get these people into our City, so they can look around and say hey that empty building would make a great business, and I can do this there., but instead we are shutting them down because "I think, but have not proof", but we have a preconceived notion because we picked a design company that has failed us twice and I think its

wrong, I think if you want to know what the Heggs proposed, go look at what they have done with that Ford building. Stacy said you could land a helicopter in the back of it, as it had no roof on it, and to go from something that was so decrepit to what it is now is extraordinary. They've done this same thing in Ludington; the Heggs are generational people in the City, their families have been here forever and have owned businesses in Hart, if they say they're going to do something, they do it, and I think that decision should be reevaluated, and if you don't want TIFA to make a decision like that, then why can they make other decisions.

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- None

CONSENT AGENDA:

- Approval of minutes from September 23rd, 2025
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
    - B. Root motioned to approve the Consent Agenda, and was supported by A. Mullen
        - Ayes: 6 Nays: 0 Absent: 1

ACTION ITEMS:

- Accept the Resignation of Gale Goldberg from the TIFA Board and Planning Commission board, with appreciation for her service.
    - A. Mullen motioned to accept the Resignation of Gale Goldberg and thanked her for the years of service, supported by C. Burillo
        - Ayes: 6 Nays: 0 Absent: 1

- Consideration of the Mayor's appointment of Lisa Clark to the Planning Commission, as recommended by the Planning Commission.
    - B. Root motioned to approve the appointment of Lisa Clark to the Planning Commission, and was supported by A. Mullen
        - Ayes: 6 Nays: 0 Absent: 1

- Consideration of the Mayor's appointment of Hannah Juhl to the TIFA Board
    - C. Burillo motioned to approve the appointment of Hannah Juhl to the TIFA Board and was supported by A. Mullen
        - Ayes: 6 Nays: 0 Absent: 1

- First Reading – Amendment to Zoning Ordinance Section 1245.03(d) (Minimum Floor Area Requirements) in the "A, Residential Zone", Reduce Minimum Square Footage to Allow Tiny Homes

- Resolution 2025-38 Hazard Mitigation Plan Adoption
  WHEREAS, the City of Hart, Michigan has experienced natural and man-made disasters that have damaged commercial, residential, and public properties, displaced citizens and businesses, and presented general public health and safety concerns; and
  WHEREAS, Oceana County has prepared a multi-jurisdictional Hazard Mitigation Plan under the guidance of the Oceana County Local Emergency Planning Committee (LEPC), which describes known disasters and impacts, potential hazards, and strategies to reduce overall damage and impact from hazards; and
  WHEREAS, the Hazard Mitigation Plan has been reviewed by countywide residents, business owners, and federal, state, and local agencies, and has been revised to reflect their concerns.

NOW, THEREFORE, BE IT RESOLVED THAT THE HART CITY COUNCIL HEREBY:

1. The Oceana County Hazard Mitigation Plan is hereby adopted as an official plan of the City of Hart
2. City of Hart will incorporate strategies identified in the Plan with planning programs and mechanisms under its jurisdictional authority.
3. City of Hart will support efforts of the Oceana County Emergency Management director, Troy Maloney, LEPC, and other Oceana County stakeholders to implement the Plan's recommendations.

- A. Mullen motioned to approve Resolution 2025-38 and supported by C. Burillo
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2025-39 Recognition of the HEART board as the Governing body of the Hart Historic Preservation Group

WHEREAS, The Hart Historic Preservation Group (HHPG), a 501(c)(3) nonprofit, has historically overseen the preservation and operation of the Hart Historic District and Museum; and

WHEREAS, a majority of the HHPG board of directors have resigned, including Treasurer Rob Splane and Secretary Gwen Adams, leaving the organization without sufficient officers to carry out its duties; and

WHEREAS, the Hart Economic and Redevelopment Team (HEART), at its meeting on October 8th, 2025, adopted a resolution assuming governance and operational responsibility for HHPG, including the authority to appoint officers; and

WHEREAS, it is in the best interest of the City of Hart and its residents to maintain continuity of the Hart Historic District and Museum, and to ensure the ongoing preservation of community history;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL HEREBY:

That the City Council of the City of Hart hereby recognizes the Hart Economic and Redevelopment Team (HEART) as the governing body of the Hart Historic Preservation Group (HHPG), effective November 12th, 2025; and

BE IT FURTHER RESOLVED:

That the City Council supports HEART's efforts to maintain and operate the Hart Historic District and Museum on behalf of the community.

- A. Mullen motioned to approve Resolution 2025-38 and was supported by B. Root
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2025-40 Approval to sell City-Owned Industrial Park Parcel to Dark Water Coffee Roasters

WHEREAS, the City of Hart is the owner of certain real property located in the Hart Industrial Park, described legally as:

QC-L2007P14420 QC-L200P15158 & 59 SPL FR 004 IN 97 PT TO 18 IN 2000
SEC 20 T15NR17W. CITY OF HART INDUSTRIAL PARK PLAT LOTS 12&13
(the "Property"); and

WHEREAS, Dark Water Coffee Roasters (the "Purchaser") has submitted a proposal dated August 1, 2025, to purchase the Property for the purpose of establishing a facility for roasting coffee and related operations in the form on file with the City Clerk (the "Proposal"); and

WHEREAS, the Property is subject to the Restrictive Covenants for the Hart Industrial Park, which provide that:

In the event the owner or purchaser of a parcel in the Industrial Park, or their heirs, personal representatives, successors or assigns, fails to commence construction of a building upon the parcel on or before three (3) years after the date of acquisition of the parcel, the City shall have the option for a period of thirty (30) days from and after the 3rd anniversary date of the acquisition of the parcel within which to buy said parcel for the amount for which the City sold the parcel. In the event the City elects to exercise its option within the (30) day period, the City shall be required to notify the owner and parties in interest of said parcel of its election so to do, and the owner *or parties in interest agree to convey to the City all of their rights, title and interest in said parcel, free and clear of all liens and encumbrances other than those which existed as of the date of acquisition of the parcel from the City or which were consented to subsequently by the City. If the owner of the parcel cannot be located and served with a notice as required herein, the City may comply with the notice requirement by recordation within such thirty (30) day period with the Oceana County, Michigan, Register of Deeds of a notice of exercise of such option."*

WHEREAS, the City of Hart desires to support small business development, job creation, and investment within the Hart Industrial Park and finds the proposed project to be in the best interest of the community; and

WHEREAS, the Property is surplus property and is not needed for City purposes.

NO THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL HEREBY:

The sale of the Property (Parcel # 020-390-012-00) located in the Hart Industrial Park, to Dark Water Coffee Roasters subject to the negotiation and execution of a purchase agreement between the City and the Purchaser, in accordance with this Resolution; and

BE IT FURTHER RESOLVED:

That the City Manager, in consultation with the City Attorney, is authorized to negotiate and enter into a purchase agreement in the best interest of the City and in accordance with this Resolution and generally in accordance with the Purchaser's Proposal; and

BE IT FURTHER RESOLVED:

That the Mayor, City Manager, and City Clerk are authorized and directed to execute and deliver on behalf of the City, all necessary closing agreements, documents, and certificates, and carry out all administrative actions to complete the sale of the Property described herein.

- B. Root motioned to approve Resolution 2025-40, and was supported by A. Mullen
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2025-41 Designate Dryden Street Parcel as Surplus and Authorize Sale by Sealed Bids

WHEREAS, the City of Hart owns vacant land located on Dryden Street, described as *CITY OF HART STANDARD MAP PLAT D E 148.5 FT OF S 66 FT OF BLK 144, Parcel # 020-344-005-00; and*

WHEREAS, the parcel is not currently utilized for any municipal purpose and is not needed for the operation of any City department or utility; and

WHEREAS, the City Council desires to declare the parcel as surplus property and authorize its sale to the highest and best bidder through a fair and transparent sealed bid process; and

WHEREAS, sealed bids will be accepted at Hart City Hall, 407 S. State Street, Hart, Michigan, until 1:0o p.m. on Thursday, November 20, 2025, at which time bids will be publicly opened in the Council Chambers; and

WHEREAS, the City Council finds it in the City's best interest to establish a confidential minimum acceptable bid (reserve amount) to protect the City's financial interest and ensure the parcel is sold at or above fair market value, consistent with the City's land disposition policies; and

WHEREAS, the successful bidder shall pay the full purchase price within thirty (30) days of notification, and conveyance shall be made by Quitclaim Deed; and

WHEREAS, the City reserves the right to reject any or all bids, waive irregularities, and accept the bid deemed most advantageous to the City;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

1. *Declares the Dryden Street parcel described above as surplus property.*
2. *Authorizes the Interim City Manager to establish a confidential minimum acceptable bid consistent with the Property's appraised value and market conditions.*
3. *Directs the Interim City Manager to conduct and administer the sealed-bid Process, publicly open bids at 1:00 p.m. on November 20, 2025, with appropriate*

Staff, and to finalize the sale administratively following Council review and approval On the highest qualifying bid meeting or exceeding the confidential minimum.

4. *Authorizes that proceeds from the sale be deposited into the City of Hart General Fund.*

- C. Burillo motioned to approve Resolution 2025-41 and was supported by A. Mullen
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2025-42 Sewer Rate Correction

WHEREAS, the City of Hart owns and operates a wastewater collection and treatment system which is funded through user rates intended to self-fund operations, maintenance, equipment replacement, and debt service; and

WHEREAS, City Council adopted Resolution 2025-16 on June 10, 2025, establishing electric, water, sewer, and trash rates for FY2026; and

WHEREAS, the sewer rates contained in that Resolution inadvertently reflected a 17% increase rather than the 11% increase recommended in the Cash Flow Analysis of the 2023 Sewer Fund Rate Study; and

WHEREAS, City Council wishes to correct the FY2026 sewer rates to accurately reflect the 11% increase in accordance with the adopted study and ensure consistency with the City's rate methodology.

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

1. *Amends the FY2026 sewer (wastewater) rates previously adopted in Resolution 2025-16 to reflect an 11% increase from FY2025 rates as follows:*

H	**WASTEWATER – Council planned increase per 2023 debit payment schedule**	**RATES FY25-26 - RATES FY24-25**
	Base rate per month (11% increase)	$39.68 ~~$41.86~~ - $35.75
	Volume rate per 1000 gallons per month (11% increase)	$4.41 ~~$4.65~~ - $3.97
	Volume rate per 1000 gallons per month (industrial) (11% increase)	$4.41 ~~$4.65~~ - $3.97
	BOD Surcharge per pound (7.5% increase)	$0.254 - $0.237
	TSS Surcharge per pound (7.5% increase)	$0.187 - $0.174
I	**CUSTOMER CHARGE (11%)**	
	Gray & Company	$3,690.87 ~~$3,893.08~~ - $3,414.98/month
	Michigan Freeze Pack	$3,690.87 ~~$3,893.08~~ - $3,414.98/month
	Indian Summer	$1,080.52 ~~$1,109.72~~ - $973.44/month

2. *Confirms that all other utility rates (electric, water, trash) and provisions established in Resolution 2025-16 remain in full force and effect.*
3. *Directs staff to correct the official version of Resolution 2025-16 and update any published or posted rate schedules to reflect these adjustments.*

- C. Burillo motioned to approve Resolution 2025-42 and was supported by B. Root
  - Ayes: 5 Jim Cunningham abstained from the vote   Nays: 0   Absent: 1

- Resolution 2025-43 Authorize Auction of Surplus Vehicles, Equipment & Furnishings

WHEREAS, the City of Hart is the lawful owner of various vehicles, equipment, and furnishings that are no longer required for municipal operations; and
WHEREAS, it is the policy of the City to declare items surplus when they have exceeded their useful service life, are no longer cost-effective to maintain, or are no longer needed by the City departments; and
WHEREAS, the following items have been identified as surplus property:

- 2008 Chevrolet Impala 4-door sedan (Hart Police Department)
- 2008 Ford F-250 pickup truck (Department of Public Works)
- 2001 Sterling dump truck (Department of Public Works)
- Western Ice Breaker salt spreader (Department of Public Works)
- All surplus filing cabinets from City Hall

And are proposed for sale or disposal; and
WHEREAS, the vehicles and equipment have reached the end of their service life due to age and condition, and the filing cabinets are no longer being used; and
WHEREAS, the City Council finds it in the best interest of the City to dispose of the above-listed items through an online auction platform from Michigan municipalities and government agencies, ensuring transparency and fair market value; and
WHEREAS, proceeds from the sale of surplus property shall be deposited into the City's General Fund.
NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

1. *Declares the above-listed vehicles, equipment, and furnishings as surplus property.*
2. *Authorizes the City Manager to arrange for their sale and disposition through an online auction site for Michigan Municipalities and government agencies.*
3. *Directs that all sale proceeds be deposited into the General Fund.*
4. *Establishes that this Resolution shall take immediate effect upon adoption.*

- J. Cunningham motioned to approve Resolution 2025-43 and was supported by A. Mullen
  - Ayes: 6   Nays: 0   Absent: 1

- Resolution 2025-44 Three-Year Purchasing Policy for Professional and Contracted Services

WHEREAS, Section 210.01 of the City of Hart Codified Ordinances designates the City Manager as the Purchasing Agent responsible for administering all procurement activities on behalf of the City; and
WHEREAS, Section 210.04 of the Codified Ordinances and Section 15.2 of the City Charter require City Council approval for purchases and contracts exceeding $1,000; and
WHEREAS, the City Council recognizes the need for a standardized and efficient process governing recurring professional and contracted services such as engineering, legal, auditing, planning, maintenance, and utility-related work; and
WHEREAS, the proposed Purchasing Policy for Professional and Contracted Services (Three-Year Term) establishes a consistent, competitive, and transparent process for awarding and renewing multi-year service contracts in compliance with Chapter 210 of the Codified Ordinances and Section 15.2 of the City Charter; and
WHEREAS, the policy allows for three-year agreements (inclusive of renewals) to improve service continuity, streamline operations, and maintain fiscal accountability through the following framework:

- Solicitation of at least two written quotes or proposals for professional or contracted services exceeding $1,000;
- Evaluation based on qualifications, experience, scope, and cost, with Council approval prior to execution;

- Re-bidding or re-evaluation of contracts at the conclusion of each three-year term;
- Limited emergency and cooperative purchasing exceptions authorized by the City Manager, subject to subsequent Council ratification.

NOW THEREFORE BE IT RESOLVED BY THE HART CITY COUNCIL:

1. *Approves and adopts the City of Hart Purchasing Policy for Professional and Contracted Services (Three-Year Term) in the form presented and on file with the City Clerk.*
2. *Directs that the policy be implemented immediately and incorporated into the City's administrative procedures and purchasing manuals.*
3. *Authorizes the City Manager, Mayor, and City Clerk to take all actions necessary to enforce and administer this policy.*
4. *Repeals any prior purchasing procedures or policies inconsistent with this resolution.*

    - A. Mullen motioned to approve Resolution 2025-44 and was supported by B. Root
        - Ayes: 6 Nays: 0 Absent: 1

DISCUSSION ITEMS:

- November 11, 2025, City Council meeting falls on Veterans Day. The City Council decided to move the meeting to November 12th, 2025, at 7:30 pm.
- Transfer of Transformer Ownership

The City currently owns transformers serving two private industrial facilities – Lineage Logistics (1151 S. Griswold St.) and Michigan Freeze Pack (835 Griswold St.). These transformers are located on private property and provide power exclusively to each customer. They are not connected to or necessary for the operation of the broader electric system.

The City has historically maintained ownership of the original utility infrastructure build-out; however, this arrangement has created ongoing liability and cost exposure for the City's electric utility, since failures at either transformer require municipal response, diagnosis, and replacement – despite serving only a single private facility.

The Power Board reviewed this matter and unanimously recommended transferring ownership of the transformers to the respective businesses, without compensation, so that each becomes fully responsible for maintenance, repair, replacement, and insurance of its own equipment.

Legal Considerations:

City Attorney Mark Nettleton reviewed the issue and cited Section 13.7 of the City Charter, which restricts the sale, lease, or disposal of property "belonging to and appertaining to any municipally owned public utility which is needed to continue operating such utility", unless approved by three-fifths of voters.

However, the Charter provides exceptions for equipment that is "worn out or useless" to the City's public utility. He is reviewing whether additional state law guidance applies.

If the Charter permits and both companies agree, the next steps would include:

1. City Council adoption of a resolution authorizing the transfer; and
2. Execution of a bill of sale formally conveying ownership to each business.

Next Steps

- Await final legal opinion confirming the Charter's applicability.
- Discuss the willingness of Lineage Logistics and Michigan Freeze Pack to assume ownership and associated responsibilities.
- If both conditions are met, prepare a Council resolution and a bill of sale for approval.

Recommendation:

Staff recommends proceeding with legal review and discussions with both industrial customers to advance the ownership transfer, contingent on City Attorney confirmation that the Charter permits the conveyance without voter approval.

INTERIM CITY MANAGER'S REPORT:

Status of ongoing projects:

- Hart Plaza Streetscape Project – meeting with engineers 10/15/2025, on schedule to begin in March 2026. Trying to determine the effect on the 2026 downtown events.
- Revised Industrial Park Covenants – two verbal commitments to sign
- Veterans Park – reviewing budget for available funds, Oceana County Veterans Coalition has been waiting 12 months for a commitment from the City on cost-sharing to replace brick memorial.
- Water Tower easement – waited 2 months for JSJ Corp (GHSP) attorney to produce easement docs with no results, turned over to City attorney on 10/01/2025, follow up: attorney recommends a parcel split so City "owns" the land surrounding the tower.
- Redevelopment Ready Certification pending items:
  Show that ordinances have been reviewed to ensure they align with the goals of the master plan
  Adopt a green infrastructure ordinance
  Two additional housing options
  Provide documentation of all zoning/planning projects
  Next steps: 2nd reading, adoption, vote
- Ceres Solution – agenda item for TIFA meeting scheduled for 10/21/2025
- SRTS – trying to get up to speed with this project, meeting with committee on 10/17/2025

Staffing changes, policy updates, internal improvements

- Purchasing policy for 3-year contracts presented to Council 10/14/2025
- Still reviewing the shared staff open position from when Andy retired.
- BioPure lab is seeing an increase in testing requests as Health Department labs are no longer providing this service – reviewing staff needs.
- Community and Economic Development, Human Resources

Financial items to keep on Council's radar:

- DPW dump truck,
- review updated capital improvement plan & determine 5-year funding sources.
- Water rate study in progress

What's New:

- Site plan for WSCC remodel received, hoping to go before the Planning Commission at Nov 6th meeting, along with a special use permit for a drive-thru
- Board openings on the TIFA board, Power board, and Planning Commission
- Would like to revisit recommendations from Charter Review Committee
- JGP: applying for EGLE permit to upgrade two sites from rustic to deluxe, all seasonals, decks, and equipment to be removed from park by Nov 2nd.
- City Hall: flooring install originally scheduled for 10/15/2025 is delayed after positive asbestos tiles & mastic findings, which require a 10-day waiting period + remediation. Network outages last Friday and this morning as a result of an improperly licensed switch in the control panel.

Events:

- Hartprize public voting open through month of October (link on City Facebook page)
- Downtown trick or treating Oct 31st 3-5 pm, and City trick or treating 6-8 pm

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- C. Burillo – Cemetery Board meeting is coming up on October 20th at 7 pm. Located at the Cemetery.
- Also updated on the Water Tower and AT&T. So now, instead of an easement, the agreement AT&T contract states the City needs to own the property, so now back to JSJ for the City to get ownership.
- Mayor Klotz – City manager search update, Congratulations to our three candidates;
  Conner DeYoung, Nichole Kleiner, and Sam Demel
  Please join us on Oct 23rd from 6 pm, to 7:30 pm for a meet and greet in the Hart Community Center.

ADJOURN:

- There being no further business to come before the Council, Mayor Klotz adjourned the meeting at 8:37pm. The next regularly scheduled meeting will be on October 28th, 2025, at 7:30 pm.

Respectfully Submitted

Karla Swihart

Karla Swihart, City Clerk