



CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
JANUARY 14, 2020, 7:30 P.M.
MINUTES

PRESENT: Mayor Ron LaPorte, Councilors: Joe Frontiera, Jason La Fever, Steve Hegedus, and Rob Splane.

ABSENT: Patrice Martin and Vicki Platt

OTHERS PRESENT: Energy Department Superintendent – Mike Schiller, BioPure Superintendent – Paul Cutter, DPW Superintendent – Brad Whitney, Police Chief – Juan Salazar, Deputy City Clerk - Cheri Eisenlohr, and City Manager – Lynne Ladner. See attached list for others in attendance.

Mayor LaPorte called the meeting to order at 7:30 p.m., following the roll call, the Mayor lead the Council in the pledge of allegiance.

AGENDA: Mr. La Fever made a motion to accept the 1st amended agenda, supported by Mr. Frontiera, all ayes, the motion was carried.

MINUTES: Mr. Hegedus made a motion to accept all minutes from the December 10th and 17th, 2019, meetings, regular and work sessions, supported by Mr. Splane, all ayes, the motion carried.

PUBLIC COMMENTS, CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Fair Board President, Paul Erickson, gave an update to the Council in regards to the progress at the Fairgrounds. He did ask for future financial support when it comes to installing 100, 50 amp service connections for the proposed new campground. This will be discussed more as the time approaches. Mr. Erickson also advised that there will be a tractor pull done in conjunction with the National Asparagus Festival and that beer tents will be considered for future events at the grounds.
- Fire Chief, Jack White, advised the Council that the current .65 mil is being raised to 1 mil even. This will allow the department to meet expenditures and set funds aside into a sinking fund for future capital purchases. Ms. Ladner will work the additional \$18,000.00 into the budget.
- Mr. George Sadler asked if he would be allowed to comment on item 10B of the agenda and was advised that he would be able to.
 - He asked for an update on billing DTE for the work that the City had done to repair the torn up area on Main Street that DTE was responsible for, he was advised that no billing had been done to date.
 - He asked if there was a deadline for posting packets on the City's website and was told that it usually was posted on the same Friday that it is sent out to Council. This packet for this meeting is an exception as the Deputy City Clerk was absent that Friday, and there was a delay in the posting of the documents.

DEPARTMENT REPORTS:

- BioPure Superintendent, Paul Cutter:
 - Mr. Cutter thanked Sgt. Skipski for the training he provided on CPR/First Aid.
 - The new blowers are expected in the country on February 4th, onsite February 14th, and an anticipated running date of April 1, 2020.
 - Inmates of the Oceana County Jail were used at the facility to realign the irrigation laterals; Sheriff Mast was on-site at the time the work was performed. All went well; the work they performed cut the project time in half for City employees.
 - Seneca is expanding their facility again, and MFP is currently running potatoes.

- Police Chief, Juan Salazar:
 - "Sgt. Skipski has been assisting the Hart Public School system in instructing CPR/AED/First Aid and bleeding control to school personnel; this goes from teachers to coaches. This is mandatory training for all school personnel. Sgt. Skipski has instructed several classes for the public school system thus far, and the training has been well received by the school. In November, Officer Hintz re-certified in defensive tactics at West Shore Community College. The department currently instructs it's officers in PPCT, Pressure Point Control Training. The department has been training in PPCT for the last 13 years. Officer Hintz has been the department defensive tactics instructor for the last three years and is required to re-certify every three years. The department will also be holding it's annual departmental training at West Shore Community College this month, which consists of training in defensive tactics, CPR/First-Aid/AED, bleeding control, firearms lecture, scenario-based training, and a Taser update. It has been extremely beneficial to be able to utilize the college to conduct our yearly training."
- DPW Superintendent, Brad Whitney:
 - Kevin of UIS worked on the South Valley well, the SCADA system is aging and will need to be replaced in the near future.
 - Tree trimming has been taking place due to the lack of snow.
 - Eleven Miss Digs have been reported.
 - Adams has been diverted to emergency work and will demolish the old waterworks building at a later time.
 - Booster station motor has been sent out for repairs.
 - The new roof for the DPW is half-finished. The weather will determine when the roof is finished.
 - Thank you for the new pick-up truck.
- Energy Department Superintendent, Mike Schiller:
 - Thanks to Sgt. Skipski for the first-aid/CPR training.
 - Hooking up the last 2 services on the Griswold project.
 - UIS is troubleshooting the #3 generator for online issues.
 - The Emergency Action Plan (EAP) for 2019 has been finalized and is being submitted to FERC.
 - Continuing to move the overhead lines on Tyler from yards to the roadside.
 - GRP is assisting with updates to the maintenance program for the sub-station.

BILLS – CLAIMS – PAYROLL:

- 12/23/2019 Bills: \$592,012.26 Payroll: \$57,154.58 Total Payables: \$649,166.84
- 1/14/2020 Bills: \$367,176.30 Payroll: \$129,923.67 Total Payables: \$497,099.97
 - Mr. Splane made a motion to approve the above payables, supported by Mr. Hegedus.
 - Ayes: 5 Nays: 0 Absent: 2

ACTION ITEMS:

Ms. Ladner addressed the following Action Items:

Memo
 To: Mayor and Council
 From: Lynne Ladner
 Date: 01/09/2020
 Re: FY 2019 Audit

Enclosed with your packet is the letter from Maner Costerisan, the City's auditing firm that completed the FY 2019 audit. While the overall audit for the City recognizes the financial health of the City with:

- Total net position was \$24,367,719 (excluding component units).
- The governmental activity's net position was \$4,237,445.
- Business-type activities net position was \$20,130,274.
- The component Unit net position was \$121,626.
- At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$1,468,611, with \$1,016,979 being restricted or committed for specific purposes.
- The General Fund realized \$83,345 less in revenues and other financing sources than anticipated for the fiscal year. General Fund expenditures and other financing uses were \$51,847 less than appropriated.
- Overall, the General Fund's fund balance increased by \$36,403 to \$451,632. Net position in the Hydro, Sewer, and Water funds ended the year at \$10,458,388, \$7,644,472, and \$2,027,414, respectively.
- Total long-term obligations for the primary government was \$499,991, a net decrease of \$153,586 from the prior year.
- The City remains well below its authorized legal debt limit.
- Total net capital assets for the primary government was \$19,012,186 and included land, hydro system, sewer system, water system, and infrastructure, as well as various equipment, land improvements, and buildings and improvements.

The audit did identify a handful of what are considered to be deficiencies in internal controls, several of which have been noted in previous audits including:

Segregation of duties in certain accounting areas as a result of a lean office operation, it is difficult to separate the individuals that are involved in billing, payables and receivables roles.

Budget Variances – this has been addressed with more frequent budget amendments if needed, following a discussion/clarification with the auditor of the level at which they look at this issue.

Written Policies and Procedures – in the early 2000s, both an ACH-EFT policy and a capital asset policy were brought before the council and tabled. They were not acted upon after that. Both of these items will be coming before the Council in the near future as the Dept. of Treasury is now requiring that we document corrective action on these items in the form of adopting policies by the end of FY 2020.

Journal Entries – this was a one-time oversight issue that existed with JE not having been completed prior to the initial audit visit for payables and receivables generated in FY 2019 that were not inputted until after the end of the fiscal year, necessitating Journal Entries to attribute the revenues or expenditures to the correct fiscal year.

Lynne

RESOLUTION 2020-01
City Council
City of Hart, Michigan
Oceana County

ACCEPT AUDITOR OPINION AND RECOMMENDATIONS

WHEREAS, the City of Hart engaged certified public accountants SK&T to audit the City's FY2018 (July 1, 2018 – June 30, 2019) financial statements; and they have completed their audit and

have rendered an unqualified opinion that the financial position of the City of Hart is fairly presented therein; and

WHEREAS, the Council after having reviewed the audit with the SK&T, recommends the City Council accept their opinion and recommendations; and it is in the best interests of the City of Hart to accept the Council recommendations; 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 HART CITY COUNCIL:

Accepts the SK&T opinion and recommendations regarding the FY2019 financial statements.

Moved by Mr. Splane, supported by Mr. La Fever, and thereafter adopted by the Hart City Council at a regular meeting held on Tuesday, January 14, 2020.

Ayes: 5 Nays: 0 Absent: 2

I hereby certify this to be a true and correct copy of the document on file with the office of the City of Hart Clerk.



Cheri Eisenlohr, Deputy Clerk

Memo
To: Mayor and Council
From: Lynne Ladner
Date: 01/09/2020
Re: Changes for 2020

As you are aware, the decision was made to graduate from the Main Street program in order to continue and diversify our Community and Economic Development work throughout the entirety of the City of Hart. This does not mean that the City will no longer be focusing on the businesses and properties in our traditional downtown. It is the goal of the City moving forward to retain the best programs and events that have been part of the Main Street program while opening these up to a larger area and expanding the opportunities.

At this time, I am awaiting a letter from the Michigan Main Street organization that will identify the exact steps we need to take to graduate from the program. It is also important that during this transition time that we work with the City's auditing and legal advisors to ensure that things are closed out properly. There will be a necessity for assistance from the former Main Street Board Members to reach out to businesses and organizations that have made financial donations for the current year (July 1, 2019-June 30, 2020) to ascertain if they would like to transfer their sponsorship funds and recognition to the new organization.

The new organization: The City is looking to transition to a 501 (c) 4 Social Welfare Organization as authorized under Section 117.4o (1) of the Home Rule City Act. I have been working on a name that is representative of the organization, the City, and the people that I believe will be involved and with some assistance, it is my recommendation that the organization is named Hart Economic and Redevelopment Team (HEART). Resolution 2020-02 authorizes the creation of the new entity, establishes initial board members (made of up the former Main Street Board members who have expressed interest in continued participation) and authorizes moving forward with the hiring of a Director for the organization

Lynne

**RESOLUTION 20-02
City Council
City of Hart, Michigan
Oceana County**

Authorizing the creation of the Hart Economic and Redevelopment Team (HEART) and direct the City Manager to begin the process for incorporating the new organization and begin the hiring process for the director

WHEREAS, the City of Hart has determined to graduate from the Main Street program; and

WHEREAS, the Council intends to continue to support and advocate for the economic and redevelopment of the City through the creation of a non-profit corporation dedicated to this purpose; and

WHEREAS, Section 117.4o (1) of the Home Rule City Act, Act 279 of 1909 authorizes the City to form a nonprofit corporation under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192. A nonprofit corporation formed under this section may be organized only for purposes that are valid public purposes for cities in this state; and

WHEREAS, the Council understands the importance of having an Individual focused on economic and redevelopment of the community through business retention and recruitment, community events and programs, and to support the City's economic development branding and marketing strategic plan and ensure successful implementation of the community's vision.

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Authorizes the City Manager to work with the appropriate resources to form a non-profit organization, a sub-entity of the City of Hart to be called Hart Economic and Redevelopment Team (HEART); and

Appoints to the new organization initial board members of: Brandi Bruch, Scott Beal, Tracey Lipps, Brandon Bruce, Jake Tufts, and Lynne Ladner the former Main Street board members; and two members of the City Council and;

Authorizes the City Manager to hire a full-time employee to fill the position of Director, Hart Economic and Redevelopment Team.

Moved by Mr. Splane, supported by Mr. Hegedus, and thereafter adopted by the Hart City Council at a regular meeting held on Tuesday, January 14, 2020.

Ayes: 4 Nays: 1 (La Fever) Absent: 2

I hereby certify this to be a true and correct copy of the document on file with the office of the City of Hart Clerk.



Cheri Eisenlohr, Deputy Clerk

Discussion:

Mr. Sadler asked for confirmation that HEART would still be eligible for grants and such, and was told by Ms. Ladner that since the City is an RRC that it would still be eligible.

Mr. Frontiera asked how many employees would be required and was told one.
Mr. Splane suggested that two Council members be added to the board; the resolution will be amended to reflect this suggestion.

**RESOLUTION 20-03
City Council
City of Hart, Michigan
Oceana County**

Authorize the City Manager to complete the necessary legal and financial steps to close out the Hart Main Street program and transition to the Hart Economic and Redevelopment Team organization

WHEREAS, the City of Hart has determined to graduate from the Main Street program; and

WHEREAS, the Council has authorized the creation of the Hart Economic and Redevelopment Team non-profit; and

WHEREAS, it is necessary to go through the financial and legal steps associated with the close out of an organization or program like Hart Main Street;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Authorize the City Manager to complete the necessary legal and financial steps to close out the Hart Main Street program and transition to the Hart Economic and Redevelopment Team organization

Moved by Mr. Splane, supported by Mr. Hegedus, and thereafter adopted by the Hart City Council at a regular meeting held on Tuesday, January 14, 2020.

Ayes: 4 Nays: 1 (La Fever) Absent: 2

I hereby certify this to be a true and correct copy of the document on file with the office of the City of Hart Clerk.

Cheri Eisenlohr

Cheri Eisenlohr, Deputy Clerk

**RESOLUTION 20-04
City Council
City of Hart, Michigan
Oceana County**

Authorize removal of marked trees at John Gurney Park and waive bidding

WHEREAS, the City of Hart is required to complete recreation improvements throughout the City as part of our hydro-dam licensing compliance; and

WHEREAS, within John Gurney Park there are several large trees that need to be removed or trimmed to enhance the safety of the park and the City's electric distribution system in that area; and

WHEREAS, it is easiest to remove and trim these trees when the park is closed for the winter season due to the area being unoccupied, and

WHEREAS, Dubois Tree and Land Management LLC a local business has successfully and safely completed tree removal and trimming work for the City in the past and the services that are provided are specialized services that require proper equipment and trained staff;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Waive the bidding requirement for this project and authorize an agreement with Dubois Tree and Land Management for the removal and trimming of trees in John Gurney Park at a price NOT TO EXCEED \$18,300

Moved by Mr. Hegedus, supported by Mr. Frontiera, and thereafter adopted by the Hart City Council at a regular meeting held on Tuesday, January 14, 2020.

Ayes: 3 Nays: 2 (La Fever, Splane) Absent: 2

I hereby certify this to be a true and correct copy of the document on file with the office of the City of Hart Clerk.

Cheri Eisenlohr

Cheri Eisenlohr, Deputy Clerk

Discussion:

Mr. Splane asked about the possibility of using a logging company to remove the trees for the timber, Mr. Schiller advised that they wouldn't want this wood, as the trees have nails in them and most are hollow.

**RESOLUTION 20-05
City Council
City of Hart, Michigan
Oceana County**

Authorize application to Michigan Council for Arts and Cultural Affairs for grant funding for the Hart Music on the Commons Summer 2020 concert programing

WHEREAS, the City of Hart has successfully through affillated agencies offered the Music on the Commons concert series in past years; and

WHEREAS, the benefit to the community of bringing residents and visitors of all socio-economic backgrounds into the downtown to enjoy a variety of musical genres; and

WHEREAS, the ability to continue to provide exposure to the arts through the Music on the Commons series is a priority to the community;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Authorize the submission of an application to the Michigan Council for Arts and Cultural Affairs for grant funding assistance for the Hart Music on the Commons Summer 2020 concert programing.

Moved by Mr. Splane, supported by Mr. Frontiera, and thereafter adopted by the Hart City Council at a regular meeting held on Tuesday, January 14, 2020.

Ayes: 5 Nays: 0 Absent: 2

I hereby certify this to be a true and correct copy of the document on file with the office of the City of Hart Clerk.



Cheri Eisenlohr, Deputy Clerk

SPECIAL EVENT PERMITS:

- Winterfest Vintage Snowmobile Show
 - Mr. La Fever made a motion to approve, supported by Mr. Frontiera, all ayes, the motion carried.
- Right to Life Walk
 - Mr. La Fever made a motion to approve, supported by Mr. Frontiera, all ayes, the motion carried.

DISCUSSION ITEMS:

- Leaf Vac: A work session meeting will be held at the next regularly scheduled February Council meeting to discuss options regarding the leaf vac machine and the service it provides to the City.

CITY MANAGER'S REPORT:

- The Planning Commission has recommended the ORV ordinance to the Council without their approval or denial. Ms. Ladner is collecting data from other communities that have approved the use of ORV within their cities' limits and will present her data at the February 11th meeting.
- The Trust Fund Grant application is being worked on for re-submission. Revisions will include information in regards to the Veteran's Park being a part of a "water-trail" around the lake. This should improve the standing of the application.
- The Pointe Park design has been completed for FERC; it is a minimalistic park design.
- The performance shelter design for the Commons has been completed.
- Ms. Ladner will be absent for the next meeting in January.

CITY ATTORNEY'S REPORT:

- None

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Mr. Splane made a motion to approve Jack Wittman to the Planning Commission, supported by Mr. Hegedus, all ayes, the motion carried.

There being no further business to come before the Council, the meeting adjourned at 8:57 p.m., upon motion by Mr. La Fever and supported by Mr. Hegedus. The next regularly scheduled meeting will be on January 28, 2020, at 7:30 pm.

Respectfully Submitted

Cheri Rosenblatt

Deputy City Clerk