



**CITY OF HART  
407 S. STATE ST.  
HART, MI 49420  
COUNCIL PROCEEDINGS  
FEBRUARY 9, 2021  
MINUTES**

**PRESENT VIA ZOOM:** Mayor Vicki Platt, Councilors: Catalina Burillo, Rob Splane Jim Evans, Dean Hodges, and Fred Rybarz

**ABSENT:** None

**OTHERS PRESENT** Nicole Steele, City Clerk – Karla Swihart, Geroge Sadler, and Tom Asp.

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

**APPROVAL OF AGENDA:** J. Evans motioned to approve the agenda and supported by F. Rybarz

- Ayes: 6 Nays: 0 Absent: 0

**PUBLIC COMMENTS:**

- George Sadler stated he was at the Special meeting held Jan 26<sup>th</sup> at 8:00 am and would like to be added to the meeting minutes at present.

**CORRESPONDENCE, EVENTS, PRESENTATIONS:**

- Power Systems Engineering: Fiber to the Premises (FTTP) Broadband Planning & Analysis, Presented by Tomas Asp. Project funded by the MMEA through a Rural Business Development Grant (RBDG) from Rural Development, an agency of the USDA. The project explored the opportunity to provide broadband services over fiber to the premises (FTTP) network for six MMEA member municipal electric utilities.
  - Charlevoix
  - Eaton Rapids
  - Grand Haven
  - Hart
  - Negaunee
  - Norway

Project steps for Hart would be to provide a high-level review for the City of Hart Energy Dept to enter the broadband business and a magnitude cost estimate of implementing and operating a broadband business.

An overview of FTTP broadband services considerations include

- Business-level considerations
- Potential partnerships
- Michigan-specific legislation
- Financial projections for both retail and dark FTTP models
- Recommended potential actions to encourage investment

What are the drivers beyond a ROI? Is Hart in the business of providing security, comfort, and convenience? Or just providing electricity, water, and basic broadband?

Today the Federal Communication Commission (FCC) defines broadband as a service with at least 25 Mbps downstream and 3 Mbps upstream. This definition was adopted in 2015.

Under the definition, broadband is affordable today, affordable is when the prices charged for broadband are the same regardless if you are in the city or in a rural area. Use Economic Development as a justification as well as enhancing broadband opportunities. The one thing to look at is how to facilitate private investment one of the things that is often looked at is there to help reduce the cost and work together to build out the availability of broadband.

Metro Act requires a public entity to issue a request for competitive, sealed bids before it can provide telecommunication services within its boundaries, also need to conduct a three-year financial analysis before it adopts an ordinance or resolution authorizing the municipality to construct broadband facilities. Then would require to hold a public hearing at least one. They also suggest having a CPA review the financial analysis before adopting an ordinance or resolution authorizing the municipality to construct broadband facilities.

FTTP Conceptual Design and Cost Estimate,

- Retail Services- How much would it cost if the City was to go out and build? See diagram located on Page 6. Which only shows a high-level design for cost estimation, not a build-ready document. FTTP cost estimate

located on page 7 gives the broke down by category and a range of low, mid, and high cost, and for the analysis, we used the mid-level cost estimate. Other estimated costs, the average drop cost will be \$300.00, and the installed ONT cost will be \$400.00 for residents and \$500.00 for small/medium businesses. At a 59% take rate, this represents a cost of \$578,000 for 1388 passings for the City to have cash flow. Which in terms of the charge per month for the customer would be about \$75.00 a month.

- Dark Fiber FTTP Model, which the City owns the fiber network, and a private provider(lessee) "lights" the fiber with electronics, and they would serve and become the direct retail provider. Hart would have to charge approximately \$16.00 per month in per-passing lease fees to a private provider to break even on their investment.
- Steps to advance availability
  - Waive make-ready cost
  - Streamline permitting process
  - Seek grant funding (joint application with the provider)
  - Provide grant funding to the provider
  - Provide access to existing fiber assets
  - Provide aid in marketing
- Selecting the Broadband Approach
  - Build an FTTP infrastructure and become a retail broadband service provider.
  - Build an FTTP infrastructure and seek a private provider that would lease the FTTP infrastructure.
  - Take actions to encourage private investment.

Upon selecting the approach, Hart will then need to follow the requirements specified in the Metro Act. The starting point for any of the above alternatives is to develop and release an RFP that details objectives, approach, terms, and other conditions.

R. Splane thanked Mr. Asp and Katie from MMEA, and the council will be holding a work session for further discussion.

#### **CONSENT AGENDA:**

- Approval of Minutes from Jan 26<sup>th</sup>, 2021 Special Meeting, and Minutes Jan 26<sup>th</sup>, 2021, with an amendment adding Mr. Richard Raffela as present and also the tabled Intergovernmental Agreement w/Shelby Township.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
  - R. Splane motioned to approve Consent Agenda, with Amended Minutes and supported by C. Burillo
    - Ayes: 6      Nays: 0      Absent: 0

Comment from J.Evans regarding 6b)Bills, Claims, and Payroll, He attended a municipal finance seminar and got a chance to look at other municipalities' accounts payable spreadsheets and noticed a % layout for each department and each department cost breakdown. If it's in our annual budget, it should show the % used on a monthly basis.

#### **ACTION ITEMS:**

- Resolution 2021-04 A Resolution to change the date for the March Board of Review to Tuesday, March 9<sup>th</sup>, 2021.
  - C. Burillo motioned to adopt resolution 2021-04 and supported by F. Rybarz
    - Ayes: 6      Nays: 0      Absent: 0
- Resolution 2021-05 Resolution to allow taxpayers to protest property tax assessments by mail.
  - C. Burillo motioned to adopt resolution 2021-05 and supported by J. Evans.

No vote was placed upon discussion comments from F. Rybarz asked if this was because of Covid or will this be for future years. How long does the taxpayer have to protest by mail, and also does the assessor notify the taxpayer by mail regarding their outcome, or how will the taxpayer be notified? Is there a form the assessor uses to inform the taxpayer? If mail is the outcome, then it needs to be certified mail instead of regular mail. Council is unsure of how the process is run at this time. C. Burillo retracted her motion, and the council would like to table Resolution 2021-05 upon further discussion at the next meeting on February 23<sup>rd</sup>, 2021

- R. Splane motioned to vote down Resolution 2021-05 as submitted, Could be resubmitted in a revised format at the next council meeting, and Supported by C. Burillo.
  - Ayes: 6      Nays: 0      Absent: 0

- Resolution 2021-06 Resolution Appointment of Councilor Splane.  
The city attorney reached out to Mr. Splane upon drafting the city council appointment of boards and commissions with their start and end dates. He had a start date for Mr. Splane, but he struggled to find clear documentation for his reappointment back in Nov of 2018. So on the minutes from that meeting, it states the reasoning we needed to change the lengths was that the state would not allow local elections on specific years. So certain council member terms had to be extended, and what was recorded in the minutes was discussion included, and an agreement was made. It didn't define what agreement was made there, for the city attorney suggested a resolution go in front of the council to be safe.
  - C. Burillo motioned to approve Resolution 2021-06 and supported by F. Rybarz
    - Ayes: 5 Nays: 0 Absent: 0

Note for the record R. Splane sustained his vote on Resolution 2021-06

#### **DISCUSSION ITEMS:**

- Set work session to discuss Broadband Utility presentation and information. Mayor V. Platt suggested this item be tabled until City Manager L. Ladner is present. R. Splane suggested work session take place before the City Council meeting. Mayor V. Platt would like to note that work session meeting should take place at 6:30 pm on the date of the city council meeting. The Council will be notified by email with confirmation once city manager L. Ladner decides the date.
- Discussion related to Industrial Park deed covenants related to building construction.  
R. Splane stated that the Council was approached several months ago by Regal Electronics they are a LED manufacturer that is looking to expand their manufacturer capabilities, and the council took action to sell them two of the open lots, which are believed to be the last two remaining lots within the Industrial Park. Following that action, the company owner was made aware of the restricted covenants in the hart industrial park.  
R. Splane suggested a little more data gathering as to when the covenants were created and if they have been reviewed since their creation in the '90s; also, the covenants speak to a board that exists if such a board even exists anymore. Just look at a little more history to make a good decision. And depending on our findings, possibly reach out to the planning commission and the City's consultant to review to make sure these are all constitutionally legal as in the past with some ordinances, we have run into some issue that hasn't been touched in years and were no longer enforceable, so at this point, the City needs to check into these ordinances and make sure they are still valued and discuss how to use this board in the future as the industrial park is pretty much developed out. R. Splane suggested that City Manager L. Ladner reach out to the prior board and see what she can come up with and also discuss this with the City's consultant to review the existing document for legal purposes. This should be placed back on the agenda for the Feb 23<sup>rd</sup>, 2021 City Council meeting.
- Authorization to sell surplus equipment – Energy Department meters.  
C. Burillo is wondering what direction or what is being asked by the council regarding—due to City Manger not being present. There should be a formal proposal and brought back in front of the City Council at the next meeting.

#### **CITY MANAGER'S REPORT:**

#### **COMMUNICATIONS FROM THE MAYOR AND COUNCIL:**

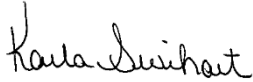
- C. Burillo stated that City Manager posted a vacant council seat on the City of Hart's Facebook and also on the City's web site, but when looking on the sites, C. Burillo was unable to find to share and has reached out to L. Ladner to make sure gets posted.
- Mayor V. Platt brought up Overtime hours. And with working every other week but getting 40 hrs a week, why is the city paying overtime? Wondering how employees can accumulate overtime when working swing shifts.
- I wanted to note an error on Cemetery Commission Jan 18<sup>th</sup>, 2021 minutes under the Financial report renewal is October 30<sup>th</sup>, 2020; if that is the correct date, it would be expired so possible at typo and should read October 30<sup>th</sup>, 2021. As the council does not approve these minutes suggested, we note it.
- C. Burillo brought up still waiting on the updated form to clarify which council member is on which board. Mayor V. Platt will make sure that gets emailed.
- Resignation- Braxton Platt, City Council.  
B. Platt has formally submitted his resignation effective Feb 7<sup>th</sup>, 2021, from Hart City Council as he has had a life change and is no longer living within the City limits.

Therefore the city has a vacancy and accepting applications. Once the applications are reviewed, the applicant will have to come in front of the City Council to be interviewed, and then the Council will appoint the applicant to fulfill the vacant seat until 2024. The City has 30 days to fill the vacancy.

**ADJOURN:**

- There being no further business to come before the Council, the meeting adjourned at 9:00 pm upon a motion by C Burillo and supported by J. Evans. The next regularly scheduled meeting will be on February 23rd, at 7:30 pm, and will be held virtually.

Respectfully Submitted



Karla Swihart  
City Clerk