



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
May 24th , 2022
MINUTES – Approved**

PRESENT: Mayor Vicki Platt, Councilors: Dean Hodges, Amanda Klotz, Fred Rybarz, and Kris Trygstad

ABSENT: Catalina Burillo, and Jim Evans.

OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, DPW Superintendent – Brad Whitney, Police Chief – Juan Salazar, and Sharon Hallack

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

APPROVAL OF AGENDA:

- F. Rybarz motioned to approve the agenda and was supported by D. Hodges
 - Ayes: 5 Nays: 0 Absent: 2

PUBLIC COMMENTS:

- Sharon Hallack, 332 N 112th Ave Hart wanted to address comment she made regarding the BioPure Report that was shared at the last Council meeting. We all know what a stand-up job Paul does with all the reports and always offers a lot of information. Are we providing the industries with all the information or are we just telling them what they want to hear? I got the impression from the outside looking in but with a large cooperation growing (which is great) but with growth comes more flow which has taking up our extra capacity and when you read in Paul's we are getting to the point where it is going to be harder and harder to recovery and stay in compliance with E.G.L.E. I know the City has an agreement in the works and is staying on top of it and you all are wonderful people to work with but in my opinion it's time to get tough, hold them accountable, I'd say make a rep come to every meeting and report, this is our flow, this is what we are doing, this is what we can do, this is where we need your help. Listen to Paul he knows what he is talking about and when he says we need to take action, then we need to take action.

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Presentation – Mayoral Recognition Hart BioPure Employees.
Mayor V. Platt presented BioPure Superintendent Paul Cutter and his team with a Professional and Proactive Job Performance Certificate form the Mayor of the City of Hart, to take every employee paying attention to their job and preventing what could have been a bigger problem.
- PUBLIC HEARING: Present budget message and proposed fiscal year 2023 budget (first reading of proposed budget)
 - A. Klotz motioned to open the Public Hearing at 7:40pm and supported by F. Rybarz
 - Ayes: 5 Nays: 0 Absent: 2

Subject: FY2023 Annual Budget:

In accordance with Chapter IX of the City Charter, here is the proposed annual budget for FY2023 (July 1, 2022 – June 30, 2023) for the City of Hart, Michigan. I would like to thank the Mayor, City Council, Committees, boards, Clerk-Treasurer, and City staff for their invaluable assistance in the preparation of this document. I would like to begin by reviewing the FY2022 accomplishments and proposed goals for FY2023.

FY2022 ACCOMPLISHMENTS:

Resumed bio-solid hauling to allow for proper Bio-Pure plant functionality.

Successfully finished the Hart Solar Project agreement that will bring some revenue to the city in lease fees and eventually supply our residents with power through the City's relationship with the Michigan Public Power Authority.

Acquired Mudget Woodshop building completing the Hart Historic District Campus.

Obtained \$810,000 in CDBG (Community Development Block Grant) funding to assist with the cost of the force main project.

Purchase of a Street Sweeper to ensure clean streets and open storm sewers.

Painting and exterior improvements on DPW garage to enhance its appearance on a major City Street.

Engaged with local industry businesses to partner in capital improvement plan forecast to ensure proper infrastructure for planned growth.

Replace dozens of utility poles at end-of-life as directed by pole inspection results.

Continued tree trimming to minimize Hart-Energy power outages.

Kicked off drinking water asset management project with awarded grant funds in the amount of \$407,400 to survey the City's water supply inventory and help support the State mandated replacement of drinking water service lines.

The HEART Team was able to articulate the COVID Storm and brought lots of added benefits to the City. Some highlights of their efforts include;

- Updated John Gurney Park campground and Hart Historic District websites for easier usability and City site continuity
- Applied for and received \$10,000 in funding for a new art initiative (The H-Art Project) from Consumers Energy, Put Your Town on The Map Competition.
- Sponsored the Pitch North Competition, which looks to bring new business to West Michigan.
- Worked with Multiple interested developers and entrepreneurs promoting new growth in our City.
- Held Kick-Off meeting and set public information night for the First Impression Tourism Grant. This program will give the City a report of what impression a first-time visitor in Hart is likely to perceive, aiding future community development campaigns.
- Continued focus on tasks outlined in the City's adopted Economic Development and Marketing Plan which includes initiatives in Education, Infrastructure, Industry activity, as well as Destination and Marketing goals.

FY2023 GOALS:

Utilize DNR grant award of \$300,000 to improve Veteran's Memorial Park.

Break ground on new housing at The Creeks Development site.

Establish a regional property maintenance code enforcement and rental inspection department in coordination with other local communities and staff as necessary.

Seek SRF (State Revolving Fund) loan for up to \$9,500,000 to construct planned water, wastewater, and road projects.

Enhancements and reconstruction to Dam embankment, (awarded by Council in February 2022).

Upgrade communication equipment within the water system SCADA equipment.

Provided new fencing, insulation, and siding at Hart Energy site as an efficiency and security measure.

Continued beautification efforts including replacement of Leaf Vacuum.

Work with City staff, engineers, and stakeholder support to see out and apply for available grants.

Infrastructure upgrades and construction of Hanson Street.

Demolition and site remediation of Boy Scout Cabin and the Walkers Restaurant Site.

Continuing study and replacement of City water supply lines per state mandate.

Support consistent Bio-Solid removal to ensure proper Bio-Pure plant operations.

Perform Hart Power comprehensive study, fuse plan, and rate study to establish a sustainable plan for future capital improvements. Research Diesel Power Plant improvements vs decommissioning strategies.

Review and make changes as identified in risk assessment plan from Hart Police Department. Planned projects included outdoor security cameras, access control, more secure glass at the City Hall customer service window.

Purchase and implement new BS&A software modules to streamline employee timecards.

Work with City Treasurer and budgetary consultants to establish a 3-,5-and 10-year rolling budget cycle. Further enhance budgetary reporting.

The City of Hart will likely receive an award of \$448,523 in funding from the Safe Routes to Schools Program. The Michigan SRTS program is managed by the Michigan Department of Transportation with support provided by the Michigan Fitness Foundation. If the grant money is awarded, it will allow for the construction of an extension of our Bike Trail from Wood and Water Street north to Johnson, west to Plum Street, north to Tyler and west to mobile home park on 72nd and Tyler. This is a welcome addition to our existing outdoor recreational

opportunities, providing additional safety to our students, and continuing development of National Bike Route 35 (BR35)

REVENUES:

The annual budget contains statements of revenues and expenditures for the fiscal year July 1,2022 – June 30,2023. It is also a planning document in that identifies projects and programs the City will undertake during the year. Here are the major operating funds with corresponding revenues totaling \$10,289,512:

General fund, \$2,077,939

Hydro fund \$5,541,165

Sewer fund \$2,189,405

Water fund \$484,003

The General Fund has a mix of funding sources. Property taxes are increasing slightly and constitute the largest funding source. Payments in-lieu of taxes (PILOT) from City utility operating revenues have plateaued partially attributable to mandatory energy efficiency projects implemented since State adoption of PA295. State revenue sharing has increased slightly due to federal aid. General Fund revenues total \$2,077,939.

EXPENDITURES:

This shows the major fund expense categories and includes the use of cash reserves totaling \$9,980,153. The City supports Hart Cemetery, Hart Area Fire Board, Hart Economic and redevelopment Team, Hart Area Recreation, Starting Block Kitchen Incubator and Hart Historic District. The FY2023 Major Operating Fund expenditure overview is as follows.

General fund \$2,337,477

Hydro fund \$5,290,948

Sewer fund \$2,049,830

Water fund \$301,898

STAFFING:

City Hall 5 full time employees and 1 part-time

Historic District 1 full time employee and 1 part-time plus Volunteers

HEART 2 part-time & Volunteers

Police 4 full time employees and 2 part-time

Public Works 4 full time employees and 1 part-time

Hydro 5 full time employees

Wastewater 3 full time employees

SUMMARY:

Utility Rates and Fees – This year implements our first Water and Sewer rate increase in sometime (per Council action in March of 2022). Following the electric rate assessment, the City may need to consider raising electric rates to continue to support our aging infrastructure in a planned and forecasted manner.

Taxes – Millage rates are proposed to remain consistent with prior years rates.

Grants – The City has applied for a U.S Economic Development Corporation \$2,887,000 grant to help cover some of the cost of proposed \$9,500,000 wastewater, water, and road infrastructure projects. Final award notification is pending. The HEART Team applied for and won a \$10,000 grant that will be allocated towards an art project downtown. A DNR Trust Fund Grant of \$300,000 (awarded in 2021) will help to cover the cost of Veteran’s Park renovations.

Debt – An \$9,500,000 SRF loan will allow the necessary reconstruction of several proposed Water, Wastewater, and Road projects.

Staffing – The Hart Police Department plans to add one additional full-time officer to help address the issue of no available part-time staff. This will be partially funded by using past budgeted part-time salary and reduction of over-time hours seen in 2022. Goals included in 2023 include an efficiency measure to digitize archived paper records to reduce the amount of storage space needed for City records and add the ability to easily find old documents. A temporary part-time position will be created to have a staff member available to focus on this effort. The City is also planning to work with other local communities to establish a property maintenance / code enforcement department inclusive of one full-time inspector with one part-time administrative support staff employee. No other new positions are planned.

RECOMMENDATION:

Here is the grand total budget including Major and Minor fund activity, transfers, and inter-fund payments.

GRAND TOTAL FY2023

Revenues \$14,656,024

Expenditures \$14,255,174

- F.Rybarz motioned to close the Public Hearing at 7:55pm and supported by K. Trygstad.
 - Ayes: 5 Nays: 0 Absent: 2
- Communication from Undersheriff Schiller
RE: Oceana Drive Land.

I am writing regarding our on-going conversation about a possible land swap for our new Sheriff's Office and Jail facility. We want to keep the City of Hart up to date as to our status and developments.

On May 5th the County Board of Commissioners unanimously voted to put the millage request to the voters for the August 2nd, 2022, primary election. With that said, we would like to continue to establish a suitable location for the site to be located should the voters approve this ballot initiative.

If the voters approve this proposed millage, we intend to seek a USDA rural development loan for the project. One of the many stipulations to a USDA loan is a archeological and geological survey be conducted on the property.

This process is said to take a significant amount of time. To reduce that time could significantly help our locked-in interest rate for the life of the loan. We are requesting permission to proceed with these necessary studies ahead of time.

If you and your Council do not object to this, please me know

Thank you

Ryan Schiller Undersheriff

Discussion upon the Council if a land swap is going to be done and an archeological and geological survey is going to be conducted on the City property if one can be done on the County's property also.

City Manager R. Splane is going to reach out to the environmental company the City is currently working with on the Walkers property and inquire into the benefits in having a dig done on that property and if it is appropriate to have one done to be proactive.

Also added benefit with the property from the County would be a good place to move the ball fields from John Gurney Park so that a much-needed expansion can be done.

CONSENT AGENDA:

- Approval of minutes from May 10th, 2022.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
 - A. Klotz motioned to approve Consent Agenda and supported by K. Trygstad
 - Ayes: 5 Nays: 0 Absent: 2

ACTION ITEMS: NONE**DISCUSSION ITEMS:** NONE**CITY MANAGER'S REPORT:**

- Budget adoption by Council on June 14th, 2022
- Wigton Street construction nearing completion
- Oceana County was well represented with 7 people attending the Michigan Rural Development Conference. The City of Hart was one of 9 presenters out of over a hundred applicants statewide to pitch the "Put your Town on the Map" competition sponsored by Consumers Energy. Following the competition, the City of Hart was awarded

\$10,000 towards the Tin Man project. More donations and funding sources are being sought to bring the project to fruition.

- The City was also awarded a grant that with matching funds from TIFA will support the purchase of audio speakers for downtown light poles for use during events and possibly for ambient audio during the holidays.
- The City has received correspondence (copies provided) that we have scored high on a grant application through the U.S. Economic Development Administration. The grant, if awarded will be in the amount of \$2,887,000 to help support the cities upcoming water system improvement projects. The City intends to provide matching funds using the State Revolving Fund Loan that we are currently seeking. This is creating a timeline problem that will require some council action to address. Pending upcoming conversations with the cities financial and legal advisors, we will seek the best course of action to ensure we are positioned correctly to receive these grant funds.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- **Closed Session** – Per Section 8 (C) of the Open Meeting Act: For strategy and negotiation sessions connected with the negotiation of the collective bargaining agreement if either negotiation party requests a closed hearing.
 - A. Klotz motioned to go into a Closed Session at 8:30pm, per Section 8 (C) of the Open Meeting Act: For Strategy and Negotiation sessions connected with the negotiations of the collective bargaining agreement if either negotiation party requests a closed hearing and supported by F. Rybarz
 - Ayes: 5 Nays: 0 Absent: 2
 - A. Klotz motioned to go back into regular meeting and adjourn from Closed Session at 9:35pm and supported by F. Rybarz
 - Ayes: 5 Nays: 0 Absent: 2

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned at 9:39pm upon a motion by A. Klotz and supported by K. Trygstad. The next regularly scheduled meeting will be on June 14th, 2022, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk