



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
June 14th, 2022
MINUTES – Approved**

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

ABSENT: None

OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, DPW Superintendent – Brad Whitney, Energy Superintendent – Mike Schiller, Police Chief – Juan Salazar, Sharon Hallack, Dick Huntington, and George Sadler

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 C. Burillo
 - Ayes: 7 Nays: 0 Absent: 0

PUBLIC COMMENTS:

- George Sadler 211 E Main Hart stated how nice downtown looks, the park looks fantastic, has heard lots of good comments from residents.
2nd id hope you guys will look at is maintenance on the streets, there has been a big hole up the street on main street that has been there since the beginning of March, finally, after making a few phone calls to Rob it got closed up, but keeps getting bad again and I have heard lots of excuses on why it can't get done seems like it cold of been coordinated with the project going on down the street. The City of Ludington has a mandatory that once they tear up a street, they have 10 days to have that road fixed no matter the time of year. I feel it is something the City needs to really look at. If the City can't get it fixed than someone needs to be hired to get it fixed, residents shouldn't have to drive across a bumpy road. Over in front of Larson's hardware went for two months with a cone sitting in the road covering a hole people had to drive around and after complaints about why it isn't getting fixed, they came down and put a bunch of cold patch in there to fix it. Why isn't it getting done right? Should be cut out and concrete put around it. I have a sink hole in the back of my ally next to the drain, 5 years ago I came down and talked to Stan about it as it used to be only about a foot and half and now it is over three foot. Its sinking and we have garbage trucks that drive through there with no weight restrictions. I guarantee that if you drive your car down there you will bottom it out. We need to have some direction for whom ever runs the street department. The City should be ashamed to have to drive over gravel on the streets in Hart. If you tear up a street fix the street. Thank you for your time.

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- None

CONSENT AGENDA:

- Approval of minutes from May 24th, 2022.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
 - F. Rybarz motioned to approve Consent Agenda and supported by J. Evans
 - Ayes: 7 Nays: 0 Absent: 0

ACTION ITEMS:

- Resolution 2022-18 FY2023 Annual Budget Adoption
Whereas, the City of Hart pursuant to Chapter IX of the Hart City Charter is required to conduct a public hearing for and adopt an annual budget on or before the first meeting in June each year, and City staff has prepared and submitted a budget for review by various committees and boards, and

Whereas, the City of Hart will conduct a Truth and Taxation public hearing on June 24, 2022 formalizing revenue included in the annual budget, and

Whereas, the City of Hart has prepared a 10-Year Capital Improvement Program, a planning and forecasting tool to assess the long-term infrastructure needs of the City, 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 Annual Budget for FY2023 (July 1, 2022-June 30, 2023) and 10-Year Capital Improvement Program is adopted as follows

GENERAL OPERATING FUNDS		
	<u>REVENUES</u>	<u>EXPENDITURES</u>
General - 101	\$2,077,939	
Total	\$2,077,939	\$2,449,523
	<i>Balance</i>	<i>(\$371,584)</i>
Major Streets - 202	\$171,975	\$117,756
	<i>Balance</i>	<i>\$54,219</i>
Local Streets - 203	\$180,538	\$460,756
	<i>Balance</i>	<i>(280,218)</i>
Street Improvements - 204	\$104,539	\$30,000
	<i>Balance</i>	<i>\$74,539</i>
Park - 208	\$122,035	\$634,758
	<i>Balance</i>	<i>(\$512,723)</i>

Tax Increment Financing - 215	\$212,073	\$163,203	
	<i>Balance</i>	<i>\$48,870</i>	
HEART - 244	\$33,207	\$41,800	
	<i>Balance</i>	<i>(\$8,593)</i>	
Historic Commission - 701	\$50	\$0	
	<i>Balance</i>	<i>\$50</i>	
Historic District - 702	\$23,477	\$51,823	
	<i>Balance</i>	<i>(28,346)</i>	
<u>ENTERPRISE FUNDS</u>			
Hydroelectric - 580	\$5,541,165		
Total	\$5,541,165	\$5,491,707	
	<i>Balance</i>	<i>\$49,458</i>	
BioPure - 590	\$2,188,405	\$2,049,831	
Water - 591	\$484,003	\$301,899	
Total	\$2,672,408	\$2,351,730	
	<i>Balance</i>	<i>\$320,678</i>	
<u>SPECIAL FUNDS</u>			
Library Debt Service - 301	\$75,750	\$74,250	
	<i>Balance</i>	<i>\$1,500</i>	
Hart Lake Board - 241	\$40,338	\$37,309	
	<i>Balance</i>	<i>\$3,029</i>	
Rail Trail - 284	\$8,000	\$8,000	
	<i>Balance</i>	<i>\$0</i>	

GRAND TOTAL FY 2023	<u>REVENUES</u>	<u>EXPENDITURES</u>
	\$14,832,169	\$14,659,317
	Includes use of cash reserves	Includes interfund transfers
PRIOR YEAR BUDGETED FY2022	\$19,366,425	\$18,181,445

- A. Klotz motioned to approve Resolution 2022-18 FY2023 Annual Budget Adoption and supported by F. Rybarz
 - Ayes: 7 Nays: 0 Absent: 0
- Resolution 2022-19 Hart Energy service truck purchase authorization

Whereas, the Energy Department has in their current year budget, the purchase of a new service pickup truck, and

Whereas, while collecting quote information related to the purchase of a new truck, issues with availability of new vehicles for last 2022 and into 2023 has become apparent due to a shortage of a key part associated with the manufacture of vehicles and other items requiring a computer chip to operate the electrical system; and

Whereas, following seeking quotes from local auto dealers with in-stock inventory, the statewide MiDeal program, and working with regional industry contacts, the city has found a vehicle equipped as necessary and available for purchase; and

Whereas the Energy Department requires dependable and functional equipment to ensure the proper delivery of electricity to residential, commercial, and industrial customers,

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

Accepts the most cost-effective option of available inventory; and authorizes the purchase of a 2022 2500HD (CK20953) 4WD Double Cab 162" Work Truck with installed Brand FX Service Body at a total cost of \$48,382. The City Manager will be responsible to sign the purchase agreement and accept delivery of the vehicle.

 - J. Evans motioned to approve Resolution 2022-19 Hart Energy Truck Purchase and supported by F. Rybarz.
 - Ayes: 7 Nays: 0 Absent: 0
- Resolution 2022-20 Accept Griswold Force main bids and award project

Whereas, the City of Hart owns, operates and maintains a municipal wastewater collection system; and

Whereas, the City charges rates for the use of that system to cover operating expenses, and allocate funds for infrastructure improvement projects; and

Whereas, City Engineer Prein & Newhof has prepared plans and specifications for construction of new wastewater force main, from the Griswold Street Lift Station to the BioPure treatment plant west of 88th avenue. The City invited well-qualified construction contractors to submit bids for this project; and

Whereas, on May 19th, 2022 the City received three (3) bids for the aforementioned project; and City Engineer Prein & Newhof reviewed the bid and recommends project award to Hallack Construction; and

Whereas, to secure the benefit 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:

Approves and accepts the low bid from Hallack Contracting in the amount of \$1,139,750.00

Authorizes and directs the City Manager to sign all contract documents for the Griswold Wastewater Force main reconstruction project.

 - F. Rybarz motioned to approve Resolution 2022-20 Accept Griswold force main bids and award project, and supported by C. Burillo
 - Ayes: 7 Nays: 0 Absent: 0

- Resolution 2022-21 Resolution of intent to provide City matching funds to potential EDA Grant. Whereas, the City of Hart owns, operates and maintains a municipal wastewater collection system; and Whereas, the City of Hart has applied for a \$2,887,000 EDA Grant to assist the City in a series of wastewater capital improvement projects. Eligible grant projects total more than \$5.7 Million dollars; and Whereas, the City of Hart has also applied for financing from the State of Michigan’s Clean Water State Revolving Loan Fund (“CWSRF”). This low interest loan will cover the needed matching funds from the EDA Grant project. The CWSRF loan will be evidenced by the City’s issuance of revenue bonds under the provisions of Act 94 of the Public Acts of Michigan of 1933, as amended (“ACT 94”); and Whereas, A concern was raised that if the CWSRF loan funding is not available, a secondary source will be necessary to evidence the EDA grant’s local match requirement. In that circumstance, the City will sell the PA94 revenue bonds on the open market to meet the EDA grant’s local match requirements; and Whereas, to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares:
NOW THEREFOR BE IT RESOLVED THAT THE HART CITY COUNCIL:
Resolves that in the event EDA grant funding is awarded to the City of Hart, the City is required to provide matching funds per the grant requirements. The City intends to issue bonds through the State of Michigan Clean Water State Revolving Loan Funds. In the event CWSRF funding is not available, the City will intend to issue Act 94 revenue bonds in the open market through a rated bond process.
 - C. Burillo motioned to approve Resolution 2022-21 Resolution of intent to provide matching funds to potential EDA grant
 - Ayes: 7 Nays: 0 Absent: 0

DISCUSSION ITEMS:

- City Manager 12-month review.
City Manager will send all council members a performance evaluation PDF to fill out and submit back to Mayor Platt on or before June 24th and will be presented at the next City Council meeting on June 28th.
- Truth and taxation public hearing June 28th
Each year as part of State Requirements the City is to hold a public hearing regarding tax levy/millage rate.
- LIEAF Program Opt-In – Propose to continue as recommended by Hart Energy Power Board.
LIEAF (Low Income Energy Assistance Fund), Public Act 95 that prohibits discontinuance of electric service during cold weather months Nov 1st – April 15th, unless the utility opts into the Low-Income Energy Assistance Fund. Mind you the City works with all customers during tough times and does not just shut electric off.

CITY MANAGER'S REPORT:

- Wigton Street construction complete, Hanson Street to begin next.
- Truth and taxation public hearing set for June 28th council meeting.
- Fiscal Year 2022 budget amendment presentation, June 28th council meeting
- Employee survey is being distributed seeking employee satisfaction input and ideas on city efficiency improvements.
- MISO Alert – Load shedding events in late June and through July may cause electric supply interruption. Hart Energy is working on mitigating the effects of this. See included PSA for additional information.

CITY GOALS – Updates:

- Establish a plan to spur development of the “Creeks” to begin to provide new housing options.
 - ♦ Closing set for June 23rd on Creeks duplex condo development groundbreaking planned for July.
 - ♦ An offer on the remaining several single-family parcels is in negotiations.
- Tackle the issues of blight and code enforcement
 - ♦ Pending 2023 budget adoption to finalize proposed plan with the Village of Shelby and Shelby Township to share a code enforcement department. The department will supply our communities with rental inspections and property maintenance enforcement services.
 - ♦ Work with Planning Commission to adopt International Property Maintenance Code (IPMC) to begin in July.
 - ♦ Tentative grant funding has been awarded for 227 E. Main to cover demolition, site remediation, and improvements.
- Review options to plan for sustainable infrastructure maintenance in coming years.

- ♦ Continued focus to maintain Capital Improvement Plans for long-term planning.
- ♦ Implemented Water and Wastewater rate studies this year. Planned Electric rate study for this fiscal year. Plan to implement annual follow up studies to ensure fees will cover both operations and improvements.
- ♦ On-site training scheduled for next week with BS&A on long-term budget forecasting.

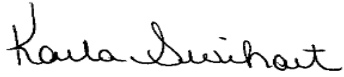
COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- J. Evans, the parking lot on East Main Street, the workers for business downtown and the residents living above the stores/restaurants. Could there be an ordinance that could be done to make that customer parking only? And have employees park down by the old Walkers building?
Also a question for Mr. Sadler, What are your plans for the old Powers building downtown? Mr. Sadler stated it is for sale and have had two showings on it already. Also Mr. Sadler is open to any suggestions or ideas that anyone may have also.
Ceres property what is the status on that? City Manager R. Splane stated the TIFA board is in the process of a contract review with the property owners.
And what is the status of the rental inspector/code enforcement office? Mr. Evans was approached by a local renter from the City who's roof is leaking and has contacted their landlord and their LL said if you turn me over to the rental inspector I will evict you. It would be nice to have an inspector in the City renters can contact. City Manager Splane the City's intention is to have an inspector/code enforcement officer and inspections be done annually or every two years.
- F. Rybarz wanted to follow up on the roads question that Mr. Sadler brought up, and asked if the City has a policy on the City streets for general maintenance? The current policy is to fix the road for travel as soon as possible. DPW Superintendent stated that the City has two asphalt company's that the City works with and at times they also need to rely on a contractor to come and dig up sections of the road as the City does not have the big equipment needed to cut thru the sections of road so sometimes it takes time to get both companies to have sometime open. And its always the City's intentions to get the repairs done as quickly as possible.
F. Rybarz has been talking with BioPure superintendent P. Cutter and City Manager R. Splane regarding the Wastewater plant and I have also visited the plant looked at all the biosolids in the lagoon. I am going to have a conversation with former Muskegon County Wastewater supervisor Mark who has delt with big plants and what his recommendations he may have the City could take into consideration.
- C. Burillo, I would echo Mr. Evans comments on the downtown parking lot. I would be nice to have parking for business employees parking and it would be nice to have something in place for customer parking.
Below JGP park there is a pavilion. Is that maintained by the City or who manages that? JGP managers do over see that area. It is a nice area but not a lot of picnic tables down there and there used to be a grill there that is also missing so I wanted to bring that to your attention.
On the Ceres property there is a big hole on the southwest corner not sure if maybe cones should be placed around that so that someone doesn't fall into that as I do see kids riding their bikes thru there.
- **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.
 - C. Burillo motioned to go into a Closed Session at 8:45pm, 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 J. Evans
 - Ayes: 7 Nays: 0 Absent: 0
 - A. Klotz motioned to go back into regular meeting and adjourn from Closed Session at 9:35pm and supported by K. Trygstad
 - Ayes: 7 Nays: 0 Absent: 0
 - J. Evans motioned to direct City Manager R. Splane to hire a consultant to do a comparative review of the Union contract proposal and also to negotiate and supported by C. Burillo
 - Ayes: 7 Nays: 0 Absent: 0

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned at 9:43pm upon a motion by C. Burillo and supported by J. Evans. The next regularly scheduled meeting will be on June 28th, 2022, at 7:30 pm.

Respectfully Submitted

A handwritten signature in black ink that reads "Karla Swihart". The signature is written in a cursive, flowing style.

Karla Swihart, City Clerk