



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
JUNE 23, 2020, 7:30 pm.
MINUTES - APPROVED**

PRESENT: Mayor Ron LaPorte (in person), Councilors: Vicki Platt (Zoom), Jason La Fever (in person) Rob Splane (Late - Zoom), Catalina Burillo (Zoom), Joe Frontiera (in person) and Steve Hegedus (in person)

ABSENT: None

OTHERS PRESENT City Manager – Lynne Ladner, and Deputy City Clerk - Cheri Eisenlohr.

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

AGENDA:

- Mr. Hegedus made a motion to approve the agenda, supported by Mr. Frontiera, all ayes, the motion carried.
 - Ayes: 6 Nays: 0 Absent: 1

MINUTES:

- Ms. Burillo made a motion to approve the minutes of the June 23, 2020, meeting, supported by Mr. Hegedus, all ayes, the motion carried.
 - Ayes: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS, CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Public Hearing – Industrial Facilities Tax Exemption Application – Gray & Co.
 - The Mayor opened the meeting at 7:30 pm.
 - Katie Visger of Gray & Co. addressed the Council to point out the benefits to the City and its residents having Gray & Co., in the City limits. She pointed out that 50+ employees will be hired with the new expansion that is planned to accommodate the “Paradise” business that is being moved up from Florida. Dirk Williams of Gray & Co., confirmed the statements made by Ms. Visger.
 - Ms. Platt asked why only 9 years were being pursued rather than 12. Mr. Frontiera stated that he believed that the 12 years were offered only to “new” businesses coming into the area, and 9 was for established businesses.
 - The Mayor closed the meeting at 7:46 pm
- Public Hearing – Truth in Taxation City of Hart
 - The Mayor opened the meeting at 7:46 pm
 - Ms. Ladner gave an overview of why the hearing was needed. Mr. Frontiera asked if this was to be an on-going increase or a one-time. Ms. Ladner stated that it was to be a one-time request.
 - A decision was made to make this request vs. increasing utility costs as the rate-studies indicate need to happen.
 - The Mayor closed the meeting at 7:56 pm.
- Mr. George Sadler brought up the stench that is coming from the BioPure Treatment Facility.
 - Mr. Cutter reported that they are working on the problem and are trying various chemicals to address the settling/odor problem. He apologized. Please see his written report.

DEPARTMENT REPORTS:

- *Police Chief, Juan Salazar:*
 - A written report was provided.
- *Energy Dept. Superintendent, Mike Schiller:*
 - A written report was provided.
- *BioPure Superintendent, Paul Cutter:* Attended via Zoom
 - A written report was provided.

- *DPW Superintendent, Brad Whitney:*
 - A written report was provided.
- *HEART Director, Nichole Steel:*
 - A written report was provided.

BILLS, CLAIMS, & PAYROLL:

- Bills: \$173,579.50 Payroll: \$64,907.14 Grand Total: \$238,486.64
- Mr. Splane made a motion to approve, supported by Ms. Platt, the motion carried.
 - Ayes: 7 Nays: 0 Absent: 0

ACTION ITEMS:

Ms. Ladner addressed the following Action Items:

**RESOLUTION 2020-35
City Council
City of Hart, Michigan**

FY2021 ELECTRIC, WATER, SEWER & TRASH RATES

WHEREAS, the City of Hart owns and operates electric, water, sewer, and wastewater treatment facilities; and contracts for trash hauling services ("services"); and

WHEREAS, these services are funded through user rates and should self-fund their operations, maintenance, equipment replacement, and debt service; and

WHEREAS, the FY2021 Annual Budget was developed assuming the following electric, water, sewer and trash rates; 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:

Adopts the rates and charges as identified below for FY2021 effective for all bills for services mailed on or about July 1, 2020:

<u>A</u>	<u>ELECTRIC--RESIDENTIAL</u>	<u>RATES FY2020</u>
	Single phase monthly base rate	\$7.00
	Three phase monthly base rate	\$19.00
	kWh charge	\$0.0765
<u>B</u>	<u>ELECTRIC-- COMMERCIAL</u>	<u>RATES FY2020</u>
	Single phase monthly base rate	\$16.50
	Three phase monthly base rate	\$19.00
	kWh charge	\$0.0910
<u>C</u>	<u>ELECTRIC--DEMAND CUSTOMER</u>	<u>RATES FY2020</u>
	Monthly base rate	\$60.00

	Demand charge per KW	\$8.00
	kWh charge	\$0.0564
<u>D</u>	<u>ELECTRIC—INDUSTRIAL CUSTOMER EXCEEDING 2,000,000 KWH ANNUALLY</u>	<u>RATES FY2020</u>
	Monthly base rate	\$60.00
	Demand charge per KW	\$7.00
	kWh charge	\$0.0530
<u>E</u>	<u>FUEL COST ADJUSTMENT FACTOR (12- MONTH ROLLING AVERAGE)</u>	Varies
<u>F</u>	<u>ENERGY OPTIMIZATION</u>	<u>RATES FY2020</u>
	Residential per kWh	\$0.0013
	Commercial per meter	\$4.43
	Industrial per meter (6)	\$215.24

<u>G</u>	<u>WATER</u>	<u>RATES FY2020</u>
	Base rate per month including up to 3,000 gallons per month with 5/8 inch meter	\$7.54
	1 inch meter	\$9.13
	1.5-inch meter	\$11.55
	2-inch meter	\$14.30
	3-inch meter	\$15.95
	4-inch meter	\$17.88
	Rate per 1000 gallons (3001-13,000 gallons per month)	\$1.28
	Rate per 1000 gallons (over 13,000 per month)	\$1.12

<u>H</u>	<u>WASTEWATER</u>	<u>RATES FY2020</u>
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	Base rate per month including up to 3,000 gallons per month	\$29.78
	Volume rate per 1000 gallons per month over 3,000 gallons	\$3.31
	Volume rate per 1000 gallons per month over 3,000 gallons (contracts)	\$3.31
	BOD Surcharge per pound	\$0.191
	TSS Surcharge per pound	\$0.140
I	<u>CUSTOMER CHARGE</u>	
	Gray & Company	\$2,769.60/month
	Michigan Freeze Pack	\$900.00/month
	Indian Summer	\$900.00/month

<u>J</u>	MONTHLY RESIDENTIAL TRASH COLLECTION FEE	\$21.90
	MONTHLY RESIDENTIAL CLEAN UP FEE	\$1.00
	Monthly residential trash collection fees may increase, current contract expires Nov. 2020 and a new solid waste contract will need to be bid and negotiated.	

Moved by Mr. Splane, supported by Mr. La Fever, and thereafter adopted at the regular City of Hart City Council meeting on June 23, 2020.

Ayes: 7 Nays: 0 Absent: 0

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 City Clerk

Memo
 To: Mayor and Council
 From: Lynne Ladner
 Date: 06/17/20
 Re: Resolution 2020-36

Ladies and Gentlemen,

The resolution that was included in your packet for the June 23rd meeting mistakenly had the incorrect mill levy amounts for all three millages. In an oversight, while working to ensure that the packet work was completed early in the week as I was planning to be out of the office on Thursday and Friday, I began working on the documents early in the week. Unfortunately, this resolution did not get fully edited from 2019 (which is why it says 2019 Millage Rate), and the 2020 millage rates were not inputted in the resolution. The corrected millage rates as permitted by the Truth in Taxation hearing, which was noticed as taking place on June 23rd, are as follows: Operating – 12.6567, Streets – 1.9962, and Cemetery - .4998. The correct amounts have been used in calculating the budget revenues; it is simply this column on the resolution that was incorrect. Attached is a copy of the corrected resolution for tomorrow's meeting.
Lynne

RESOLUTION 2020-36
City Council
City of Hart, Michigan
Oceana County

ADOPTION OF 2020 MILLAGE RATES & LEVY

WHEREAS, the City of Hart has established a general millage for operating purposes and voted millage for the Cemetery and street improvements in 2018 and 2020, respectively; and

WHEREAS, the City conducted a "Truth In Taxation" hearing on June 23, 2020 which permits the proposed tax rates to exceed the maximum rates allowed by "Headlee" rules (MCL 211.34); and

WHEREAS, the City has determined that for FY 2021 that it is necessary to levy the maximum allowable mill levy;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Adopts and levies the following tax rates for 2020 as follows:

<u>PURPOSE</u>	<u>2020 MILLAGE RATE</u>
Operating	12.6567
Streets (Voted March 2020)	1.9962
Cemetery (Voted November, 2018)	0.4998
TOTAL	15.1527

Moved by Mr. Splane, and supported by Mr. Hegedus, and thereafter adopted by the City of Hart, Michigan City Council at a regularly scheduled meeting held on Tuesday, June 23, 2020.

Ayes: 7 Nays: 0 Absent: 0

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 City Clerk

Memo
 To: Mayor and Council
 From: Lynne Ladner
 Date: 06/17/20
 Re: Resolution 2020-35, 2020-36, and 2020-37

The three resolutions in front of you as council members related to the FY 2021 budget include adopting the Utility rates for Water, Wastewater, Electric, and Solid Waste. There are not any increases listed in the resolution or the budget, but there is a note in both indicating that the Solid Waste rates may go up mid-year as the current contract with Republic Waste expires in November of 2020 and will need to either be negotiated and extended or put out to bid. The challenge with putting the contract out for bid is the limited potential bidders for the contract in the area.

The second resolution deals with the millages for the three City levies: operating, streets, and Cemetery, the last two of which were voter-approved in March of 2020 and November of 2018, respectively. We are also holding the Truth in Taxation hearing requesting that the City approve the full taxable amount also known as a "Headlee Override," with the correcting of issues associated with properly attributing parcels to the TIFA district the override is needed particularly in the General Fund to balance the budget and prevent the need to use any cash reserves. The Operating mill levy is 12.3959, streets 1.9551, and Cemetery .4895 for a total City mill levy of 14.8405.

The third and final resolution is the adoption of the FY 2021 budget. The breakdown of revenues and expenditures for each fund can be seen in the Resolution 2020-37 with the overall City budget, including all funds being \$9,913,153 in revenues and \$9,800,685 in expenditures. This is a balanced budget with the only potential for the use of cash reserves being in the Parks Fund 208 due to reduced revenues from site and pavilion rentals at JGP from the COVID closures.

Lynne

RESOLUTION 2020-37
City Council
City of Hart, Michigan

FY2021 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 conducted a Truth in Taxation p 13 hearing on June 23, 2020, regarding 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 FY2021 (July 1, 2020 – June 30, 2021) and 10-Year Capital Improvement Program is adopted as follows:

GENERAL OPERATING FUNDS		
	REVENUES	EXPENDITURES
General - 101	\$1,997,771	
Total	\$1,997,771	\$1,997,487
	Balance	\$284
Major Streets - 202	\$144,593	\$51,995
	Balance	\$92,598

Local Streets - 203	\$250,025	\$250,000	
	Balance	\$25	
Street Improvements - 204	\$277,247	\$273,369	
	Balance	\$3,878	
Park - 208	\$112,030	\$111,335	
	Balance	\$695	
Tax Increment Financing - 215	\$110,595	\$88,700	
	Balance	\$21,895	
HEART	\$43,231	\$27,600	
	Balance	\$15,631	
Historic Commission - 701	\$50	\$0	
	Balance	\$50	
Historic District - 702	\$67,260	\$57,009	
	Balance	\$10,251	
<u>ENTERPRISE FUNDS</u>			
Hydroelectric - 580	\$5,484,673		
Total	\$5,484,673	\$5,480,200	
	Balance	\$4,473	
BioPure - 590	\$1,864,800		
Water - 591	\$437,300		
Total	\$2,302,100	\$2,210,388	
	Balance	\$91,712	
<u>SPECIAL FUNDS</u>			
Library Debt Service - 301	\$75,760	\$75,750	
	Balance	\$10	
Hart Lake Board - 241	\$44,840	\$28,860	
	Balance	\$15,980	

Rail Trail - 284	\$8,010	\$8,000	
	Balance	\$10	
GRAND TOTAL FY 2020	REVENUES	EXPENDITURES	
	\$9,913,153	\$9,800,685	
	Includes use of cash reserves	Includes interfund transfers	
PRIOR YEAR BUDGETED FY2020	\$12,501,938	\$12,338,094	

Moved by Mr. Frontiera, supported by Mr. Splane, and thereafter adopted at the regular City of Hart City Council meeting on June 23, 2020

Ayes: 7 Nays: 0 Absent: 0

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 City Clerk

Memo
 To: Mayor and Council
 From: Lynne Ladner
 Date: 06/17/20
 Re: Resolution 2020-38

In May of 2020, Gray and Co submitted to the City an application for an Industrial Facilities Tax Exemption for the addition project that they are completing at their current site. They are seeking a 12 year 50% abatement of the new taxes generated from the \$5,662,261 project.

The Board of Review acting as the Tax Abatement Committee met on Thursday, June 18th, to discuss the abatement and made the recommendation to approve a 9 year 50% abatement of the new taxes generated from the project. The decision of the length of the abatement, however, remains with the Council.

It is my recommendation that the Council adopts Resolution 2020-38 approving the Industrial Facilities Tax Exemption Certificate for Gray and Company. I have provided two copies Res. 2020-38, which is the full 12 year/50% and Res 2020-38A, which is the recommended 9 year/50%, whichever form is chosen by the Council with officially become Res 2020-38.

Lynne

RESOLUTION 2020-38
City Council
City of Hart, Michigan

INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE
GRAY AND COMPANY

WHEREAS, on May 13, 2020, Gray & Company (Hart, MI) applied for an Industrial Facilities Tax Exemption Certificate for \$1,919,000 of real property improvements and \$3,743,261 in personal property costs located 3325 West Polk Road, Hart, MI 49420; and

WHEREAS, the Hart Tax Abatement Committee/Board of Review recommended approval of the Gray and Company request on June 18, 2020; and

WHEREAS, all governmental units that may be affected by the aforementioned application were notified by certified mail; and a public notice was published in the Oceana Herald Journal on June 18, 2020 regarding a public hearing on this matter; and

WHEREAS, the City of Hart City Council conducted a public hearing at their meeting on June 23, 2020 regarding the Gray and Company request; 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:

1. Approves an agreement between Gray and Company and the City of Hart acknowledging mutual benefit from the real property improvements and personal property costs as identified in the aforementioned Industrial Facilities Tax Exemption application.
2. Approves an application from Gray and Company for a 12-year Industrial Facilities Tax Exemption on \$5,662,261 of real property improvements and personal property costs.
3. Certifies that the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of the City of Hart, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Hart.
4. Certifies that the state equalized valuation of property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate state equalized valuation of property exempt under certificates previously granted and currently in force does not exceed 5% of the state equalized valuation of the local governmental unit.
5. Authorizes and directs the Mayor and Clerk to sign the aforementioned documents on behalf of the City of Hart.

Moved by Mrs. Platt supported by Ms. Burillo, and thereafter adopted at the regular City of Hart City Council meeting on June 23, 2020.

Ayes: 7 Nays: Abstain: Absent:

Resolution adopted.

I, the undersigned, the Clerk of the City of Hart, Oceana County, Michigan, do hereby certify that the foregoing is a true and complete copy of City of Hart Resolution 16-49, approved by the Hart City Council of Hart, Michigan at a regular meeting held June 23, 2020



Cheri Eisenlohr, Dep. City Clerk

**RESOLUTION 2020-39
City Council
City of Hart, Michigan**

CHURCH STREET WATER MAIN PROJECT

WHEREAS, the City of Hart owns, operates and maintains a municipal water supply and distribution system, municipal wastewater collection system and local public street system; and

WHEREAS, the City collects a property tax levy for the improvement of our local street system, and allocates funds from the water and wastewater system revenues for improvement projects; and

WHEREAS City Engineer Prein&Newhof has prepared plans and specifications for construction of replacement of two blocks of water main and the reconstruction of Church Street and the City invited well-qualified construction contractors to submit bids; and

WHEREAS, on June 11, 2020, the City received three (3) bids for the aforementioned project between \$203,295 and \$248,845; and City Engineer Prein&Newhof reviewed the bids and recommends project award to; 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 THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Approves and accepts the bid from McCormick Sand in the amount of \$203,295; and

Authorizes and directs the City Manager to sign all contract documents for the Church Street Water Main project

Moved by Mr. Frontiera, supported by Mr. La Fever, and thereafter adopted by the Hart City Council at a regularly scheduled council meeting held on Tuesday, June 23, 2020.

Ayes 7 Nays 0 Absent 0

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



Cheri Eisenlohr, Dep. City Clerk

Memo
To: Mayor and Council
From: Lynne Ladner
Date: 06/17/20
Re: Resolution 2020-40

Each year the City is required to hire an independent firm to complete the City’s fiscal year audit. The City has been working for the past few years with the members of the team that has now become part of the Maner Costerian firm and have a good professional working relationship with the audit team.

Maner Costerian has submitted their engagement letter to complete the City’s fiscal audits for the next three years, FY 2020, FY 2021, and FY 2022. As a professional service similar to legal and engineering services, this is a service that is generally not bid out unless the City is unhappy with the services, or it has been more than 10-15 years since the last request for proposals to ensure that fees are in line with the market place. FY 2020 will only be the City’s third year with Maner Costerian.

It is my recommendation that the Council adopts resolution 2020-40 accepting the engagement agreement with Maner Costerian for FY 2020 through FY 2022.

Lynne

RESOLUTION 2020-40
City Council
City of Hart, Michigan

ACCEPT ENGAGEMENT AGREEMENT WITH MANER COSTERISAN FOR AUDITING SERVICES

WHEREAS, the City of Hart is required to have an outside independent audit completed at the end of every fiscal year to ensure that the City's accounting practices and accounts are in compliance with generally accepted accounting practices and all GASB and OPEB reporting requirements; and

WHEREAS, the City of Hart has been happy with the services we have received in the past several years from the team of auditors that have ultimately formed into the firm which is known as Maner Costerisan and they are familiar with the City's practices and have helped with improving our process; and

WHEREAS with the end of Fiscal Year 2020 upon us it is necessary to enter into an engagement agreement with an independent auditing firm and as a professional service this is like attorneys and engineers not a service that is frequently bid out as the institutional knowledge that is gained by working with one firm for several years is a benefit to the City;

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Accepts the engagement agreement with Maner Costerisan for auditing services for FY 2020 in the amount of \$17,900, for FY 2021 in the amount of \$18,700 and FY 2022 in the amount of \$19,500; and

Authorize the City Manager to sign the engagement letter.

Moved by Mr. La Fever, supported by Ms. Burillo, and thereafter adopted by the Hart City Council at a regularly scheduled council meeting held on Tuesday, June 23, 2020.

Ayes 7 Nays 0 Absent 0

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



Cheri Eisenlohr, Deputy City Clerk

SPECIAL EVENTS PERMITS:

- Concerts on the Commons:
 - Mr. La Fever made a motion to approve the permit, supported by Mr. Hegedus, all ayes, the motion carried.
 - Ayes: 7 Nays: 0 Absent: 0

DISCUSSION ITEMS:

- None

CITY ATTORNEY'S REPORT:

- No report was given/provided.

CITY MANAGER'S REPORT:

- Ms. Ladner advised the Council that she would be out of the office for a few afternoons, but would be reachable via email or her cell phone.
- She pointed out that 3 applications for zoning appeal had been received.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Appointments by Mayor to Board of Zoning Appeals – the Mayor appointed the following:
 - Fred Rybarz
 - Jack Wittman
 - Betty Root
 - Vicki Platt as Council Representative
- Mr. Frontiera voiced his concerns regarding –
 - A water source being made available at the boat launch
 - Lines at the launch area

- Signage about a kayak launch at the Veteran's Park
 - Ms. Ladner said she would address these issues with DPW Superintendent, Brad Whitney.
- Mr. Splane thanked Ms. Ladner for making herself available while being away from the office and for advising them that she would be out periodically during the next few afternoons.

There being no further business to come before the Council, the meeting adjourned at 8:41 pm upon a motion by Mr. Hegedus and supported by Mr. La Fever. The next regularly scheduled meeting will be on July 14, 2020, at 7:30 pm, in the Hart Community Center.

Respectfully Submitted



Deputy City Clerk