



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
September 27th, 2022
MINUTES – Draft**

PRESENT: Mayor Vicki Platt, Councilors: Catalina Burillo (late), Jim Evans, Dean Hodges, Amanda Klotz, and Fred Rybarz

ABSENT: Kris Trygstad

OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, DPW 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 C. Burillo
 - Ayes: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS: NONE

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- **Audito Engagement Letter – Manor Costerisan**

To the City Council

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit. Each major fund, and the aggregate remaining fund information of the City of Hart (the City), Michigan, for the year ended June 30, 2022. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

As part of our audit, we will consider the internal control of the City. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform test of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free from material misstatement. As part of our audit, we will consider the internal control of the City. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matter related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis, budgetary comparison information, and OPEB schedules, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on other supplementary information, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

An audit includes examining on the test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgement about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit procedures in September 2022 and issue our report on or before December 31, 2022. Steven R. Kirinovic, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the City Council and management of the City of Hart and is not intended to be, and should not be, used by anyone other than these specified parties.

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CONSENT AGENDA:

- Approval of minutes from September 13th, 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 C. Burillo
 - Ayes: 6 Nays: 0 Absent: 1

ACTION ITEMS:

- Resolution 2022-40 Acceptance of agreement related to services – 2022 Clean Water State Revolving Fund Bonds

WHEREAS, the City of Hart owns, operates and maintains municipal water and wastewater systems; and

WHEREAS, the City of Hart has committed to the letting of revenue bonds as matching funds for a \$2,877,000 EDA Grant to assist the City in a series of wastewater capital improvement projects; and

WHEREAS, the City of Hart has been awarded financing from the State of Michigan’s Clean Water State Revolving Loan Fund (“CWSRF”). This low interest loan will cover the needed matching funds for the EDS Grant project. The CWSRF loan will cover the needed matching funds for 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 municipal financial advisor will be required to oversee preparation and processing of bond funding related documents including revenue support consulting, debt structuring, timetable management, application preparation, liaison assistance with the Municipal Finance Authority and the Department of Treasury; and

WHEREAS, to secure the benefits of efficient self-government and to promote and protect our common interest and welfare, the City Council hereby declares:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Accepts the proposal submitted from Baker Tilly Municipal Advisors to provide services related to the 2022 CWSRF Bonds for the fee of \$9,500. City Council further authorizes the City Manager to sign and execute any related documents to this expenditure.

 - F. Rybarz motioned to approve Resolution 2022-40 and supported by J. Evans
 - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2022-41 Acceptance of agreement related to services – 2023 Clean Water State Resolving Fund Bonds

WHEREAS, the City of Hart owns, operates and maintains municipal water and wastewater systems; and

WHEREAS, the City of Hart has committed to the letting of revenue bonds to provide funding for a series of wastewater capital improvement projects as adopted by council in 2021; and

WHEREAS, the City of Hart has been awarded financing from the State of Michigan’s Clean Water State Revolving Loan Fund (“CWSRF”). This low interest loan will cover the needed matching funds for 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 municipal financial advisor will be required to oversee preparation and processing of bond funding related documents including revenue support consulting, debt structuring, timetable management, application preparation, liaison assistance with the Municipal Finance Authority and the Department of Treasury; 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:

Accepts the proposal submitted from Baker Tilly Municipal Advisors to provide services related to 2023 CWSRF Bonds for the fee of \$15,500. City Council further authorizes the City Manager to sign and execute any related documents to this expenditure

 - J. Evans motioned to approve Resolution 2022-41 and supported by F. Rybarz
 - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2022-42 Accept proposal to perform Professional Environmental Due Diligence Services and award work

WHEREAS, the City of Hart Tax Increment Finance Authority has an active TIFA plan adopted by the City Council in 2021; and

WHEREAS, the City of Hart adopted TIFA plan identifies property acquisition as a TIFA goal in pursuit of improving land to the highest and best use case; and

WHEREAS, the City of Hart TIFA has identified an opportunity to acquire a blighted property containing functionally obsolete buildings; and

WHEREAS, The City of Hart TIFA has budgeted for acquiring property, performing environmental due diligence work, remediating any significant findings, and preparing the property for redevelopment with input from the City of Hart community, in cooperation with the State of Michigan, the Oceana County Brownfield Authority, and other area stakeholders; 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 CITY COUNCIL:

Accepts the proposal to perform professional environmental due diligence services and Award the work to Fishbeck Engineers for the amount not to exceed \$15,200. City Council Further authorizes the City Manager to sign and execute any related documents to this pursuit.

 - C. Burillo motioned to approve Resolution 2022-42 and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1

DISCUSSION ITEMS:

- Civic Leadership and Notable Community Involvement Award (The CLANCHI)

Councilman Evans suggested this a few months ago, A plaque has been ordered. The idea of this award to honor those for exceptional actions, and for going above and beyond.
- City Council Retreat – Proposed for Winter 2022

As an organization, how often do we reflect on your core values, mission, and guiding principles? Do you consider ow they influence your decision – making process on a daily basis?

Retreats are a powerful management tool for local government leaders to refocus on the mission of the City and develop priorities which are in line with the City’s core values.

Moreover, retreats can be energizing. They are opportunities for elected officials and City staff to step back from the day-to-day routine and organize around the foundational elements of our service – who we serve, what values we uphold, and what direction we are headed.

Who – Council and public for sure – Superintendents? – Boards/Commissions

What – Mission Statement – Goals and priorities – Expectations

Where – Recommended to be outside of City property to help foster new discussion, Fruit Research Station, Ladder, Loading Dock, Dunes Express

When – Friday night, Saturday in January.

CITY MANAGER'S REPORT:

UPDATES:

- The Creeks Subdivision construction coming along
- The City has accepted an offer on a single-family home lot
- TEAM Golf outing moved to Sunday October 2nd, come cheer on a good cause!
- Oceana County Economic Alliance – West Michigan Developer Day
- Hart Prize and Art Walk October 1st 11am-2pm

Legacy Topics:

- Waiting on legal to draft intergovernmental operational agreement for property code enforcement department – Adaption of that agreement in October looking to post Rental Inspection/Property Maintenance Code Enforcement position shortly after.
- Received one quote to demolish 227 East Main property waiting on a second
- Charter review committee has a timeline established for the review process and anticipates presenting to Council in November.

Upcoming Topics:

- Adoption of 2022-2026 Park and Rec Master Plan
- Planning Consultant RFP due next week – Council recommendation from the Planning Commission in October.
- Industrial Tax Exemption application – Seneca Foods

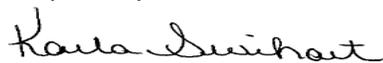
COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- R. Rybarz thanked City Manager for the explanations on the resolutions it helps with making decisions.

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned at upon a motion by C. Burillo and supported by F. Rybarz. The next regularly scheduled meeting will be on October 11th, 2022, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk