

City of Hart, Michigan
TIFA Board
May 13, 2021, 1:00 PM
Hart City Hall Community Center, 407 State Street, Hart, Michigan

NOTICE OF IN PERSON OR REMOTE/HYBRID PUBLIC MEETING

**THIS NOTICE IS GIVEN AND PUBLISHED PURSUANT TO
MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
EMERGENCY ORDER UNDER MCL 333.2253 – GATHERING PROHIBITION AND MASK
ORDER AND PA 228 OF 2020 AMENDMENT TO SECTION 3 OF PA 267 OF 1976 OPEN
MEETINGS ACT**

Topic: TIFA Board Meeting

Time: May 13, 2021 01:00 PM Eastern Time (US and Canada)

Join Zoom Meeting: <https://us02web.zoom.us/j/81837879955>

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Find your local number: <https://us02web.zoom.us/u/koID5dhdL>

TIFA Agenda

1. Call to order
2. Roll Call; B. Hegg, G. Goldberg, S. Hegg, S. Bruch, T. Lipps
3. March Minutes
4. Financials
5. Public Comment
6. DISCUSSION ITEMS
 - a. TIFA Board Member Opening
 - b. 2021 Sidewalks
 - c. 3 E Main St – Ceres Co-op Environmental – MEDC Visioning
 - d. 2021 Budget Priorities
7. Communications from members
8. Adjournment

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CITY OF HART

407 S. STATE ST.

HART, MI 49420

TAX INCREMENT FINANCE AUTHORITY (TIFA)

March 11, 2021, at 1:00 pm

MINUTES –DRAFT

Members Present via Zoom or in-person: Steve Bruch, Bill Hegg, Gale Goldberg, Scott Hegg, Tracey Lipps

Members absent: Lynne Ladner

Others present: HEART Director – Nichole Steel, Sue Payne

Call to Order: Mr. Bruch called the meeting to order at 1:00 pm. Voice rollcall was then taken.

Amendment to the Agenda – Bruch requested to add a closed session to the agenda. Steel amended the agenda to reflect that the property improvement grant request was for State Street not Washington Street. Motion by Bruch, supported by S. Hegg to approve the amendment. Motion carried.

Consent Agenda

- Motioned by Goldberg, supported by S. Hegg to table the financials until discrepancy gets resolved. Motion carried.
- Motion by Goldberg, supported by Bruch to approve the 02/11/21 minutes. Motion carried.

Public Comments: No public in attendance

Action Items:

- Property Improvement Grant request – 117 S State Oceana Land Title
 - Motion by Bruch, supported by Goldberg to approve the grant request in the amount of \$2,200 to Oceana Land Title to construct a wood-framed canopy across the front of 117 State as proposed in grant application. Motion carried.

Discussion Items:

- Sidewalk Improvement Project
 - No updates on sidewalk bids. Steel updated board on information from DPW that 20% of all lead water lines in the city are mandated to be replaced by 2025. DPW has indicated that they will be replacing all lines in the downtown North of Johnson St. TIFA is encouraged to coordinate their sidewalk replacement projects with lead line replacements. Bruch suggested looking at grant funding to help finish the downtown in a way that fits our needs to include a bicycle lane.
 - Brad, DPW Superintendent, join the call for questions and answers on water line replacements. He affirmed that the downtown water lines will have to be replaced 18 inches into the property, they do not have a timeline, still in the preliminary stages. He indicated that if there is another project to tie this to such as streetscape and tree replacement, it would make sense to make the downtown a priority.
- Closed Session was called into session by Bruch at 1:26 PM with no public present. Closed session ended at 1:59 PM.
- Band Shelter – Tracey Lipps provided the board with a history on how the band shelter project was approved through City Council and funded by the Lions Club. She also shared how

architectural drawings were completed and that the project would have been done if it weren't for COVID-19. DPW has advised us that the decking boards are now pulling away from the cement in the Commons, this project will now require further investigation before proceeding. Bruch asked Steel to get pricing on canopy style shade hoping the post can be sunk into the cement avoiding extra weight on the decking board. S Hegg would like to see more information on while the decking is pulling away. B Hegg gave information on the gas station and neighboring properties that have had issues with sinking and settling in that area as well. He also stated that any type of shelter is going to cast shade on the band and block the view of the Lake which is what makes attending concerts in heart Commons so unique.

Communications From Members:

- Discussion over concerns on why there is a tax discrepancy on the financial statements. It was suggested that a member of the TIFA board join the city manager and assessor in the next discussion.

Adjournment:

- Being no further business, Bruch moved, supported by Lipps, to adjourn the meeting at 2:25 pm. Motion carried.

The next regularly scheduled meeting will be in person on April 08, 2021, at 1:00 pm.

Respectfully submitted,



Nichole Steel
Community & Economic Development Director

06/11/2021

REVENUE AND EXPENDITURE REPORT FOR CITY OF HART
PERIOD ENDING 06/30/2021

GL NUMBER	DESCRIPTION	YTD BALANCE		ACTIVITY FOR MONTH 06/30/2021 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
		2020-21 AMENDED BUDGET	06/30/2021 NORMAL (ABNORMAL)			
Fund 215 - TIFA						
Revenues						
Dept 000.000						
215-000.000-402.000	CURRENT PROPERTY TAXES	110,525.26	172,370.84	0.00	(61,845.58)	155.96
215-000.000-540.000	STATE GRANT	0.00	0.00	0.00	0.00	0.00
215-000.000-665.000	INTEREST ON INVESTMENTS	70.00	52.24	0.00	17.76	74.63
215-000.000-676.204	Contrib. Fm 2 ml St Program	0.00	0.00	0.00	0.00	0.00
215-000.000-676.273	TfFmNPPGrantRehabToTIFA	0.00	0.00	0.00	0.00	0.00
215-000.000-677.000	REIMBURSEMENTS	0.00	0.00	0.00	0.00	0.00
215-000.000-694.000	MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
215-000.000-694.100	Loan Proceeds	0.00	0.00	0.00	0.00	0.00
215-000.000-699.000	USE OF CASH RESERVES	0.00	0.00	0.00	0.00	0.00
215-000.000-699.204	From Fd 204 (StImpRFd)	0.00	0.00	0.00	0.00	0.00
215-000.000-699.291	From Fd 291	0.00	0.00	0.00	0.00	0.00
215-000.000-699.400	OTHER REVWTR/SEW/HYD	0.00	0.00	0.00	0.00	0.00
Total Dept 000.000		110,595.26	172,423.08	0.00	(61,827.82)	155.90
TOTAL REVENUES		110,595.26	172,423.08	0.00	(61,827.82)	155.90
Expenditures						
Dept 000.000						
215-000.000-740.100	Materials	0.00	0.00	0.00	0.00	0.00
215-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	0.00	0.00	0.00
215-000.000-801.075	Marketing Grant City Share	0.00	0.00	0.00	0.00	0.00
215-000.000-801.209	Assessing Services	2,200.00	0.00	0.00	2,200.00	0.00
215-000.000-818.000	CONTRACTURAL SERVICE	0.00	0.00	0.00	0.00	0.00
215-000.000-880.000	COMMUNITY PROMOTIONS	2,500.00	0.00	0.00	2,500.00	0.00
215-000.000-900.000	PRINTING AND PUBLISHING	0.00	0.00	0.00	0.00	0.00
215-000.000-970.000	Capital Outlay	0.00	0.00	0.00	0.00	0.00
215-000.000-970.009	Property Acquisition	0.00	0.00	0.00	0.00	0.00
215-000.000-970.010	Sidewalk Program	0.00	0.00	0.00	0.00	0.00
215-000.000-970.594	COURTLAND/JEFFERSON CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
215-000.000-970.982	DowntownRevitalization	40,000.00	14,280.00	0.00	25,714.50	0.00
215-000.000-982.237	Share E.Main Lift (TIFA)	0.00	0.00	0.00	0.00	0.00
215-000.000-982.247	TIFA Dist Street Paving	0.00	0.00	0.00	0.00	0.00
215-000.000-982.248	Land Acquisition	0.00	0.00	0.00	0.00	0.00
215-000.000-998.000	MISCELLANEDUS	0.00	0.00	0.00	0.00	0.00
215-000.000-998.005	Bank Fee Charges	0.00	35.00	0.00	(35.00)	100.00
215-000.000-998.100	TRANSFER TO OTHER FUNDS	0.00	0.00	0.00	0.00	0.00
215-000.000-999.101	TRANSFER TO GENERAL FD	0.00	0.00	0.00	0.00	0.00
215-000.000-999.245	Sidewalk Replacement	35,000.00	0.00	0.00	20,714.50	40.82
215-000.000-999.271	TRANSFER TO LIBRARY	0.00	0.00	0.00	0.00	0.00
215-000.000-999.273	Tf to Fd 273	0.00	0.00	0.00	0.00	0.00
215-000.000-999.405	Tf to #405 (MitranspConst)	0.00	0.00	0.00	0.00	0.00
215-000.000-999.442	TRANSFER TO SIDEWALK	0.00	0.00	0.00	0.00	0.00
215-000.000-999.495	Transfer To Courtland St Proj	0.00	0.00	0.00	0.00	0.00
215-000.000-999.540	BEAUTIFICATION COMMISSION	0.00	0.00	0.00	0.00	0.00
215-000.000-999.590	TRANSFER TO SEWER	0.00	0.00	0.00	0.00	0.00
215-000.000-999.800	Facility Rehabilitation	0.00	0.00	0.00	0.00	0.00
215-000.000-999.840	HEART PROGRAM	9,000.00	0.00	0.00	9,000.00	0.00
Total Dept 000.000		88,700.00	14,320.50	0.00	74,379.50	16.14
Dept 906.000 - DEBT SERVICE						
215-906.000-992.000	PRINCIPAL PAYMENTS	0.00	0.00	0.00	0.00	0.00
215-906.000-995.000	INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00
Total Dept 906.000 - DEBT SERVICE		0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES		88,700.00	14,320.50	0.00	74,379.50	16.14
Fund 215 - TIFA:						
TOTAL REVENUES		110,595.26	172,423.08	0.00	(61,827.82)	155.90
TOTAL EXPENDITURES		88,700.00	14,320.50	0.00	74,379.50	16.14
NET OF REVENUES & EXPENDITURES		21,895.26	158,102.58	0.00	(136,207.32)	722.09

January 26, 2021

Lynne,

I spent some time reviewing the attached materials. We are missing the original TIFA plan adopted in 1983. I am hoping this document will outline the taxing units that TIFA plans on capturing. I checked the website and cannot locate it.

Currently, I am understanding per the tax disbursements to the County Treasurer's office that TIFA is capturing County General, Oceana Council on Aging, Medical Care Operating, County Ambulance, City General and City Street Improvement. The only document attached that outlines the taxing units is the Amended TIF Plan adopted 11/26/2019. The very last page notates a Revenue Projection stating County Allocated (Operating), Senior Citizen, ECMCF Improvements (Guessing this is Operating since TIFA would not take the MCF Building millage), Ambulance/EMS, City of Hart Operating and City of Hart Street Millage, Cemetery Operating, and Hart Public Schools Operating millages. Per Ed's email, the City of Hart's attorneys is stating that School millages cannot be captured and on the previous disbursements I don't believe that Cemetery Operating is being captured. I am hoping the clarification is in the original 1983 adopted plan.

I also require your help along with Ed's assistance in regards to the history of the base year and how the captured value is arrived at from 1983 to current. I am seeing in the attached documents the base year of 1997 is referred to at \$2,995,300. The base year would be 1983 and the taxes captured would be the difference between the base year established and the current year multiplied by the millages being captured. In 2019, the City's disbursement disclosed a 2019 Tax year base of \$1,641,825. Considerably lower than the 1997 figure in the plan. I am interested in knowing what the plan documented in 1983 and how it increased to \$2,995,300 to 2020 of \$9,506,726.

The plan also states that any taxes generated beyond the amount required by the plan are returned each year to the taxing jurisdictions. Annual financial reports are submitted to the Council. I do not believe that any reports are submitted to the taxing units having taxes captured. There should be some reporting to the taxing units having taxes captured.

I assisted Karla in getting her tax database setup correctly this past month so her system is automatically calculating the amount to be captured by TIFA. However, without knowing the above, I have no idea if her tax system is setup correctly. Karla needs to disburse the winter tax collection to date, but I am having her hold off until we have clarification on the above questions. Per statute, she is to disburse 10 business days after the 1st and the 15th of the month. She has disbursed, but we are not cashing the checks since they are inaccurate at this point in time. The City of Hart captured over \$50,000 in excess on the County General for Summer 2020. I sent her the corrections this morning in order to disburse the excess.

In closing, I am looking for the 1) original plan adopted in 1983 to give us clarification of the agreed taxes to capture, 2) the history of the taxes captured and 3) annual financial reports. My understanding is that the County has not received any annual reports, the Council on Aging Director has not received any reports or the Medical Care Facility. This should be corrected. We all know that budgets are based on tax collection and the tax revenue has been considerably decreased in 2020.

I appreciate your assistance. My TIFA knowledge is getting better, but so much more to know.

Sincerely,
Mary Lou

Mary Lou Phillips
Oceana County Treasurer
Oceana County Treasurer's Office

March 2021

Nichole,

I realize that the TIFA board wants the financials, unfortunately, we are still working with the County to get the situation resolved. The issue has grown as the County Treasurer is questioning the TIFA documents from the original formation in 1983, the property base values that were stated in 1994, and the current properties and collected millages from 1994 through now. Our assessor is working on this and in fact, picked up copies of the City's assessing roles from both 1983 and 1994 to compare the property tax values when things were put in place to what is in the system in relation to those and any new parcels that have been added to the district since (part of the 425 agreement for the properties on Polk Rd. play into this. These challenges arose when the state started to require an annual financial report each year beginning with the end of 2019 and the discovery that the captures had been being calculated on a spreadsheet that was in existence since Louise Stevens was the clerk and the inaccuracies in those calculations based upon changing laws and district boundaries. Please view the note added to the attached report from General Ledger which shows that the TIFA revenues are not in fact negative but more than 200% over what was budgeted. This distribution to the TIFA is what caused the County to question the distribution and values etc that we are attempting to clear up as capturing that amount significantly impacted the County's distributions to other jurisdictions.

Lynne Ladner (she/her) ICMA-CM, SHRM-SCP
City Manager
City of Hart, MI
www.cityofhart.org



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