



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
JUNE 11, 2019, 7:30 P.M.
MINUTES - APPROVED**

PRESENT: Mayor Ron LaPorte, Councilors: Patrice Martin, Rob Splane, Joe Frontiera, and Steve Hegedus.

ABSENT: Vicki Platt, Jason La Fever

OTHERS PRESENT: City Manager – Lynne Ladner, BioPure Superintendent – Paul Cutter, Energy Superintendent – Mike Schiller, Police Chief – Juan Salazar, and Deputy City Clerk - Cheri Eisenlohr. See attached list for others in attendance.

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

A motion was made by Mr. Hegedus to approve the first amended agenda and supported by Mr. Ms. Martin. The minutes from May 28, 2019, regular meeting, were approved motioned by Mr. Hegedus and supported by Mr. Frontiera. All ayes, both motions were carried.

PUBLIC COMMENTS, CORRESPONDENCE, EVENTS, PRESENTATIONS:

- George Sadler asked the Council to grant him temporary approval of his Car Show event; the Special Events form has not been completed as he is waiting on advertising information. Mr. Frontiera made a motion to support Mr. Sadler's request, supported by Mayor LaPorte.
 - Ayes: 3 Nays: 2 (Martin, Splane) Absent: 2
 - Motion passed
- Public Hearing Fiscal Year 2020 City Budget:
 - The meeting was opened at 7:35 pm. Ms. Ladner went over the highlights of the upcoming budget.
 - Mr. Sadler voiced concerns over the water rate increase.
 - The meeting was closed at 7:53 pm.

DEPARTMENT REPORTS:

- ▶ BioPure Superintendent, Paul Cutter:
 - The membranes have been completed. Additonal ones were ordered due to a miscount.
 - MFP is running peas for Arbre Farms.
 - Chris Kies is getting married and will be out for two weeks.
- ▶ Police Chief, Juan Salazar:

On Wednesday, May 29th, we conducted the 2019 Annual TEAM Graduation for the Hart Middle School 5th Grade Students. Over 100 students graduated from the TEAM Program this year. The graduation was held at the Hart Middle School Auditorium with Sgt. Slocum of the Indiana State Highway Patrol being the guest speaker. We had a great tum out of parent support and look forward to teaching the program again next year. TEAM is instructed by Sgt. Skipski and is a 12-week long program which includes topics as internet safety, drug awareness, emergency preparation, active shooter training, and many additional life skill

topics. I want to thank the City and school district for allowing our agency to teach this program to our students.

In reference to the National Asparagus Festival, we had minimal issues this year. The department handled several medical assists throughout the event and had one arrest for disorderly conduct. Overall, we had a great turnout for this year's festival, and I had many compliments in reference to the festival and the community.

On Thursday, May 30th, Sgt. Skipski and I attended a DALMAC (Dick Allen Lansing MACKinac Bicycle Tour) Association/ Tri-County Bicycle Association meeting in Lansing reference a grant which was submitted by Sgt. Skipski. The department was awarded the grant for the amount of \$2,250 to purchase bicycle helmets for children who are unable to purchase helmets. Sgt. Skipski gave a brief presentation during the meeting on how the grant was going to be used to better our community. I would like to thank Sgt. Skipski for taking upon himself and applying for this grant.

- ▶ DPW Superintendent, Brad Whitney: Absent
- ▶ Energy Superintendent, Mike Schiller:
 - Miss Digs
 - Service upgrades
 - Still removing poles
 - Previous shutdowns went well.
- ▶ Mainstreet Manager, Julie Kreilick: Absent

REPORTS OF BOARDS, COMMISSIONS, AND COMMITTEES:

- None

BILLS, CLAIMS, PAYROLL:

Bills totaled: \$267,941.80 Payroll totaled: \$66,127.91 Grand Total: \$334,069.71

A motion was made by Mr. Splane and supported by Ms. Martin to approve bills, claims, and payroll in the amount stated.

Ayes: 5 Nay: 0 Absent: 2

ACTION ITEMS:

City Manager, Lynne Ladner presented the following:

Memo

To: Mayor and City Council
 From: Lynne Ladner
 Date: 6/11/19
 Re: Water Sewer and Trash Rates

Each year as part of the budget adoption process, the water, sewer, and trash rates for the new fiscal year are adopted. This year the rates include two changes. The first increase in water rates based upon preliminary calculations of the necessary revenues to balance the fund for FY2020 so that operating revenues are in line with operating expenditures. The second is the addition of a \$1 per month per residential account fee under solid waste to assist in offsetting the cost of the annual spring clean-up.

As requested by the Finance and Personnel committee attached is a spreadsheet which shows with the increase of 10% will do to the average residential and average demand customer's monthly utility bill.

It is my recommendation that Resolution 19-33 Water Sewer and Trash rates be adopted with rates effective July 1, 2019.

Lynne

RESOLUTION 19-33
City Council
City of Hart, Michigan

FY2020 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 FY2020 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 FY2020 effective for all bills for services mailed on or about July 1, 2019:

A	<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
B	<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
C	<u>ELECTRIC--DEMAND CUSTOMER</u>	<u>RATES FY2020</u>
	Monthly base rate	\$60.00
	Demand charge per KW	\$8.00
	kWh charge	\$0.0564
D	<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

E	FUEL COST ADJUSTMENT FACTOR (12-MONTH ROLLING AVERAGE)	Varies
F	ENERGY OPTIMIZATION	RATES FY2020
	Residential per kWh	\$0.0013
	Commercial per meter	\$4.43
	Industrial per meter (6)	\$215.24

G	WATER	RATES FY2020
	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

H	WASTEWATER	RATES FY2020
	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 pot ¹¹	\$0.191
	TSS Surcharge per pot ¹¹	\$0.140
I	CUSTOMER CHARGE	
	Gray & Company	\$2,769.60/month
	Michigan Freeze Pack	\$900.00/month
	Indian Summer	\$900.00/month

J	MONTHLY RESIDENTIAL TRASH COLLECTION FEE	\$21.90
	MONTHLY RESIDENTIAL CLEAN UP FEE	\$1.00

Moved by Ms. Martin (with date changes), supported by Mr. Splane, and thereafter adopted at the regular City of Hart City Council meeting on June 11, 2019.

Ayes: 5 Nays: 0 Absent: 2

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 City Council
 From: Lynne Ladner
 Date: 6/11/19
 Re: Millage Rates and Tax Levy

The FY2020 budget was prepared with the expectation that we would not be seeking a Headlee Override for the City’s millage rates. With this in mind, a Truth in Taxation here was not needed in order to determine what the allocated millage rates would be for FY2020.

The millage rates are slightly less than FY2019 as anticipated with the Operating Millage: 12.389, the Streets Millage: 1.9445, and the Cemetery Millage: .4869 for a total City Millage rate of 14.7603

It is my recommendation that the Council adopt Resolution 19-34 Adoption of 2019 Millage Rates.
 Lynne

RESOLUTION 19-34
City Council
City of Hart, Michigan
Oceana County

ADOPTION OF 2019 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 2015, respectively; and

WHEREAS, without a “Truth In Taxation” hearing the proposed tax rates cannot exceed the maximum rates allowed by “Headlee” rules (MCL 211.34);

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Adopts and levies the following tax rates for 2019 as follows:

PURPOSE	2019 MILLAGE RATE
Operating	12.3289
Streets (Voted November, 2014)	1.9445
Cemetery (Voted November, 2002)	0.4869

TOTAL	14.7603
--------------	----------------

Moved by Ms. Martin 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 11, 2019.

Ayes: Nays: Absent:

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

RESOLUTION 19-35
City Council
City of Hart, Michigan

FY2020 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 b 13 for review by various committees and boards, and

WHEREAS, the City of Hart conducted a public hearing on June 11, 2019, regarding the annual budget; and

WHEREAS, the City of Hart has prepared a 5-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 FY2020 (July 1, 2019 – June 30, 2020) and 5-Year Capital Improvement Program is adopted as follows:

City of Hart, Michigan

FY2020 July 1, 2019 - June 30, 2020, Budget

GENERAL OPERATING FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
General - 101	\$1,597,625	

City Hall - 102	\$211,740	
City Council		\$6,865
Administration		\$210,890
Elections		\$4,400
Assessor		\$45,600
Attorney		\$20,000
Police & Public Safety		\$503,666
Public Works & Services		\$827,807
Recreation, Culture & Preservation		\$15,500
Community & Economic Development		\$108,870
City Hall		\$62,762
Total	\$1,809,365	\$1,806,360
	<i>Balance</i>	<i>\$3,005</i>
Major Streets - 202	\$137,100	\$90,000
	<i>Balance</i>	<i>\$47,100</i>
Local Streets - 203	\$209,100	\$205,954
	<i>Balance</i>	<i>\$3,146</i>
Street Improvements - 204	\$277,247	\$273,369
	<i>Balance</i>	<i>\$3,878</i>
Park - 208	\$120,030	\$106,860
	<i>Balance</i>	<i>\$13,170</i>
Tax Increment Financing - 215	\$56,070	\$55,000
	<i>Balance</i>	<i>\$1,070</i>
Hart Main Street	\$67,290	\$65,700
	<i>Balance</i>	<i>\$1,590</i>
Historic Commission - 701	\$5,050	\$5,000
	<i>Balance</i>	<i>\$50</i>
Historic District - 702	\$66,950	\$57,010
	<i>Balance</i>	<i>\$9,940</i>

ENTERPRISE FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
Hydroelectric - 580	\$5,419,900	
Dam Production		\$393,075
Diesel Production		\$69,360
Purchased Power		\$3,083,940
Distribution		\$723,940
Accounting		\$233,420
Administration		\$645,340
Debt Service		\$0
Capital Improvements		\$220,000
Total	\$5,419,900	\$5,369,075
	<i>Balance</i>	<i>\$50,825</i>

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BioPure - 590	\$2,962,642	
Water - 591	\$1,234,450	
Sewer Treatment		\$1,049,714
Sewer Lift Stations		\$54,535
Sewer Collection		\$643,174
Sewer Administration		\$343,909

Sewer Debt Service		\$0
Water Production		\$62,719
Water Transmission		\$63,078
Water Administration		\$121,376
Water Debt Service		\$0
Capital Improvements-BioPure		\$845,958
Capital Improvements-Water		\$985,000
Total	\$4,197,092	\$4,169,462
	<i>Balance</i>	<i>\$27,630</i>

SPECIAL FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
Library Debt Service - 301	\$75,760	\$75,750
	<i>Balance</i>	<i>\$10</i>
Cemetery Taxation - 209	\$23,835	\$23,000
	<i>Balance</i>	<i>\$835</i>
Hart Lake Board - 241	\$29,150	\$28,860
	<i>Balance</i>	<i>\$290</i>
Rail Trail - 284	\$8,000	\$8,000
	<i>Balance</i>	<i>\$0</i>

GRAND TOTAL FY2020	<u>REVENUES</u>	<u>EXPENDITURES</u>
	\$12,501,938	\$12,339,400

Includes use of cash reserves Includes inter-fund transfers

PRIOR YEAR BUDGETED FY2019 \$12,325,770 \$12,096,880

Moved by Ms. Martin (with date corrections), supported by Mr. Splane, and thereafter adopted at the regular City of Hart City Council meeting on June 11, 2019.

Ayes: 5 Nays: 0 Absent: 2

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 City Council
From: Lynne Ladner
Date: 6/11/19
Re: Fire Insurance Withholding Program

Under PA 495 of 1980 and as amended by PA216 of 1998 the City has the ability to opt-in to the Fire Insurance Withholding Program (FIWP) within the Department of Insurance and Financial Services of the State of Michigan. Opting into this program through the completion of the Enrollment and Notification and Council Resolution will enroll the City in the FIWP which provides the City with the ability to have great involvement in assisting and encouraging property owners to repair and maintain properties that have been damaged by fire.

Once the resolution and enrollment forms are submitted to the State, they will include the City on the next updated list of communities participating which is distributed to all property and casualty insurance companies operating in the State of Michigan. The program will take effect 30 days following the publication of the updated list following our enrollment. The program is designed to permit the City to hold in Escrow 25% of the insurance settlement up to the escrow maximum (currently \$12,746 per settlement) which is adjusted annually by CPI in order to secure repair, replacement or removal of damaged structures which violate our City health or safety standards.

It is my recommendation that the Council adopt Resolution 19-37 Fire Insurance Withholding Program to permit the City to enroll in this very advantageous program.

Lynne

RESOLUTION 19-36
City Council
City of Hart, Michigan
Oceana County

FIRE INSURANCE WITHHOLDING PROGRAM

WHEREAS, the provisions of Act 495 of the Public Acts of 1980; as amended by Act 216 of the Public Acts of 1998, and the provisions of Act 217 of the Public Acts of 1998 provide that a portion of certain casualty losses for fire or explosion otherwise payable by insurers may be withheld in escrow by participating municipalities in order to secure repair, replacement or removal of damaged structures which violate the City of Hart health or safety standards; and

WHEREAS, the City of Hart has determined that participation in said program would protect and promote the public health, safety, and welfare and wishes to be included in the list of participating municipalities published by the Commissioner of Insurance; and,

WHEREAS, the City of Hart desires to implement all procedures necessary to administer said program by designating the Township/Village/City official responsible for the administration of the program and establish an escrow account for said purpose.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

That the City of Hart does hereby become a participating municipality in the program providing for the escrow of fire insurance as established by Act 495 of the Public Acts of 1980; as amended by Act 216 of the Public Acts of 1998, or as established by Act 217 of the Public Acts of 1998, and does declare its intention to uniformly apply the provisions of Section 2845 or Section 2227 to all property within the City of Hart.

That the City of Hart official responsible for the administration of Section 2845 or 2227 of said Acts and any rules promulgated by the Commissioner of Financial and Insurance Services is hereby designated as follows: City Treasurer

That the City of Hart Official shall establish an escrow account with the Huntington Bank for the purpose of receiving and holding deposits of money received from insurers pursuant to Section 2845 or 2227 of said Acts, which account shall be separately maintained from all other accounts and may be an interest bearing account.

Moved by Ms. Martin, supported by Mr. Splane, and thereafter adopted at the regular City of Hart City Council meeting on June 11, 2019.

Ayes: 5 Nays: 0 Absent: 2

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 City Council
From: Lynne Ladner
Date: 6/11/19
Re: LIEAF Opt-in

In 2018 the City chose to opt-in to the Low Income Electric Assistance Fund in order to follow the necessary provisions under PA 95. This legislation and the resultant action allows the City to retain the right to shut off electric service during cold weather months as we are participating in an assistance fund allowing residents to obtain assistance with their electric bills between November and Mid-April.

It is my recommendation that the City continue to participate in this program and to renew their Opt-in by adopting Resolution 19-37 Low-Income Electric Assistance Fund.

Lynne

**RESOLUTION 19-37
Hart City Council
City of Hart, Michigan**

LOW-INCOME ELECTRIC ASSISTANCE FUND (LIEAF)

WHEREAS, the City of Hart owns, operates and maintains an electric utility system; and
WHEREAS, the State of Michigan enacted Public Act 95 in 2013 that prohibits discontinuance of electric service during cold weather months unless the utility opts into the Low-Income Energy Assistance Fund program established by the Act; 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 CITY COUNCIL:

Accepts and approves the provisions of the Low-Income Energy Assistance Fund of Public Act 95 that authorizes the City to shut off electric service during cold weather months; and adopts a funding factor to be established by the State of Michigan not to exceed \$1.00 per month per meter.

Authorizes and directs the City Manager to implement the Public Act 95 LIEAF program on behalf of the City of Hart for the cold weather term from November 1, 2019, to April 15, 2020, and thereafter until repealed by City Council action.

Moved by Ms. Martin, supported by Mr. Frontiera and thereafter adopted by the Hart City Council at a regular council meeting held on June 11, 2019.

Ayes: 5 Nays: 0 Absent: 2

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, Dep. City Clerk

**RESOLUTION 19-38
City Council
City of Hart, Michigan
Oceana County
WHEEL LOADER**

WHEREAS, the City of Hart owns, operates and maintains a fleet of vehicles and heavy equipment and a wheel loader is an essential piece of equipment to the City fleet; and

WHEREAS, the 2014 Volvo L60G Wheel Loader lease expires on June 30, 2019, and it should be replaced with a new unit; and

WHEREAS, City staff requested proposals from Cat (Grand Rapids), AIS (Grand Rapids) and Volvo (Byron Center) dealers for new 2019 wheel loader units all of which have provided demonstration equipment for testing and recommended by city staff and DPW Superintendent Brad Whitney; 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 CITY COUNCIL:

Approves, authorizes and accepts the Alta Equipment proposal for a new 2019 Volvo L60H Wheel Loader.

Approves, authorizes and directs the City Attorney to review and the City Manager to enter into and sign a 60-month lease agreement for the Volvo unit on behalf of the City of Hart.

Moved by Mr. Splane, supported by Mr. Hegedus, and thereafter adopted at the regular City of Hart City Council meeting on June 11, 2019.

Ayes: 5 Nays: 0 Absent: 2

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

SPECIAL EVENTS PERMIT:

- None

DISCUSSION ITEMS:

- Discussion regarding the potential sale of Energy Department surplus Tree Truck
 - Mr. Schiller would like to sell the truck due to age and lack of use. It would be placed for a "closed" bidding process with a minimum bid.
 - Mr. Schiller also reported that "Big Red" is 23 years old and is rusting out.

CITY MANAGER REPORT:

- Ms. Ladner reported on:
 - The MML will be presenting a webinar on Recreational Marijuana on June 27th; the Council is welcome to participate.

- The RRC branding and marketing strategy draft is almost complete. It will be presented to the Council for adoption in July after the committee has reviewed it.
- There has been a request to have natural gas lines run in the Historic District. There are some lines present; others will have to be added. The cost will be absorbed into the Lincoln Street project.

CITY ATTORNEY'S REPORT:

- None

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- The Mayor asked where the new attorney was, and Ms. Ladner informed him that he was unable to make it to the meeting this evening.
- Mayor LaPorte thanked the city employees for their work during the Asparagus Parade and Festival.

There being no further business to come before the Council, the meeting adjourned at 8:33 p.m., upon motion by Mr. Hegedus and supported by Mr. Splane. The next regular meeting is June 25, 2019, at 7:30 p.m.

Respectfully Submitted



Deputy City Clerk