



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
JUNE 13, 2017, 7:30 P.M.**

PRESENT: Councilors: Steve Hegedus, Robert Splane, Jason La Fever, Jack Wittman and Karen Thomson.

ABSENT: Mayor LaPorte and Joe Frontiera

OTHERS PRESENT: City Manager – Stan Rickard, City Attorney - Julie Springstead-Waltz, Chief of Police – Juan Salazar and Deputy Clerk - Cheri Eisenlohr. See attached attendance list for others present.

Mayor Pro-Tem Jason La Fever called the meeting to order at 7:30 p.m., following roll call, he then opened with the Pledge of Allegiance.

A motion was made by Mr. Wittman to approve the 1st amended agenda and supported by Mr. Splane. The minutes from the May 23, 2017, regular meeting were approved as printed, motioned by Mr. Hegedus and supported by Mr. Splane. All ayes, motions carried.

PUBLIC COMMENTS, CORRESPONDENCE, EVENTS, PRESENTATIONS:

Mr. Rickard spoke on the following:

- PUBLIC HEARING – FY2018 Annual Budget – Mayor Pro-Tem opened the Public Hearing – there were no comments. Mr. Rickard then went on to do an over view of the proposed budget. He used his June 13th transmittal letter as his guide for pointing out the highlights, accomplishments, projects and goals for the City. Mr. Rickard also mentioned the 6-Year Capital Plan that covers the projects that they City would like to accomplish. This document is needed when applying for grants.
 - No public comments – Mayor Pro-Tem Jason La Fever, closed the Public Hearing.
- Sign ordinance amendment report form downtown merchants – a letter was received from the downtown merchants dated February 25, 2017, which expressed their concerns and requests in regards to the new sign ordinance.

DEPARTMENT REPORTS:

- Police – Chief Salazar reported on the hiring of the new part-time police officer; Joe Ingalls. Officer Ingalls is in FTO process for a few more months before patrolling on his own.

REPORTS OF BOARDS, COMMISSIONS AND COMMITTEES:

None

BILLS, CLAIMS, PAYROLL:

Mr. Rickard brought the following bills to the attention of the Council:
Dixon Engineering: \$9,006.25 – Water Tank Painting Engineering Cost
Hollander Dev. Corp.: \$9,849.26 – Pointe Lake cost – Brownfield Fund
Kieser & Asssoc.: \$4,687.81 – Pointe Lake cost – Brownfield Fund
Peerless Midwest: \$12,936.45 – Pump repairs
Playworld: \$32,927.00 – Final payment on JGP playground
F&T Painting: \$97,500.00 – payment on painting the water tank
Bills totaled: **\$495,536.01**

A motion was made by Mr. Splane and supported by Ms. Thomson to approve the payables and payroll in the amount stated.

Ayes: 5 Nay: 0 Absent: 2

Discussion: Mr. Splane asked if the City pays for the new pad mount transformer at the new Woodland Place development, Mr. Rickard advised him that the City does pay for it.

ACTION ITEMS:

City Manager, Stan Rickard presented the following:

RESOLUTION 17-45
City Council
City of Hart, Michigan

FY2018 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 by City Council at the May 9, 2017 and May 23, 2017 meetings; and

WHEREAS, the City of Hart conducted a public hearing on June 13, 2017 regarding the annual budget; and

WHEREAS, the City of Hart has prepared a 6-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 FY2018 (July 1, 2017 – June 30, 2018) and 6-Year Capital Improvement Program is adopted as follows:

City of Hart , Michigan

FY2018 (July 1, 2017 - June 30, 2018) Budget

GENERAL OPERATING FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
General - 101	\$1,465,420	
City Hall - 102	\$195,550	
City Council		\$8,580
Administration		\$222,000
Elections		\$6,400
Assessor		\$62,440
Attorney		\$18,010
Police & Public Safety		\$471,340
Public Works & Services		\$687,060
Recreation, Culture & Preservation		\$16,010
Community & Economic Development		\$105,270
City Hall		\$63,780
Total	\$1,660,970	\$1,660,890
	<i>Fund Balance</i>	<i>\$80</i>

Major Streets - 202	\$150,030	\$150,000
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	Fund Balance	\$30
Local Streets - 203	\$257,040	\$230,000
	Fund Balance	\$27,040
Street Improvements - 204	\$253,250	\$252,600
	Fund Balance	\$650
Parks - 208	\$105,010	\$104,730
	Fund Balance	\$280
Tax Increment Financing - 215	\$32,100	\$31,640
	Fund Balance	\$460
Hart Main Street	\$85,420	\$78,120
	Fund Balance	\$7,300
Historic Commission - 701	\$5,030	\$5,000
	Fund Balance	\$30
Historic District - 702	\$84,920	\$84,020
	Fund Balance	\$900

ENTERPRISE FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
Hydroelectric - 580	\$6,080,000	
Dam Production		\$310,800
Diesel Production		\$86,730
Purchased Power		\$3,101,000
Distribution		\$667,080
Accounting		\$248,380
Administration		\$575,910
Debt Service		\$48,980
Capital Improvements		\$1,040,000
Total	\$6,080,000	\$6,078,880
	Fund Balance	\$1,120

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BioPure - 590	\$2,452,100	
Water - 591	\$654,200	
Sewer Treatment		\$1,067,520
Sewer Lift Stations		\$50,370
Sewer Collection	\$659,170	
Sewer Administration		\$288,560
Sewer Debt Service		\$26,400
Water Production		\$66,960
Water Transmission		\$65,990
Water Administration		\$118,840
Water Debt Service		\$11,690
Capital Improvements-BioPure		\$360,000
Capital Improvements-Water		\$390,000
Total	\$3,106,300	\$3,105,500
	<i>Fund Balance</i>	<i>\$800</i>

SPECIAL FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
Library Debt Service - 301	\$77,010	\$76,750
	<i>Fund Balance</i>	<i>\$260</i>
Cemetery Taxation - 209	\$24,010	\$24,000
	<i>Fund Balance</i>	<i>\$10</i>
Hart Lake Board - 241	\$24,860	\$24,860
	<i>Fund Balance</i>	<i>\$0</i>
Façade Improvement Program	\$185,950	\$185,950
	<i>Fund Balance</i>	<i>\$0</i>

GRAND TOTAL FY2018	<u>REVENUES</u>	<u>EXPENDITURES</u>
	\$12,131,900	\$12,092,940

Includes interfund transfers

Moved by Ms. Thomson, supported by Mr. Splane, and thereafter adopted at the regular City of Hart City Council meeting on June 13, 2017.

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.

Cheryl Rabe, City Clerk

Discussion:

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RESOLUTION 17-46
City Council
City of Hart, Michigan
Oceana County

AMENDMENT TO FAÇADE GRANT AGREEMENT
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

WHEREAS, on March 14, 2017 the City of Hart adopted Resolution 17-20 approving a Michigan Economic Development Corporation (MEDC) Façade Improvement Grant of \$212,750 to the City of Hart through the CDBG Program; and

WHEREAS, the two program participants were the property owners of 37-45 South State Street and 109 East Main Street in downtown Hart; and

WHEREAS, the property owners at 109 East Main Street withdrew from the project due to a pending business relocation to a larger facility in Hart that would have caused a financial hardship; and

WHEREAS, the MEDC has approved a project for the 37-45 South State Street properties that allows the downtown façade program to continue with a CDBG grant of \$136,650; and

WHEREAS, the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Authorizes and accepts the MEDC Façade Improvement Grant Amendment in the amount of \$136,650.

Authorizes and directs the City Manager to sign the grant on behalf of the City of Hart.

Moved by _____, supported by _____, and thereafter adopted by the City of Hart, Michigan City Council at a regularly scheduled meeting held on Tuesday, June 13, 2017.

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.

Cheryl Rabe, City Clerk

Discussion: None

RESOLUTION 17-47
City Council
City of Hart, Michigan
Oceana County

FAÇADE GRANT ADMINISTRATION SERVICES

WHEREAS, on March 14, 2017 the City of Hart adopted Resolution 17-20 approving a Michigan Economic Development Corporation (MEDC) Façade Improvement Grant agreement of \$212,750 to the City of Hart through the CDBG Program; and

WHEREAS, on June 13, 2017 City of Hart adopted Resolution 17-46 approving an amendment to the aforementioned agreement reducing the grant amount to \$136,750 for the 37-45 South State Street properties only; and

WHEREAS, the City desires to contract for a grant administrator that is familiar with and competent to manage the construction phase of the Façade Improvement Grant; and

WHEREAS, the City secured two proposals from Certified Grant Administrators (CGA) in the State of Michigan that responded to a request for proposals, Hager Consulting (Fremont) and Emilie Sarratore (Lawrence), both qualified and certified, for a not-to-exceed fee of \$7500 and \$18,000, respectively; and

WHEREAS, the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Authorizes and accepts the Hager Consulting proposal in the amount of \$7500.

Authorizes and directs the City Manager to sign a CGA services contract with Hager Consulting on behalf of the City of Hart.

Moved by Ms. Thomson, supported by Mr. Splane, and thereafter adopted by the City of Hart, Michigan City Council at a regularly scheduled meeting held on Tuesday, June 13, 2017.

Ayes: 5 Nays: 0 Absent: 2

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Cheryl Rabe, City Clerk

Discussion: None

RESOLUTION 17-48
City Council
City of Hart, Michigan
Oceana County

COURTLAND & JEFFERSON PROJECT
Grading License & Permit & Public Utility Easement

WHEREAS, the City of Hart will reconstruct portions of Courtland Street and Jefferson Street in 2017-2018; and will replace and relocate sanitary sewer laterals to correct deficient and substandard conditions; and to reconstruct streets and/or sidewalks; and

WHEREAS, certain sanitary sewer laterals will be relocated on private property requiring contractor access to side yards to make those improvements; and/or to regrade front and/or side yards to establish proper storm water drainage; and

WHEREAS, it is appropriate to establish a temporary grading license and permit with those affected properties; and to establish one permanent public utility easement for a sanitary sewer main and manhole on private property; and

WHEREAS, City Engineer Prein&Newhof has surveyed and designed the Courtland Street & Jefferson Street project and have prepared the appropriate easement documents six (6) temporary easements and one (1) permanent public utility easement; and

WHEREAS, the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Accepts and approves the aforementioned grading and permanent easements as prepared by City Engineer Prein&Newhof.

Authorizes and directs the City Manager to secure the easements on behalf of the City of Hart.

Moved by Ms. Thomson, supported by Mr. Wittman, and thereafter adopted by the City of Hart, Michigan City Council at a regularly scheduled meeting held on Tuesday, June 13, 2017.

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.

Cheryl Rabe, City Clerk

Discussion: None

RESOLUTION 17-49
City Council
City of Hart, Michigan
Oceana County

DISC GOLF COURSE LAYOUT & BASKETS

WHEREAS, City of Hart adopted the 2016-2020 Park & Recreation Plan in 2015; and

WHEREAS, the Plan established a goal to design and construct a disc golf course in 2017; and

WHEREAS, staff and volunteers with assistance from Prein&Newhof City Engineers designed an 18-hole course layout for the Hart Dam property; and researched disc golf baskets suitable for championship play; and

WHEREAS, two suppliers submitted bids for 18 baskets as follows: Discraft (Wixom, MI) \$5038.40; and DGA (Watsonville, CA) \$6190.00; and

WHEREAS, in September, 2016 City Council awarded a bid to Seabolt Concrete to construct the concrete pads for \$4820.00; and

WHEREAS, there are sufficient funds available to begin construction activities; and

WHEREAS, the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare;

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Accepts and approves the Prein&Newhof 6/6/2017 Final Course Layout for the hydroelectric park disc golf course.

Accepts and awards a bid to Discraft (Wixom, MI) for 18 disc golf baskets in the amount of \$5038.40.

Authorizes and directs the City Manager to commence the construction phase for the hydroelectric park disc golf course on behalf of the City of Hart.

Moved by Ms. Thomson, supported by Mr. Splane, and thereafter adopted by the City of Hart, Michigan City Council at a regularly scheduled meeting held on Tuesday, June 13, 2017.

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.

Cheryl Rabe, City Clerk

Discussion: Mr. Wittman asked about the area between baskets 14 and 15 being in the wetlands area. The City can fill that area with wood chips. Eventually, a boardwalk may need to be constructed.

Resolution 17-50
City of Hart - City Council - Hart, Michigan
BUDGET AMENDMENTS

WHEREAS, the City Council may amend the annual budget to reflect changes in purchasing patterns or revised objectives; and
 WHEREAS, the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interests and welfare;
 NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL amends the FY2017 Annual Budget as follows:

FUND	DEPARTMENT	LINE ITEM	ADOPTED		AMENDED		JUSTIFICATION
			BUDGET	AMENDED	BUDGET	AMENDED	
1	General	Elections	\$1,000	\$3,000			County Clerk election assistance
2	Water	Administration	\$8,410	\$13,500			Under allocated
3	Water	Administration	\$1,400	\$2,400			Under budgeted
4	Water	Administration	\$14,000	\$20,000			Add IT, engineering, architectural, accounting
5	Water	Administration	\$3,100	\$3,400			Allocation adjustment
6	Water	Administration	\$1,200	\$2,500			Staff training
7	Water	Capital Outlay	\$30,000	\$0			Implement in FY2018
8	Water	Distribution	\$14,000	\$10,000			Moderate needs
9	Water	Distribution	\$20,000	\$16,000			Moderate needs
10	Hydro	Administration	\$23,000	\$28,000			Under allocated
11	Hydro	Administration	\$11,000	\$12,000			Under allocated
12	Hydro	Administration	\$7,000	\$20,000			Added Kitchen incubator
13	Hydro	Administration	\$30,000	\$25,000			Meeting goals with less budget
14	Hydro	Administration	\$1,500	\$1,800			Under budgeted
15	BioPure	Administration	\$12,000	\$17,000			Under allocated
16	BioPure	Administration	\$600	\$1,500			Under budgeted
17	BioPure	Administration	\$1,250	\$2,000			Under budgeted
18	BioPure	Administration	\$200	\$1,400			Under budgeted
19	BioPure	Administration	\$3,400	\$3,700			Under allocated
20	BioPure	Administration	\$450	\$700			Under budgeted
21	BioPure	Administration	\$8,000	\$16,000			Add IT, engineering, architectural, accounting
22	BioPure	Treatment	\$150,000	\$220,000			Reduce biosolids inventory
23	BioPure	Treatment	\$450,000	\$350,000			Deferred projects
			ADOPTED	AMENDED	ADOPTED	AMENDED	
			\$791,510	\$770,000			
							Net budget
							-\$21,510

Moved by Ms. Thomson and supported by Mr. Witman and thereafter approved by Hart City Council at a regular meeting on June 13, 2017.

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:

RESOLUTION 17-51
Hart City Council
City of Hart, Michigan

88th AVENUE ELECTRIC SUBSTATION
DUAL TRANSFORMER PROJECT

WHEREAS, the City of Hart owns and maintains an electric distribution system and the City has embarked on many upgrades to improve system reliability; and

WHEREAS, the 88th Avenue Substation is equipped with two 10 MVA transformers: a 1981 reconditioned unit acquired in 2013/2014; and a 2001 unit severely damaged in a July, 2013 fire, later repaired and placed at the substation, but not physically connected to the system; and

WHEREAS, due to the age of the transformers it is rational and prudent to permanently connect the 2001 unit to the system to improve substation reliability; and

WHEREAS, City Council approved an agreement with GRP Engineering (Petoskey, MI) pursuant to Resolution 16-51 to design the dual transformer project and perform construction-related services; and the project design is substantially complete; and

WHEREAS, the estimated construction cost to connect the 2001 unit to the system, make site improvements, and upgrade system controls is \$545,000 including a 10% contingency; and the City has sufficient cash reserves to finance the project; and

WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare; and

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Approves the bid and award phase for the 88th Avenue Substation Dual Transformer project.

Authorizes and directs the City Manager to schedule the project bid opening, prepare bid tabulation and award recommendation; and to present the award recommendation to City Council for approval and award of a construction contract at a future City Council meeting.

Moved by Ms. Thomson, supported by Mr. Splane and thereafter adopted by the Hart City Council at a regular council meeting held on June 13, 2017.

Ayes: 5 Nays: 0 Absent: 2

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Cheryl Rabe, City Clerk

Discussion: Mr. Wittman asked if the backup transformer has been tested while it's not being used. Mr. Rickard will check with Bob Dodds about alternating them.

SPECIAL EVENTS PERMIT:

None

DISCUSSION ITEMS:

Mr. Rickard reported on:

- May 25, 2017 MDEQ letter approving water quality projects for further study – five projects that the City is to pursue to be in compliance with the ACO.
 - Hydrogeologic study of the aquifer and groundwater
 - Removal of Chippewa Creek restriction
 - Best management practices
 - Acquire property along the water front and/or make improvements to water front property
 - Incorporate water quality impact evaluation into the assessment of the storm water system under a recent SAW Assessment grant from the MDEQ
- Low-Income Energy Assistance Fund (LIEAF) – at this time the City has opted out of the program, much discussion followed to address the pros and cons of this program. If the City opts in, \$1 per meter, per month, will be put into a State pooled fund to assist low-income customers during the winter months without the threat of power termination. The City, at this time, does not shut off power from 11/1 to 4/15. A decision needs to be made by June 29th. The Power Board has recommended that the City opt in to this program. This will be discussed further at the next meeting on June 27th.

CITY MANAGER REPORT:

11 Month Budget Report – status quo.

ATTORNEY REPORT:

Motion was made by Mr. Wittman to enter into closed session and was supported by Mr. Splane. All Ayes. Closed session was entered into at 8:52 pm. A motion was made by Mr. Wittman and supported by Mr. Hegedus to return to open session at 9:12 pm. All ayes.

Ms. Springstead-Waltz discussed the Suburban Propane Vacation request, Mr. Rickard recommended to Suburban that:

- The City vacate their interest to the middle portion of lot 146.
- Suburban Propane will provide to the City of Hart a ROW for 66’ of the north side of lot 146 to access Dryden Street, with the provision that the maintenance and upkeep of the access and right of way is maintained by the City of Hart.
- That this will be for no consideration.

Suburban Propane was in accord with this offer. Suburban Propane is still not divulging what their intention is to do with their property, they have never sent a representative to any of the City Council meetings to discuss this in person and this is posing a concern for some of the Councilors. However, they are not required to state what their plans are as they are the property owners. Mr. Rickard and Ms. Springstead-Waltz will work on the deal.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

Mr. Splane thought that the City looked really good for the Asparagus Festival and parade and that the DPW did a good job getting ready for it.

ADJOURNMENT:

There being no further business to come before the council, the meeting was adjourned at 9:29 p.m., upon motion by Mr. Hegedus and supported by Mr. Wittman. The next meeting will be held on June 27, 2017, 7:30 p.m.