



**CITY OF HART  
407 S. STATE ST.  
HART, MI 49420  
SPECIAL MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS  
June 20<sup>th</sup>, 2023  
MINUTES – Approved**

**PRESENT:** Councilors: Mayor Vicki Platt, Justin Adams, Catalina Burillo, Dean Hodges, Amanda Klotz, and Kris Trygstad

**ABSENT:** Jim Evans

**OTHERS PRESENT:** City Manager – Rob Splane, City Clerk – Karla Swihart, and BioPure Superintendent – Paul Cutter

Mayor Platt called the meeting to order; following the roll call, then led the Council in the pledge of allegiance.

**APPROVAL OF AGENDA:**

- J. Adams motioned to approve the agenda and was supported by A. Klotz
  - Ayes: 6 Nays: 0 Absent: 1

**PUBLIC COMMENTS:**

- None

**CORRESPONDENCE, EVENTS, PRESENTATIONS:**

- Public Hearing – Increasing 2023 Property Taxes
  - A. Klotz motioned to open the Public Hearing on Increasing 2023 Property Taxes at 5:33pm and supported by K. Trygstad
    - Ayes: 6 Nays: 0 Absent: 1
- No Public Present.
  - A. Klotz motioned to close the Public Hearing on Increasing 2023 Property Taxes at 5:41pm and supported by J. Adams
    - Ayes: 6 Nays: 0 Absent: 1
- Public Hearing – Fiscal Year 2024 Proposed Budget Presentation
  - A. Klotz motioned to open the Public Hearing on Fiscal Year 2024 Budget Presentation at 5:42pm and supported by J. Adams
    - Ayes: 6 Nays: 0 Absent: 1

- Fiscal year 2024 Proposed Budget Presentation  
Public hearing on the budget will be held June 13<sup>th</sup> 2023, take a few minutes to go over our goals for the year. FY2024 Annual Budget – Draft  
In accordance with Chapter IX of the City Charter, here is the proposed annual budget for FY2024 (July 1, 2023 – June 30, 2024) for the City of Hart, Michigan. I would like to thank the Mayor, City Council, Committees, Boards, Clerk – Treasurer, and City staff for their invaluable assistance in the preparation of this document. I would like to begin by reviewing the FY2023 accomplishments and proposed foals for FY2024

**FY2023 ACCOMPLISHMENTS**

Constructed two new housing units at The Creeks Development with four additional units in construction.  
Enhancements and reconstruction to Dam embankment complete.  
Secured a local contractor to assist with bio-solid hauling seeking more predictable BioPure plant functionality.  
Upgrade communication equipment within the water system SCADA equipment.  
Infrastructure upgrades and construction of Hanson and Wigton Streets.  
Demplish blighted building at 227 E. Main  
Deployed grant funded districbuted audio system in downtown Hart.  
Provide new fencing insulation, and siding at Hart Energy site as an efficiency and security measure.  
Implemented new BS&A software modules to streamline employee timecards and reduce time and paper resource wastes.

Completed Hart Energy comprehensive system study.

Completed Griswold force main construction utilizing \$810,000 in CDBG (Community Development Block Grant) funding.

Purchase of commercial leaf vacuum to ensure clean streets and open storm sewers.

Exterior improvements on DPW garage to enhance its appearance on a major City street.

Engaged with local industry businesses to partner in capital improvement plan forecast to ensure proper infrastructure for planned growth.

Replaced dozens of utility poles at end-of-life as directed by pole inspection results.

Continued tree trimming to minimize Hart Energy power outages.

Kicked off drinking water asset management project with awarded grant funds in the amount of \$407,400 to survey the City's water supply inventory and help support the state mandated replacement of drinking water service lines.

The HEART team was able to articulate the COVID storm and brought lots of added benefit to the City. Some highlights of their efforts include;

- Sponsored the Pitch North Competition, which looks to bring new business to West Michigan.
- Worked with multiple interested developers and entrepreneurs promoting new growth in our City.
- Applied and was awarded a \$106,000 USDA grant to improve 227 E Main property.
- Applied and was awarded a \$12,500 grant for art installations.
- Completed all work with First Impression Tourism Grant. The FIT Grant produced a report of impressions of first-time visitors in Hart, aiding future community development campaigns.
- Continued focus on tasks outlined in the City's adopted Economic Development and Marketing Plan which includes initiatives in Education, Infrastructure, Industry activity, as well as Destination and Marketing goals.

### **FY2024 Goals**

Infrastructure upgrades and construction of portions of Dryden, Hart, Wood, Jefferson, Johnson, and Church Street

Utilize DNR grant award of \$300,000 to improve Veteran's Memorial Park.

Implement property maintenance code enforcement and rental inspection program utilizing Hart Police Department Staff.

Seek SRF (State Revolving Fund) loan for up to \$9,500,000 to construct planned water, wastewater, and road projects.

Work with City staff, engineers, and stakeholder support to seek out and apply for available grants.

Demolition and site remediation of Boy Scout Cabin. (A planned 2023 goal, the City continues to work with the Boy Scout Pack to identify a new location for their home.)

Continuing implementation of Drinking Water Asset Management Grant (DWAM) to study and assist with replacement planning of City water supply, lines per state mandate.

Research Diesel Power Plant improvements for generation and other potential strategies.

Continue risk management assessments and emergency planning with Hart Police Department Projects include surveillance of critical infrastructure/assets, access control, and staff training.

Work with City Treasurer to further enhance budgetary reporting.

The City of Hart will likely receive an award of \$448,523 in funding from the Safe Routes to School program.

The Michigan SRTS program is managed by the Michigan Department of Transportation with support provided by the Michigan Fitness Foundation. If the grant money is awarded, it will allow for the construction of an extension of our Bike Trail from Wood to Water Street North to Johnson, West to Plum Street, North to Tyler and West to the mobile home park on 72<sup>nd</sup> and Tyler. This is a welcome addition to our existing outdoor recreational opportunities, providing additional safety to our students, and continuing development of National Bike Route 35 (BR35)

**SUMMARY**

**Utility Rates and Fees** - This year continues to implement our Water and Sewer rate increases (As planned with council in March of 2022). Following the Electric rate assessment, the City may need to consider raising Electric rates to continue to support our aging infrastructure in a planned and forecasted manner.

**Taxes** – Millage rates are proposed to remain consistent with prior year rates.

**Grants** – The City has applied for a U.S Economic Development Corporation \$2,887,000 grant to help cover some of the cost of proposed \$9,500,000 wastewater, water, and road infrastructure projects. The State awarded principle forgiveness of 50% (up to \$4,250,000) to support the wastewater system improvements. A DNR Trust Fund Grant of \$300,000 (awarded in 2021) will help cover the cost of Veteran’s Park renovations. A \$98,336 USDA Grant has been awarded for the demolition and remediation of the 227 E> Main property with funds still forthcoming.

**Debt** – An \$9,500,000 SRF loan will allow the necessary reconstruction of several proposed Water, Wastewater, and Road projects.

**Staffing** – Goals included in 2023 included an efficiency measure to digitize archived paper records to reduce the amount of storage space needed for City records and add the ability to easily find old documents. A temporary part-time position will be created to have a staff member available to focus on this effort. No other new positions are planned.

**RECOMMENDATION**

Here is the grand total budget including Major and Minor fund activity, transfers, and inter-fund payments:

GRAND TOTAL FY2024	REVENUES	EXPENDITURES
	\$17,494,844	\$16,631,732

- J. Adams motioned to close the Public Hearing on Fiscal Year 2024 Proposed Budget Presentation at 6:13pm and supported by C. Burillo
  - Ayes: 6 Nays: 0 Absent: 1

**CONSENT AGENDA:**

- Approval of minutes from May 23<sup>rd</sup>, 2023.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
  - C. Burillo motioned to approve Consent Agenda and supported by A. Klotz
    - Ayes: 6 Nays: 0 Absent: 1

**ACTION ITEMS:**

- Resolution 2023-24 FY2024 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 FY2024 Annual Budget is 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:

*Adopts the rates and charges as identified below for FY2024 effective for utility bills for services after July 1, 2023:*

<u>A</u>	<u>ELECTRIC—RESIDENTIAL</u>	<u>RATES FY 2024 - RATES FY2023</u>
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	Single phase monthly base rate	\$8.50 - \$8.50
	Three phase monthly base rate	\$20.50 - \$20.50
	kWh charge	\$0.08560 - \$0.08560
<b><u>B</u></b>	<b><u>ELECTRIC-- COMMERCIAL</u></b>	<b><u>RATES FY 2024 - RATES FY2023</u></b>
	Single phase monthly base rate	\$19.50 - \$19.50
	Three phase monthly base rate	\$22.00 - \$22.00
	kWh charge	\$0.1010 - \$0.1010
<b><u>C</u></b>	<b><u>ELECTRIC--DEMAND CUSTOMER</u></b>	<b><u>RATES FY 2024 - RATES FY2023</u></b>
	Monthly base rate	\$90.00 - \$90.00
	Demand charge per KW	\$9.00 - \$9.00
	kWh charge	\$0.06370 - \$0.06370
<b><u>D</u></b>	<b><u>ELECTRIC—INDUSTRIAL CUSTOMER EXCEDING 2,000,000 KWH ANNUALLY</u></b>	<b><u>RATES FY 2024 - RATES FY2023</u></b>
	Monthly base rate	\$150.00 - \$150.00
	Demand charge per KW	\$9.00 - \$9.00
	kWh charge	\$0.05906 - \$0.05906
<b><u>E</u></b>	<b><u>FUEL COST ADJUSTMENT FACTOR (12-MONTH ROLLING AVERAGE)</u></b>	Varies
<b><u>F</u></b>	<b><u>ENERGY OPTIMIZATION</u></b>	<b><u>RATES FY 2024 - RATES FY2023</u></b>
	Residential per kWh	\$0.0013 - \$0.0013
	Commercial per meter	\$4.43 - \$4.43
	Industrial per meter (6)	\$215.24 - \$215.24
<b><u>G</u></b>	<b><u>WATER – Council planned 1% annual increase per 2022 Water Rate Study</u></b>	<b><u>RATES FY 2024 - RATES FY2023</u></b>
	Base rate per month with: 5/8 inch meter	\$6.32 - \$6.26
	1 inch meter	\$7.91 - \$7.83
	1.5-inch meter	\$11.07 - \$10.96

	2-inch meter	\$18.97 - \$18.78
	3-inch meter	\$28.45 - \$28.17
	4-inch meter	\$28.45 - \$28.17
	Rate per 1000 gallons (1-13,000 gallons per month)	\$1.32 - \$1.31
	Rate per 1000 gallons (over 13,000 per month)	\$1.13 - \$1.12

<u>H</u>	<u>WASTEWATER – Council planned 4% annual increase per 2022 debit payment schedule</u>	<u>RATES FY 2024 - RATES FY2023</u>
	Base rate per month including up to 3,000 gallons per month	\$32.21 - \$30.97
	Volume rate per 1000 gallons per month over 3,000 gallons	\$3.58 - \$3.44
	Volume rate per 1000 gallons per month over 3,000 gallons (contracts)	\$3.58 - \$3.44
	BOD Surcharge per pound	\$0.220 - \$0.205
	TSS Surcharge per pound	\$0.162 - \$0.151
<u>I</u>	<u>CUSTOMER CHARGE</u>	
	Gray & Company	\$2,995.60 - \$2,880.38/month
	Michigan Freeze Pack	\$2,995.60 - \$2880.38/month
	Indian Summer	\$936.00 - \$900.00/month

<u>J</u>	<u>MONTHLY RESIDENTIAL TRASH COLLECTION FEE</u>	<u>\$23.92 - \$23.25</u>
	MONTHLY RESIDENTIAL CLEAN UP FEE	\$1.00
	Monthly residential trash collection fees increase annually at 2.9% per contractual agreement with Republic Services	

- C. Burillo motioned to approve Resolution 2023-24 and supported by J. Adams
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2023-25 2024 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 20<sup>th</sup>, 2023 which permits the proposed tax rates to exceed the maximum rates allowed by “headlee” rules (MCL 211:34);

WHEREAS, the City has determined that for FY 2023 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 2023 as follows:

<u>PURPOSE</u>	<u>2023 MILLAGE RATE</u>
Operating	12.6364
Streets (Voted March 2020)	1.993
Cemetery (Voted November 2018)	0.499
<b>TOTAL</b>	<b>15.1284</b>

- A. Klotz motioned to approve Resolution 2023-25 and supported by J. Adams
      - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2023-26 FY2024 Annual Budget Adoption

WHEREAS, the City of Hart pursuant to Chapter IX of the 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 and Taxation public hearing on June 20<sup>th</sup> 2023, formalizing revenue included in the annual budget; and

WHEREAS, the City of Hart 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 FY2024 (July 1, 2023- June 30, 2024) and 10-Year Capital Improvement Program is adopted as follows:

<u>GENERAL OPERATING FUNDS</u>		
	<u>REVENUES</u>	<u>EXPENDITURES</u>
<b>General – 101</b>	\$2,177,397	\$2,137,054
	<b>Balance</b>	<b>\$40,343</b>
<b>Major Streets – 202</b>	\$173,671	\$56,147
	<b>Balance</b>	<b>\$117,524</b>
<b>Local Streets – 203</b>	\$373,285	\$372,658
	<b>Balance</b>	<b>\$627</b>
<b>Street Improvements – 204</b>	\$106,500	\$98,000
	<b>Balance</b>	<b>\$8,500</b>
<b>Park - 208</b>	\$432,050	\$464,330
	<b>Balance</b>	<b>(\$32,280)</b>

<b>Tax Increment Financing -215</b>	\$212,026	\$88,205
	<b>Balance</b>	<b>\$123,821</b>

<b>HEART -244</b>	\$52,230	\$19,300
	<b>Balance</b>	<b>\$32,930</b>
<b>Historic District – 702</b>	\$24,426	\$24,376
	<b>Balance</b>	<b>\$50.00</b>
<b><u>ENTERPRISE FUNDS</u></b>		
<b>Hydroelectric – 580</b>	\$5,686,702	\$5,772,434
	<b>Balance</b>	<b>(\$85,733)</b>
<b>BioPure – 590</b>	\$9,142,315	\$8,261,122
	<b>Balance</b>	<b>\$881,194</b>
<b>Water – 591</b>	\$496,103	\$461,203
	<b>Balance</b>	<b>\$34,901</b>
<b><u>SPECIAL FUNDS</u></b>		
<b>Library Debt Service – 301</b>	<b>Retired</b>	<b>Retired</b>
	<b>Balance</b>	<b>\$0</b>
<b>Hart Lake Board – 241</b>	<b>\$32,424</b>	<b>\$32,003</b>
	<b>Balance</b>	<b>\$422</b>

<b>GRAND TOTAL FY 2023</b>	<b><u>REVENUES</u></b>	<b><u>EXPENDITURES</u></b>
	<b>\$22,167,449</b>	<b>\$20,637,392</b>
	Includes use of cash reserves	Includes interfund transfers
<b>PRIOR YEAR BUDGETED FY 2022</b>	<b>\$14,832,169</b>	<b>\$14,659,317</b>

- J. Adams motioned to approve Resolution 2023-26 and supported by K. Trygstad
  - Ayes: 6 Nays: 0 Absent: 1
- Resolution 2023-27 Approve, Ratify, and Confirm Publication of Notice on Intent with Respect to Resolution 2023-23
 

At a regular meeting of the City Council of the City of Hart, held at the City Hall, 407 S. State Street, Hart Mi, on the 20<sup>th</sup> day of June 2023, at 5:30pm., local time.

Present: Member Mayor Vicki Platt, Counselor Justin Adams, Catalina Burillo, Dean Hodges, Amanda Klotz and Kris Trygstad

Absent: Member Jim Evans

The following Resolution was offered by Member Catalina Burillo and supported by Member Kris Trygstad:

**RESOLUTION TO APPROVE, RATIFY, AND CONFIRM PUBLICATION OF NOTICE OF INTENT WITH RESPECT TO RESOLUTION 2023-23, THE “RESOLUTION TO PURCHASE, ACQUIRE AND CONSTRUCT IMPROVEMENTS TO THE CITY OF HART SEWER SYSTEM; AUTHORIZE PUBLICATION OF NOTICE OF INTENT TO ISSUE REVENUE BONDS; DECLARE INTENT TO REIMBURSE EXPENDITURES FOR PROJECT”**

WHEREAS, this City Council adopted Resolution No. 2023-23, entitled “Resolution to Purchase, Acquire and Construct Improvements to the City of Hart Sewer System; Authorize Publication of Notice on Intent to Issue Revenue Bonds; Declare Intent to Reimburse Expenditures for Project” (the “Resolution of Intent”), on May

23,2023, which authorized the publication of a Notice of Intent in the Oceana Herald-Journal with respect to the proposed BioPure wastewater treatment plant project (the "Project"); WHEREAS, the City Council wishes to approve, ratify, and confirm the publication of the Notice of Intent in the form attached hereto as Exhibit A.

NOW THEREFORE BE IT RESOLVED:

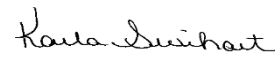
1. The City Council hereby approves, ratify, and confirm the publication of the Notice of Intent in the form attached hereto as Exhibit A with regard to the Project.
2. In all other respects, the Resolution of Intent is ratified and affirmed.

YEAS: Members: Catalina Burillo, Dean Hodges, Amanda Klotz, Kris Trygstad, Justin Adams and Vicki Platt

NAYS: Members: None

ABSENT: Members: Jim Evans

RESOLUTION DECLARED ADOPTED.

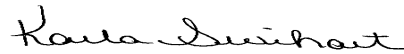


Karla Swihart, City Clerk

STATE OF MICHIGAN )  
                                  )SS.  
COUNTY OF OCEANA )

I, Karla Swihart, the duly qualified and acting Clerk of the City of Hart, Oceana County, Michigan (the "City") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a regular meeting held on the 20<sup>th</sup> day of June 2023, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 20<sup>th</sup> day of June 2023



Karla Swihart, City Clerk

**DISCUSSION ITEMS:**

- None

**CITY MANAGER'S REPORT:**

**UPDATES:**

- CEDAM conference was beneficial as many of the presentations focused on our need for more housing. Lots of State and Federal funding is coming to help communities meet housing needs, with many of these programs still pending details. It was fun to share pictures of our Tin Man to people that were at our pitch presentation last year.
- The 50<sup>th</sup> National Asparagus Festival, was a great success with near record numbers and virtually no safety or security incidents. Our new fireworks vendor Pyrotechnica received positive reviews from those in attendance.
- Beginning code enforcement efforts have started around the City with officers beginning to reach out to residents with concerns about existing property code violations. In coming weeks, we will begin public outreach efforts. Planning is in progress to have officers trained on rental inspection operations with those inspections starting later this year.
- Bids for Dryden and related street construction projects and the second bid opening for BioPure Plant upgrades are due Wednesday June 21<sup>st</sup>. The results of these will be a significantly higher than previously projected.



- A public information open house will take place Thursday June 22<sup>nd</sup> in the community center to seek public input on the upcoming streetscape project. Council will be invited to attend, share input, and hear from the community from 5pm-7pm.

**Legacy Topics:**

- The Charter review committee has finished its assessment for phase one City Charter amendments. The committee will continue its review to identify additional changes for review by the council. The amendments will be processed for ballot approval at the next general election.
- Safe Routes to School trail project – pending state approval projected start date June 2024.

**Upcoming Topics:**

- Adoption of 2022-2026 Park and Rec Master Plan
- Veteran’s Memorial Park final design approval
- Water, Wastewater, and Energy rate studies
- Council adoption of code enforcement policies, procedures, and implementation.

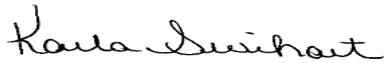
**COMMUNICATIONS FROM THE MAYOR AND COUNCIL:**

- J. Adams – The research center hosted group of international folks that all play apart in the Asparagus industry and all had very good things to say about the City and one that I talked to specifically was the largest Asparagus grower in England and he really loved the flags on the light poles with the Asparagus.
- C. Burillo will be absent at the next two City Council meetings on vacation.
- Mayor Platt asked when the chalets would be open downtown. July 1<sup>st</sup> is opening day and as of right now there are 3 or them rented.

**ADJOURN:**

- There being no further business to come before the Council, the meeting adjourned upon a motion by C. Burillo and supported by J. Adams. The next regularly scheduled meeting will be on June 27<sup>th</sup>, 2023, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk