



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
January 25th 2022
MINUTES – Approved**

PRESENT: Mayor Vicki Platt, Councilors: Catalina Burillo, Jim Evans, Amanda Klotz, and Fred Rybarz

ABSENT: Dean Hodges and Kris Trygstad

OTHERS PRESENT: City Manager – Rob Splane, HEART Director – Nichole Kleiner, BioPure Superintendent – Paul Cutter, DPW Superintendent Brad Whitney, Sharon Hallack, Amy Trudell, Dan and Jodi Ellinger, Bill Volpp, and Phil Morse.

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 A. Klotz

- Ayes: 5 Nays: 0 Absent: 2

PUBLIC COMMENTS:

- Phil Morse – County Commissioner, wanted to introduce himself and also is running for State Representative.
- Nichole Kleiner – Heart Director, wanted to let everyone know about HEART Winter Fest Saturday February 5th, 2022, from 6am-3pm visit our www.takemetohart.org for list of all events and additional information.
- Amy Turdell – Wanted to commend the City on a great website and is impressed with all the information available on there.
- Jodi – Is starting up a business at 49 S State St. Very excited to be moving into the Hart area and will soon be offering Permanent Cosmetic Makeup Services.

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Maner Costerian – Jordan Smith annual audit presentation, We have audited 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, Michigan (the city), for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 12, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Quality aspects of Accounting Practices:

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 12 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosure. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those

expected. The most sensitive estimates affecting the governmental activities, business-type activities, and proprietary fund financial statements were:

Management's calculation of current and noncurrent compensated absence liabilities is based on an estimate of employees' use of compensated absences.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

Management's calculation of the allowance for uncollectible receivables for the current period is based on the past experience of collections.

Management's calculation of the net other post-employment benefit liability is estimated based upon certain valuation assumptions.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements were detected as result of audit procedures and were corrected by management: cash, investments, due from other governmental units, and net other post-employment benefits (OPED) liability and related deferrals.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 18th, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. Management did engage an outside expert to review independence under relevant professional standards. To our knowledge, this was the only such consultation with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and the schedules of changes in employer's net OPED liability and contributions, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provided any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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.

Very truly yours,
Maner Costerian PC

CONSENT AGENDA:

- Approval of minutes from January 11th 2022
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
 - J. Evans motioned to approve Consent Agenda supported by A. Klotz
- Ayes: 5 Nays: 0 Absent: 2

ACTION ITEMS:

- Ordinance 2022-01 A TEXT AMENDMENT TO REMOVE THE MAXIMUM LOT COVERAGE REQUIREMENTS FOR THE C-2 ZONING DISTRICT IN SECTION 1251.04 AND THE D-1 ZONING DISTRICT IN SECTION 1252.04 – **FIRST READING**

At a regular meeting of the Hart City Council held at City Hall on the 8th day of February 2022, at 7:30pm

Present:

Absent:

The following ordinance was offered by ___ and supported by ___:

THE CITY OF HART, COUNTY OF OCEANA, STATE OF MICHIGAN ORDAINS:

**CITY OF HART CODE OF ORDINANCES, PART 12, TITLE FOUR, ZONING ORDINANCE,
A TEXT AMENDMENT TO REMOVE THE MAXIMUM LOT COVERAGE REQUIREMENTS FOR THE C-2
ZONING DISTRICT FOR THE C-2 ZONING DISTRICT IN SECTION 1251.04 AND THE D-1 ZONING
DISTRICT IN SECTION 1252.04**

Section 1. Chapter 1251 C-2, Limited Commercial. Chapter 1251, Section 1251.04, is amended to strike paragraph (c), which currently, states "Maximum lot coverage – 40 percent," and to re-letter the section accordingly.

Section 1. Chapter 1252 D-1, Industrial District. Chapter 1252, Section 1252.04, is amended to strike paragraph (c), which currently, states "Maximum lot coverage – 40 percent," and to re-letter the section accordingly.

Section 3 Effective Date. This Ordinance shall become effective ten (10) days after its publication or ten (10) days after publication of a summary of its provisions in a local newspaper of general circulation in the City of Hart.

AYES: _____
NAYS: _____

ORDINANCE DECLARED ADOPTED.

Karla Swihart, City Clerk
City of Hart

CERTIFICATION

I, the undersigned duly appointed City Clerk of the City of Hart, Oceana County, Michigan, do hereby certify that the above ordinance, or a summary thereof, was published in the *Oceana's Herald-Journal*, a newspaper of general circulation in the City of Hart, on _____, 2022, and that such ordinance was entered with the Ordinance Book of the City of Hart, on _____, 2022

Dated: _____, 2022

Karla Swihart, City Clerk
City of Hart

First reading: January 25, 2022
Second reading: February 8, 2022
Ordinance becomes effective: February 28, 2022

- Ordinance 2022-02 A TEXT AMENDMENT TO DEFINE PERMANENT COSMETIC SERVICES IN SECTION 1241.01, REGULATE PERMANENT COSMETIC SERVICES IN SECTION 1249.02 (b), AND AMEND THE DEFINITION OF TATTOO PARLOR IN SECTION 1256.13 (b)(20) – **FIRST READING**

At a regular meeting of the Hart City Council held at City Hall on the 8th day of February 2022, at 7:30pm.

PRESENT: _____

ABSENT: _____

The following ordinance was offered by _____ and supported by _____:

THE CITY OF HART, COUNTY OF OCEANA, STATE OF MICHIGAN ORDAINS:

**CITY OF HART CODE OF ORDINANCES, PART 12, TITLE FOUR, ZONING ORDINANCE,
A TEXT AMENDMENT TO DEFINE PERMANENT COSMETIC SERVICES IN SECTION 1241.01, REGULATE
PERMANENT COSMETIC SERVICES IN SECTION 1249.02(b), AND AMEND THE DEFINITION OF TATTOO
PARLOR IN SECTION 1256.13(b)(20)**

Section 1. Chapter 1241 Definitions. Chapter 1241, Section 1241.01, is amended to include the following definition to be inserted in alphabetical order:

"Permanent cosmetic services" means a personal service establishment that applies permanent cosmetic coloration to the skin using muted pigmentations to: disguise scars or tattoos: provide

pigmentation in areas of the body affected by surgery or medical procedures; or apply permanent cosmetics, generally to individuals with impairments or medical conditions, but not limited to these individuals. Services may include permanent eye lining, lip lining, re-pigmentation, or similar procedures but not include traditional tattooing services associated with tattoo parlors, as defined in this ordinance.

Section 2. Chapter 1249 B-1, Central Business District. Chapter 1249, Section 1249.02 (b), is amended to read in its entirety as follows:

(b) Any personal service establishment which performs services on the premises within a completely enclosed building, such as, but not limited to: repair shops (watches, radio, television, shoe, etc.), tailor shops, beauty parlors, barber shops, interior decorators, photographers, and permanent cosmetic services.

Section 3. Chapter 1256 Special Land Uses. Chapter 1256, Section 1256.13 (b)(20), is amended to read in its entirety as follows.

“Tattoo parlor” means a business having as its principal activity the application or placing, by any method, of designs, letters, scrolls, figures, symbols, or other marks upon or under the human skin with ink or any other substance resulting in the coloration of the skin by the aid of needles or any other instrument designs to touch or puncture the skin, not including permanent cosmetic services.

Section 4. Effective Date. This Ordinance shall become effective ten (10) days after its publication or ten (10) days after publication of a summary of its provisions in a local newspaper of general circulation in the City of Hart.

Ayes: _____
Nays: _____

ORDINANCE DECLARED ADPTED.

Karla Swihart, City Clerk
City of Hart

CERTIFICATION

I, the undersigned duly appointed City Clerk of the City of Hart, Oceana County, Michigan, do hereby certify that the above ordinance, or a summary thereof, was published in the *Oceana’s Herald-Journal*, a newspaper of general circulation in the City, on _____, 2022, and that such ordinance was entered with the Ordinance Book of the City on _____, 2022.

Dater: _____, 2022

Karla Swihart, City Clerk
City of Hart

First reading: January 25th, 2022
Second reading: February 8th, 2022
Ordinance becomes effective: February 28th, 2022

- Resolution 2022-02 Intent to issue revenue bonds to finance proposed sewer
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 25th day of January 2022, at 7:30pm
PRESENT: Members: _____
ABSENT: Members: _____

The following resolution was offered by ____ and supported by _____

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 FROM BOND PROCEEDS AND MATTERS RELATED THERETO

WHEREAS, this City Council hereby determines that it is necessary for the public health, safety and welfare of the City of Hart (the "CITY") to issue and sell revenue bonds in one or more series pursuant to Act 94 of the Public Acts of Michigan of 1933, as amended ("ACT 94") to pay the cost of improvements to the City's wastewater collection and treatment systems including, but not limited to, the replacement of undersized gravity sewer, lift station replacement and upgrades, additions/modifications to the wastewater treatment plant and related improvements; legal, engineering, financing, and contingency cost; and related appurtenances, which improvements will increase capacity at the wastewater treatment plant, meet increasing flows and loading, replace aging infrastructure, and increase reliability and efficiency (the "PROJECT"); and

WHEREAS, the current estimated cost of the Project, including engineering, construction, legal, financial, and contingency cost is \$8,409,000; and

WHEREAS, the City has received an offer of funding assistance from the State of Michigan Clean Water State Revolving Loan Program (the "CWSRF Loan Program") to pay all or part of the cost of the Project by means of a long-term low interest loan to be evidenced by the proposed revenue bonds under Act 94 (the "Revenue Bonds"); and

WHEREAS, it is necessary to publish a Notice of Intent of the City's intent to issue the Revenue Bonds in the not-to-exceed amount of \$9,500,000 (the "Notice of Intent"); and

WHEREAS, it is anticipated that the City will advance a portion of the cost of the Project prior to issuance of the bonds, such advance to be reimbursed, without interest, to the City from proceeds of the bonds upon the issuance thereof; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of financing proceeds, and the City intends by this resolution to qualify monies advanced by the City to the Project for reimbursement from Proceeds of the bonds in accordance with the requirements of the Reimbursement Regulations.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

1. The City hereby determines to purchase, acquire, and construct the Project and to pay for the costs of the Project by the issuance of the Revenue Bonds in one or more series pursuant to Act 94 in the maximum principal amount of \$9,500,000.
2. A notice of Intent, substantially in the form attached hereto as Exhibit A, shall be published in accordance with Section 33 of Act 94 in the *Oceana Herald-Journal*, a newspaper of general circulation in the City and determined to be the newspaper reaching the largest number of persons to whom said Notice is directed.
3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue and the manner of publication directed is the method best calculated to give notice to the City's water system users and the City's taxpayer and electors of this City's intent to issue the Revenue Bonds, the maximum principal amount of bonds to be issued, purpose of the bonds, the security and source of repayment for the bonds, and the right of referendum relating thereto, and such other information as the City Council determines necessary to adequately inform City electors of the nature of the Project and the proposed Revenue Bonds.

- 4. It is reasonably expected that the City has advanced, or will advance, funds for the Project prior to issuance of the Revenue Bonds, including items exempt from the Reimbursement Regulations, from monies on hand in the City’s Sewer Fund in the estimated amount of \$500,000.
- 5. The City hereby declares its official intent, and reasonable expectation, to reimburse all or a portion of the amounts so advanced by the City for the Project from the proceeds of the Revenue bonds.
- 6. The City Council hereby retains Mike Meyers PLC, Attorneys of Grand Rapids, as Bond Counsel and Baker Tilly, Lansing as registered municipal advisor for the Project and the Revenue Bonds.
- 7. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

AYES: _____

NAYS: _____

ABSENT: _____

RESOLUTION DECLARED ADOPTED.

Karla Swihart, City Clerk
City of Hart

STATE OF MICHIGAN
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 25th day of January 2022, 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 ___ day of January 2022.

Karla Swihart, City Clerk
City of Hart

- J. Evans motioned to approve resolution 2022-02 and supported by F. Rybarz

▪ Ayes: 5 Nays: 0 Absent: 2

- Resolution 2022-03 Accept proposal for Environmental consulting services.

**Accept environmental consulting services proposal for BioPure
Forcemain project**

WHEREAS, as part of the City of Hart has been awarded a \$810,000 grant by the Michigan Economic Development Corporation to assist the City in the replacement of the aging wastewater forcemain from the Griswold list station to the BioPure treatment facility; and

WHEREAS, it is necessary for the City to obtain a qualified environmental consultant to perform a National Environmental Policy Act review to comply with Michigan Economic Development Corporation and Community Development Block Grant requirements; and

WHEREAS, Fishbeck corporation has submitted the most qualified proposal for services to support the City through this project by indicating their ability to perform the work in a timely matter allowing the City to meet its anticipated bidding timeline; and

WHEREAS, in order 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 HART CIITY COUNCIL

Accepts the proposal for environmental consulting services from Fishbeck for a lump sum cost of \$5,500 to complete the required NEPA assessment and all related environmental survey and documentation work as required by the terms of the MEDC distributed CDBG grant. Council authorizes the City Manager to sign and execute said agreement

- J. Evans motioned to approve Resolution 2022-03 and supported by C. Burillo

• Ayes: 5 Nays: 0 Absent: 2

DISCUSSION ITEMS:

- Hart Fire Department snow plowing assistance.
Wanted to bring up in front of Council. We sold the Fire Department to the Hart Fire Department as part of that transaction, The City of Hart shovels, and plows City of Hart Properties, well for the last 40 years the City has been plowing out the Hart Fire Barn. As the City no longer owns the Fire Department, DPW Supervisor talked with the fire chief in discussion was told that Hallack contracting was contracted to plow the department. People who were not part of that conversation would like the City to still come plow as the fire department has also helped the City out when needed. Council would like to have Mika Meyers (legal services) contacted due to insurance reasons and have a contract drafted up and presented to the Hart Fire Department for the City to continue plowing.

CITY MANAGER'S REPORT:

- City Manager R. Splane gave copy of manager's report to City Council
- Water rate study workshop hosted by the Michigan Rural Water Association was very beneficial. Work will continue to gather all necessary data to complete a water and wastewater rate study to be presented to council upon completion. The course instructor, Mike Engels from the Michigan Rural Water Association will be visiting Hart on February 15th and 16th to assist the City in reviewing the study to ensure the information is all correct. Studying and reviewing these rates regularly to is critical to ensure our residents have dependable and sustainable infrastructure.
- Speaking on the topic of infrastructure sustainability, on ongoing issue with the DPW Supervisory Control and Data Acquisition or SCADA system, continues to threaten the integrity of our water supply system. The SCADA system monitors real-time input to alarm our staff in the event of equipment failure or potential problems. Each of our departments rely on a SCADA system. This system must be reliable to minimize down time, avoid catastrophic failures, and to minimize overtime pay. The SCADA system has been patched together for several years and is now in need of some upgrades that will require a significant investment. We will work to find the best possible solution and share that solution with council in the near future.
- Text-My-Gov development has begun, and we are working with their implementation team to launch the program in mid-February. The City of Hart Text-My-Gov local number will be: 231-721-2777. We are excited to see this new communication tool benefit our residents and visitors.
- Hart to Heart coffee meetings at local businesses continue to be a hit with the community and offer new, more casual opportunities for our community members to communicate with the City Manager.
- The bids have been advertised for the dam embankment project and for the Hanson and Wigton street projects. We anticipate bringing the bid results before council soon to award the bid as appropriate.
- Looking for permission from Council to shut down City Hall for two days in March to get the ducts cleaned.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Mayor Platt wanted to thank the County Commissioners who approved a new position at the County Jail. Mayor Platt is excited as she was selected to fill the position.
- Thank you to the residents who are beautifying the City of Hart downtown is looking very nice
- Thank you to the DPW team working around the clock plowing and keeping the roads clear
- Thank you Paul and City Manager R. Splane for attending Michigan Rural Water Association Meeting as it will help with our rate studies for the City.
- Nichole what a great meeting you held for Art to Hart and all the good ideas that have come in.

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned at 8:54pm upon a motion by Catalina Burillo and supported by J. Evans. The next regularly scheduled meeting will be on February 8th, 2022, at 7:30 pm.

Respectfully Submitted

A handwritten signature in cursive script that reads "Karla Swihart".

Karla Swihart, City Clerk