



**CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
June 28th , 2022
MINUTES – Draft**

PRESENT: Mayor Vicki Platt, Councilors: Jim Evans, Dean Hodges, Amanda Klotz, Fred Rybarz, and Kris Trygstad

ABSENT: Catalina Burillo

OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, DPW Superintendent – Brad Whitney, Energy Superintendent – Mike Schiller, Prein & Newhof Barbara Marczak, Dick Huntington, George Sadler, and Teri Heacock

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: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS:

- Mr. Huntington 115 Creek Dr. Hart Mi 49420, regarding the Creeks Subdivision, I've met with Rob and the potential developer, as far as I know that is all the future its gone as we have not heard anything different, but the other day there was a surveyor up there for a good day or so and laid out what looks like a Tri-plex on the south east corner just behind the sign when you come into the division, for a tri plex unit which is that that lot is designed for on the map. So, I came down to City Hall to talk to Rob as for any construction being done needs to go thru the HOA before, they can break ground as there needs to be a site plan and it must be approved. In talking to Rob, he said he was aware that the developer was looking at the northwest corner to put a duplex on, but I have seen no stacks there. I just wanted to make sure and be clear that all the lots are still answerable to the HOA when it comes to a building plan as it is all laid out in the master plan deed and that also goes for the City lots as the plans have to be approved before construction. So hopefully we don't wake up one morning and see a backhoe out there digging when the HOA has not seen any site plans as the next stop will be at the lawyer's office to get a stop work order. When talking to the contractor he stated that the inner circle would remain HOA and he wanted to buy all the remaining lots and turn them all into single family homes, but still no guarantee without the HOA having the site plan approval so at this time the HOA is not willing to amend the HOA and give away the site plan approval process. At this time, we don't know what the realtor is doing, or the contactor are doing but there are several people interested in purchasing lots in the creeks to build homes like are already in there.
- Mr. Sadler 211 East Main, Hart Mi 49420 was inquiring on an update on street patching as the holiday weekend is coming up and I took a ride this morning and counted 21 patches from State St to Oceana drive and there is some serious fixing that needs to be done and in talking to Rob he stated it is on the 20-year plan, but I don't feel it is going to wait 20 years.
I noticed on the flyer for Hart Sparks that there are going to be food trucks downtown. We have 9 restaurants downtown that pay taxes every year, so why would we allow food trucks to come in here when they don't pay taxes and they don't contribute to the community, but they take out of the community. I don't understand why there will be food trucks down there and I have left that message for our parttime economic developer and have yet to hear back.

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- PUBLIC HEARING: Water System Improvements Final Project Plan and Drinking Water State Revolving Fund Loan.
 - A. Klotz motioned to open the Public Hearing at 7:41pm and supported by K. Trygstad
 - Ayes: 6 Nays: 0 Absent: 1

Barbara Marczak from Prein&Newhof presenter.

FY2023 Drinking Water Revolving Fund Project Plan (DWRF)

Michigan's DWRF is a low interest loan program to help communities pay for wastewater system improvements with interest rates right around 2% the last few years.

Federal infrastructure funding including ARPA and IIJA is being distributed through State Revolving Fund (SRF) programs nationwide and may come with some principal forgiveness over the next few years (essentially a grant)

Drinking Water Revolving Fund- Project Plan

A project plan is required to apply for the program which needs 5-year and 20-year planning periods and for water we address things such as Public Health Problems, Low Flow Areas, and Aging Infrastructure.

For each project we look at an analysis of alternatives, capital costs, advantages and disadvantages and life cycle cost of each as well as Environmental impacts.

Why are we doing this? Asset Management Plan and Capital Improvements as an overall as the theory is it is much more expensive do projects like fix water mains and sewers under emergency scenarios than having a planned scenario under asset management.

Water System

7 Production wells (2 wells no longer used)

16 Miles of Distribution Pipe

2 Elevated Storage Tanks

1 Booster Station

The projects we are looking at to be constructed in conjunction with the sewer upgrades approved last fall which again have been part of the scheduled Asset Management Plan and Capital Improvement Plan.

Lead Service lines replacement is now required, City of Hart has about 950 total water services, required to replace about 800 services (lead or galvanized lines connected to lead goosenecks). The City is required to replace them all the way from the watermain to house as the Safe Drinking Water Act requires replacement of 5% per year (40 per year) starting in 2021 at roughly \$10,000 each = \$400,000 per year!!!

Project Selection for lead service line replacements we are focused on areas with small old diameter watermains, areas with poor sewers along with poor road surfaces. (Map is available at City Hall for residents to view)

Financial Impacts, Cost to average residential user anticipated to be less than \$4.50 per month. The amount will be determined through a financial analysis once final grant and loan amounts are determined.

Environmental Impacts, all projects are in existing roadways or previously disturbed soil, except possibly replacement of flood well, temporary impacts due to construction (noise, dust, inconvenience), but will address impacts that are found if needed.

What happens next is if the Project Plan is approved and adopted it will be submitted by July 1st and that starts the plan with EGLE who only takes the plans once a year and they work on the list over the next few months and publish it early September which they have a public hearing process and who score and rank all projects submitted and should know approved project list by October 1st.

With no public comments or concerns,

- F. Rybarz motioned to close the Public Hearing at 7:56pm and supported by J. Evans
 - Ayes: 6 Nays: 0 Absent: 1

- PUBLIC HEARING: Truth in Taxation hearing to increase property taxes above that current year millage reduction fraction.

- A. Klotz motioned to open the Public Hearing at 7:57pm and supported by K. Trygstad
 - Ayes: 6 Nays: 0 Absent: 1

As presented at last weeks council meeting this is a formality required by the State. Current operating millage rate for the City of Hart is 15.1527. Each year the State releases a Millage reduction fraction the concept is as property values go up; the millage rate goes down leave a net lose to the City. Without having a Public Hearing, the City would be mandated to reduce the tax rate to 14.645 mils which could come as a loss in revenue to the City, with holding the Public Hearing the City is allowed to mitigate that millage reduction fraction. The City has

sought to keep that revenue as once you lose that revenue you have to go back to the public to vote to increase mileages.

With no public comments or concerns

- J. Evans motioned to close the Public Hearing at 7:59pm and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1

▪ PUBLIC HEARING: Sale of City Property – Creeks Subdivision.

- J. Evans motioned to open Public Hearing at 8:00pm and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1

As a formality there was a public hearing back in 2021 it has come to the City Managers attention as the City has been doing some legal review on the property itself Mika Meyers discovered that the Resolution passed by City Council last year there was not enough City Council members present even though it was passed unanimously there were only 4 members present and per City Charter there needs to be at least 5 City Council members present to sell any City property. So as a formality to move forward the City wants to make sure down the road there are no issues.

J. Evans asked if this pertained to the 7 lots on the south side and how much are they being sold for?

City Manager Splane, this is for any lot sold in the Creeks and lots are anywhere from \$17,500-\$19,000, and the City is continuing to work with a developer to develop the other common area space which is still in negation, and the proposed price was \$7,000 per unit, but that has not been approved yet.

J. Evans asked what \$17,000 is based upon comparable? Which yes, the City's realtor believes that is fair market value for the properties.

Resolution presented would only the City Manager to enter into any contractual agreements, as the purchase of any individual properties would go before City Council, but as directed by the Council the commons space that is all one large parcel didn't want to micromanage the development of each individual unit on that property. As Mr. Huntington indicated there will be a PUD process that would have to have the blessing of the HOA, go through the Planning Commission, and would also have to be approved City Council.

F. Rybarz asked, this process would take what isn't a plated subdivision to a plated subdivision. City Manager Splane stated that the realtor the City is working with along with some local mortgage people in the area indicated that to sell the property the way it sites is difficult as you are not selling any land which prevents you from being qualified for loans.

The City intends to work with a developer to develop the property so there is consistency in construction along with the look of the development, the developer would purchase that property from the City and develop it, Werther the developer wanted to build the homes and sell them or work with the buyers to build, that would be up to the developer.

With no other public comments or concerns

- A. Klotz motioned to close the Public Hearing at 8:15pm and supported by F. Rybarz
 - Ayes: 6 Nays: 0 Absent: 1

CONSENT AGENDA:

- Approval of minutes from June 28th, 2022.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
 - A. Klotz motioned to approve Consent Agenda and supported by K. Trygstad
 - Ayes: 6 Nays: 0 Absent: 1

ACTION ITEMS:

- Resolution 2022-22- Adopt Final Project Plan for Water System Improvements.
WHEREAS, the City of Hart recognizes the need to make improvements to its existing Wastewater collection system; and
WHEREAS; the City of Hart authorized Prein&Newhof to prepare a Project Plan, which recommends replacement of aging and undersized water main, replacement of lead and galvanized water services, installation of looping within the water distribution system, and replacement of a well to improve reliability and redundancy; and

WHEREAS; said Project Plan was presented as a Public Hearing held on June 28th 2022 and all public comments at the hearing or written comments submitted during the public comment period have been considered and addressed.

WHEREAS; 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.

Formally adopts said Project Plan and agrees to implement the selected FY2023 projects based on the selected alternatives for these projects.

Designate the City Manager, as the authorized representatives for all activities associated with the project referenced above, including the submittal of said Project Plan as the first step in applying to the State of Michigan for a Drinking Water State Revolving Fund Loan to assist in the implementation of the selected alternatives.

- F. Rybarz motioned to approve Resolution 2022-22 Adopt Final Project Plan for Water System Improvements and supported by J. Evans
 - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2022-23 – Adoption of 2022 Millage Rates and 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 2022, respectively; and
 WHEREAS. The City conducted a "Truth In Taxation" hearing on June 28th, 2022 which permits the proposed tax rates to exceed the maximum rates allowed by "Headlee" rules (MCL 211.34); and
 WHEREAS, the City has determined that for FY2023 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 2022 as follows.

PURPOSE	2022 MILLAGE RATE
Operating	12.6364
Streets (voted March 2020)	1.993
Cemetery (Voted November 2018)	.499
TOTAL	15.1284

- FR. Rybarz motioned to approve Resolution 2022-23 Adoption of 2022 Millage Rates and Levy and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2022-24 Sale of City Property

WHEREAS, in 2017, the City of Hart took possession and ownership of The Creeks Condominiums, a residential condominium, for unpaid taxes and special assessments after many years of negotiating with the involved parties; and
 WHEREAS, the use of the property is restricted by the condominium documents to residential development and is not available to the public for park or similar purposes; and
 WHEREAS, the City would like to move forward with activities which promote development of this property as a residential development; and
 WHEREAS, the lands are not needed for any purpose of the City, and sale of lands within The Creeks Development is in the public interest, and
 WHEREAS, the City Council has held a public hearing following due notice to hear and consider any public comments on the sale of these properties.

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL.

Approves the sale of some or all of the lands owned by the City within the Creeks Condominium and authorizes and directs the City Manager to sign and execute the option in substantially the form on file with the City, or purchase agreements, and to execute and deliver deeds and other instruments as may be necessary or convenient to convey the properties within The Creeks Development.

- J. Evans motioned to approve Resolution 2022-24 Sale of City Property and supported by K. Trygstad
 - Ayes: 6 Nays: 0 Absent: 1
- Resolution 2022-25 FY 2022 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-governance and to promote and protect our common interests and welfare; and
NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL.
Amends the FY2022 Annual Budget as follows.

Fund	GL Number	DESCRIPTION	Adopted	Amended	Justification
General	101-000.000-573.000	LOCAL COMMUNITY STABILIZAT	\$15,000	\$54,494	Increase state contribution revenue
General	101-000.000-540.000	STATE GRANT	\$300,000	\$0	DNR Grant to be carried to 2023
General	101-172.000-970.009	Property Acquisition	\$4,000	\$4,645	Purchase of mudget wood shop - historic district
General	101-301.000-702.805	Part Time Employee	\$18,500	\$32,000	Police staffing shortage due to injury and scheduling difficulty
General	101-301.000-702.900	OVERTIME	\$20,000	\$31,950	Police staffing shortage due to injury and scheduling difficulty
General	101-441.000-702.800	WAGE (REG EMPLOYEE)	\$172,689	\$217,615	FY22 budget did not include contractual raises
General	101-441.000-970.001	LEASE PMT STREET SWEEPER 20	\$0	\$64,300	New line item to track street sweeper lease expense
General	101-775.000-818.000	CONTRACTURAL SERVICE	\$0	\$31,704	Pocket park city match
Major Streets Fur	203-970.000-970.223	LINCOLN ST. IMP	\$0	\$275,713	Lincoln Street cost overruns - unpaid from 2021
Major Streets Fur	202-000.000-577.100	ST. SHARED REV-GAS/WGHT TA	\$141,603	\$173,491	Increase in state gas tax revenue
Local Streets Fun	203-000.000-577.100	ST. SHARED REV-GAS/WGHT TA	\$60,868	\$72,200	Increase in state gas tax revenue
Local Streets Fun	203-970.000-970.223	LINCOLN ST. IMP	\$0	\$275,713	Wigton Street Construction - planned expense
Street Millage	204-000.000-970.610	Lincoln Street Imp	\$0	\$8,700	Change order Lincoln street construction - water valves
Park	208-000.000-998.005	Bank Fee Charges	\$0	\$82	Bank Fees moved to new line item per 2022 Audit.
Park	208-751.000-715.905	OPEB(OtherPostEmploymentBe	\$0	\$20,000	Annual OPEB - benefit contribution 101-172.000-715.905
Park	208-751.000-920.000	UTILITIES(HEAT,WATER,ELECT,S	\$18,720	\$35,508	New electric metering of John Gurney Park
TIFA	215-000.000-999.245	Sidewalk Replacement	\$35,000	\$0	Sidewalk project moved to FY23
Lake Imp SAD	241-000.000-801.000	PROFESSIONAL SERVICES	\$9,700	\$29,549	Moved Lake Treatment from Contractural services to Professional
Lake Imp SAD	241-000.000-818.000	CONTRACTURAL SERVICE	\$19,000	\$2,295	Moved Lake Treatment from Contractural services to Professional
Special Rev. Fund	285-000.000-501.000	FEDERAL GRANT ARPA	\$0	\$108,663	Second payment pending
Hydro Fund	580-537.100-801.000	PROFESSIONAL SERVICES	\$10,000	\$19,320	System Modeling Project and SCADA work at Dam
Hydro Fund	580-537.100-801.540	MDEQ FINES/PENALTIES	\$24,840	\$0	No fines from MDEQ per Administrative Consent Order
Hydro Fund	580-537.200-740.800	REPAIRS & MAINTENANCE	\$200,000	\$0	Power plant project moved to FY23
Hydro Fund	580-537.300-740.000	OPERATING SUPPLIES	\$75,000	\$166,867	Inventory to midigate supply issues/inflation - Pole replacement
Hydro Fund	580-537.300-801.000	PROFESSIONAL SERVICES	\$10,000	\$54,780	Emergency Repairs to substation
Hydro Fund	580-537.300-818.000	CONTRACTURAL SERVICE	\$10,000	\$62,846	Tree Trimming per council resolution award
Hydro Fund	580-970.000-801.000	PROFESSIONAL SERVICES	\$0	\$22,095	Dam Embankement Engineering
Hydro Fund	580-970.000-818.662	Vehicle Replacement	\$277,401	\$131,812	Bucket truck and service truck purchase
Sewer Fund	590-000.000-643.000	METERED SALES TO GENERAL CL	\$360,000	\$393,200	System use higher then expected
Sewer Fund	590-000.000-643.200	METERED SALES TO INDUSTRIAL	\$1,542,122	\$1,667,016	System use higher then expected
Sewer Fund	590-000.000-694.100	Loan Proceeds	\$8,409,000	\$0	State Revolving Loan Funding Expected in FY23
Sewer Fund	590-527.100-740.800	REPAIRS & MAINTENANCE	\$7,500,000	\$0	Projects pending State Revolving Fund Loan
Sewer Fund	590-527.100-920.200	ELECTRICITY	\$380,000	\$445,374	System use higher then expected
Sewer Fund	590-527.100-983.200	Sludge Removal	\$250,000	\$0	Sludge Hauling budget for FY23 = \$480,000
Sewer Fund	590-527.400-801.001	2210874 FORCEMAIN REPLACE	\$0	\$67,408	Engineering awarded per council resolution
Sewer Fund	590-970.000-801.010	Prof Services - Engineering	\$10,000	\$112,969	State revolving loan consulting and
Water Fund	591-000.000-540.000	STATE GRANT	\$0	\$42,647	Drinking Water System Management Grant
Water Fund	591-547.400-715.905	OPEB(OtherPostEmploymentBe	\$4,100	\$20,000	Annual OPEB - benefit contribution
Water Fund	591-547.400-801.002	2200777 DRINKING WATER ASS	\$0	\$49,856	Grant Work
Property Tax Fun	710-000.000-402.000	CURRENT PROPERTY TAXES	\$0	\$2,440,055	Property Tax Fund income
Property Tax Fun	710-000.000-999.612	DisburseToMultiUnits	\$0	\$2,432,351	Property Tax Fund distribution

- F. Rybarz motioned to approve Resolution 2022-25 FY 2022 Budget Amendments and supported by J. Evans
 - Ayes: 6 Nays: 0 Absent: 1

DISCUSSION ITEMS:

- City Manager Evaluation Review.
- City Manager performance evaluation PDF was sent out to City Council members to fill out and submit back to Mayor Platt on or before June 24th presented at City Council meeting.

Compiled reviews submitted, I did a very simple calculation and averaged out the scores based on the reviews that were submitted, I also included my own self review. I also intend to write a response letter that I will have in front of Council at the next meeting. I felt the evaluations were fair and I did include everyone's comments. I would say it's been a rather challenging year and I've learned a ton and will continue to keep learning as we've made a lot of good changes as we are really trying to no longer do things the way it has always been done. More and more of our department heads and city staff are looking to change things that have not been looked at for years and get them updated.

- **CLOSED SESSION** – Per Section 8(C) of the Open Meeting Act: For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if either negotiation party requests a closed hearing.
 - A. Klotz motioned to go into closed session per section 8 (C) of the Open Meetings Act: For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if either negotiation party requests a closed hearing at 8:20pm and supported by K. Trygstad
 - Ayes: 6 Nays: 0 Absent: 1
 - J. Evans motioned to go back into regular meeting and adjourn from Closed Session at 8:40pm and supported by A. Klotz
 - Ayes: 6 Nays: 0 Absent: 1
 - J. Evans motioned that based upon the conciliation with legal staff, comparatives that have been done, and the status of negotiations that the council approves the tentative offer that has been proposed to the union by our personal and finances committee to execute the contract and supported by A. Klotz
 - Ayes: 5 Nays: 1 Absent: 0

CITY MANAGER'S REPORT:

- Working with BioPure Superintendent – Paul Cutter to draft a public statement regarding the odors
- Working with BioPure to identify and work with candidates that could provide bio-solid hauling services to the City of Hart
- First music on the commons with the market went well between 100-150 attended
- Hart Sparks this Saturday July 2nd festivities start at 6pm with music by Stolen Horses band at 7:30 and fireworks at dusk.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- F. Rybarz asked if there are issues finding land to dump the City's bio-solids? P. Cutter said yes, we do have issues finding land as right now all the crops are planted, and you need at least 400 acres.
- Mayor V. Platt the NAF was a good turn out and the parade was really good. Thank you to everyone who attended.

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned at 8:55pm upon a motion by A. Klotz and supported by K. Trygstad. The next regularly scheduled meeting will be on July 12th, 2022, at 7:30 pm.

Respectfully Submitted

Karla Swihart

Karla Swihart, City Clerk