

City of Hart, Michigan
CITY COUNCIL AGENDA
September 24, 2024, 7:30 PM
407 State St. – Council Chamber
NOTICE OF PUBLIC MEETING
REGULAR COUNCIL MEETING

1. Call to Order
2. Roll Call – Burillo, Cunningham, Evans, Hodges, Klotz, Trygstad, Platt
3. Pledge of Allegiance
4. Approval of Agenda
5. Public Comments – **Public comment on any matter other than a scheduled public hearing. We ask that you please limit your comments to 3 minutes.**
 - a. Correspondence, Events, Presentations
 - i. Presentation – Drinking Water State Revolving Fund (DWSRF) Opportunity
 1. Andy Campbell, Bendzinski and Co. Municipal Finance Advisors
 2. Barbara Marczak, Prien and Newhof
 - ii. Governance Letter – Maner Costerisan
6. Consent Agenda:
 - a. Approval of Minutes from September 10, 2024
 - b. Bills, Claims, Payroll
 - c. Reports of Boards, Commissions, and Committees
 - d. Department Reports – Police/BioPure/Public Works/Energy/♥C&E Dvlp./Parks & Rec
7. Action Items
 - a. Resolution 2024-25 Accept Engagement Agreement for Single Audit Services
8. Discussion Items
 - a. Employee Health Care – January 2025 HSA Option
 - b. Hart Water System and Hydrant Maintenance Discussion
 - c. Special Event Permit – Spooky Museum and Halloween Movie Night
9. City Manager Report
10. Communications from the Mayor and Council (Including board and committee updates.)
11. Adjournment –

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MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

DRINKING WATER STATE REVOLVING FUND Draft Intended Use Plan Fiscal Year 2025



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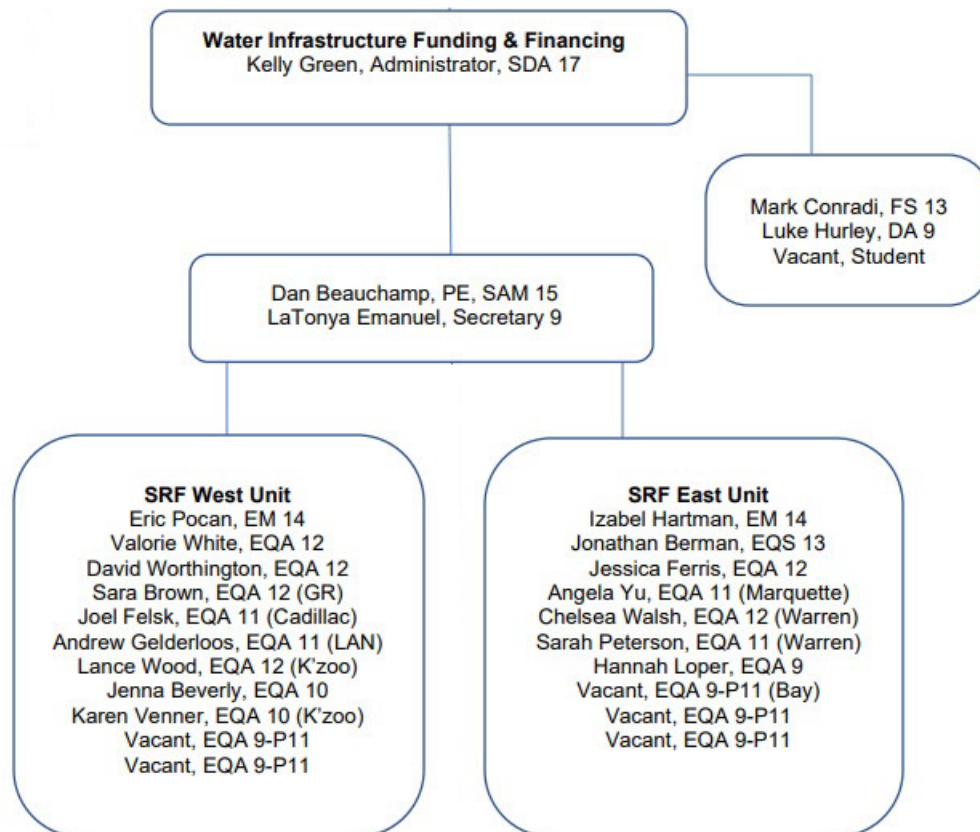
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Attachments

Attachment 1 – Fiscal Year 2025 Draft DWSRF Project Priority List

Water Infrastructure Funding and Financing Section

Michigan’s Water Infrastructure Funding and Financing Section (WIFFS) within the Finance Division of the Department of Environment, Great Lakes, and Energy (EGLE) assists municipalities in their efforts to protect public health and the environment through the administration of low interest loans and grants and by providing project support and outstanding customer assistance. Information on Michigan’s DWSRF can be found at Michigan.gov/DWSRF



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DWSRF Overview

The DWSRF low interest loan program was established via the Safe Drinking Water Act (SDWA) Amendments of 1996. The DWSRF is a program to assist public water systems in financing the costs of replacement and repair of drinking water infrastructure to protect public health and achieve or maintain compliance with the SDWA requirements.

Congress appropriates funding for the DWSRF annually. EPA awards capitalization grants from those Congressional appropriations to each state for their DWSRF based upon an allocation formula determined from the most recent Drinking Water Infrastructure Needs Survey. In accepting the award, States are required to provide a 20 percent match.

The SDWA places an emphasis on preventing contamination rather than a reactive approach. Central to this is the development of state prevention programs including, source water protection, capacity development, and operator training and certification. To fund these programs, the SDWA allows the creation of four set-aside accounts. States may take up to 31% of their annual capitalization grant as set-asides. The remaining balance after taking the set-asides, plus the State's match, is placed into a dedicated revolving loan fund. This fund provides loans to water systems for eligible infrastructure projects. As water systems repay their loan, the repayments and interest flow back into the dedicated fund and can be used to make new loans.

Michigan's DWSRF program has awarded over \$2 billion to 465 drinking water projects across the state since 1998. Of that, over \$159 million has been awarded as principal forgiveness (PF), or as loan dollars not required to be paid back. PF dollars greatly assist communities with affordability issues. However, they do not revolve back into the program and thereby reduce fund growth.

As required by the SDWA, Michigan, prepares this Intended Use Plan (IUP) to identify the DWSRF loan projects that will utilize the funds available in a given fiscal year (FY) as well as the set-asides. This IUP includes the project priority list for FY2025 projects. The capitalization grant used for Michigan's FY2025 projects are from EPA's FY2024 budget, or any prior capitalization grants that may still be open. As a result of federal appropriations to Michigan, EGLE's capitalization grant for FY2025 projects is \$10,634,000.

The work of WIFFS staff to assist applicants through the financing and environmental review process while assuring state and federal laws are met is an invaluable resource to Michigan's residents. The DWSRF program continues to contribute vastly to the protection of public health across the state.

Federal Bipartisan Infrastructure Law

Bipartisan Infrastructure Law

On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law. Referred to as the Bipartisan Infrastructure Law (BIL), it included an appropriation to the EPA to

DWSRF – Draft Intended Use Plan Fiscal Year 2025

strengthen the nations drinking water and wastewater systems. A sizeable portion of BIL dollars are disbursed through the DWSRF.

The BIL provides three federal grants to Michigan through the DWSRF: the DWSRF Supplemental Grant, the DWSRF Emerging Contaminants Grant, and the DWSRF Lead Service Line Replacement Grant. These grants will be awarded to states annually through 2026. Table 1 below illustrates Michigan’s allocation of BIL for FY2025 projects. WIFFS has two years to allocate funds once they have been applied for from EPA. BIL language requires each grant allocation provide additional subsidization as follows:

- DWSRF Supplemental: 49 percent additional subsidization.
- DWSRF Emerging Contaminants (EC): 100 percent (minimum 25 percent of funds must go towards disadvantaged communities or public water systems serving fewer than 25,000 people) additional subsidization.
- Lead Service Line Replacement (LSLR): 49 percent additional subsidization.

Additional subsidization will be awarded to applicants in the form of loan principal forgiveness as illustrated on Attachment 1.

With this IUP, EGLE will apply for 100 percent of the available BIL dollars from EPA for this fiscal year. Any BIL dollars remaining unallocated at the conclusion of FY2025 will be carried forward and allocated to projects in FY2026. Carry over dollars will be allocated prior to any new allotments. EGLE is allocating carry over BIL dollars not used in FY2024 and awarding them to FY2025 projects.

The BIL allows the use of up to 31% of the grants as set-asides. The categories of set-asides are aligned with the traditional DWSRF grant, are tracked on a per grant basis, and must be used to address needs in the category they are taken. For example, set asides taken from the EC grant must be used to address eligible emerging contaminant activities. EGLE is utilizing \$1,300,000 of BIL LSLR set asides. Set-aside workplans are completed and managed by EGLE’s [Drinking Water and Environmental Health Division](#) and can be found on the [DWSRF website](#).

If a state does not apply for funds under a BIL category, EPA can reallocate those funds to other states. Michigan will apply for 100 percent of reallocation dollars available. These fall into the DWSRF EC (100 percent forgiveness) and DWSRF LSLR (49 percent forgiveness) categories as illustrated below.

Table 1 BIL Allocation

Appropriation	Grant Allocation	Amount of Additional Subsidization	Carry-over Additional Subsidization from FY24	Carry-over Loan Amount from FY24	Reallotment from FY2022	Total Available for Applicants
DWSRF Supplemental	\$52,446,000	\$25,698,540	\$11,013,500	\$12,233,094	\$0	\$75,692,594
DWSRF Emerging Contaminants	\$17,433,000	\$17,433,000	\$4,592,890	\$0	\$127,000	\$22,152,890

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DWSRF Lead Service Line Replacement	\$61,916,000	\$33,335,190	\$9,906,687	\$10,311,043	\$6,115,000	\$86,948,730*
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*\$1,300,000 removed from total available to use towards set-aside activities. This amount reduces the total loan amount available but doesn't impact PF available.

Emerging Contaminants

The BIL EC funds must be used for eligible DWSRF projects with the primary purpose to address emerging contaminants in drinking water. The funds must focus on projects addressing perfluoroalkyl and polyfluoroalkyl (PFAS) substances or any contaminant on [EPA's Contaminant Candidate Lists](#). Additionally, grant funds under this category are not subject to state matching requirements of the SDWA. As previously discussed, 100 percent of the Emerging Contaminant Grant must be provided as additional subsidization to applicants. EGLE awarded these funds to eligible applicants in priority order. Projects on the PPL receiving these BIL dollars are PFAS related projects. EGLE provided 100% forgiveness equivalent to the eligible PFAS portion of the proposed project up to a maximum forgiveness of \$20 million. This project (Kalamazoo) is illustrated on Attachment 1.

Lead Service Line Replacement

The BIL LSLR funds must be used for lead service line replacement work and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. Projects must be DWSRF eligible and full replacement of a lead line must occur in accordance with [Michigan's Lead and Copper Rule](#). Under EPA's updated guidance issued in FY2024, only service lines that are lead or galvanized lines known to be connected to lead, are eligible for BIL LSLR funding. Attachment 1 includes two LSLR columns, BIL LSLR Eligible Costs and Non BIL LSLR Eligible Costs. The dollar amounts in each column were provided to EGLE by the applicants as their best estimate for work either eligible for BIL funds or not. These amounts are subject to change as projects move forward and further details on water system materials type are identified

EPA grant funds under this BIL appropriation are not subject to state match requirements. In addition, BIL requires states to provide 49% of the grant as additional subsidization to applicants that meet the state's disadvantaged community criteria. Michigan is applying these funds to lead service line replacement projects as principal forgiveness as illustrated on Attachment 1.

Build America, Buy America (BABA) Act

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, which includes the Build America, Buy America Act (BABA). Pub. L. No. 117-58, §§ 70901-52, was signed into law strengthening Made in America Laws. The law requires that no later than May 14, 2022, 180 days after the enactment of the IIJA, the head of each covered Federal agency shall ensure that "none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." This expands domestic sourcing requirements to include all steel, iron, manufactured products, non-ferrous metals, plastic, and polymer-based

products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States. The Made in America Office at the Office of Management and Budget (OMB) has developed [overarching implementation guidance](#): Additional information from EPA and the waiver process is posted to their [BABA website](#).

State LSLR + WM Grant

As part of PA 119 of 2023, \$8,601,300 in state funds was approved for allocation to projects undertaking LSLR and associated activities. Additionally, PA 121 of 2024 allocated an additional \$35,300,000 in state funds to LSLR and associated activities.

These dollars are illustrated on Attachment 1 under State LSLR + WM Grant. Any funds remaining in this category after end of FY2025 will be carried over to future years.

Michigan's DWSRF Program

Multi Step Application Process

The purpose of the multiple step application process is to first determine if the borrower qualifies to receive funding under the DWSRF program and assess the eligibility of the proposed projects. This process operates to assist applicants through any significant hurdles that may exist in securing permits, environmental clearances, and understanding DWSRF laws and policies. The first step in the process is to submit to EGLE an electronic Intent to Apply (ITA) form found on [Michigan.gov/DWSRF](#). This ITA process allows for better tracking of applicant needs and better processing and outreach by staff. Additionally, it allows for earlier coordination with the Michigan Finance Authority (MFA) which operates as EGLE's DWSRF partner in managing fund dollars. The MFA requires a municipal obligation (bond note or evidence of debt issued) under the Shared Credit Rating Act for an amount up to the loan amount, including all principal forgiveness amounts. Awarded grant dollars operate entirely through EGLE and do not need to be included in the MFA's required bond. The MFA purchases the applicant's local bond to effectuate the DWSRF loan.

Priority Ranking System

New state DWSRF legislation was enacted and FY2025 projects are now utilizing the new scoring criteria as described on EGLE's [SRF Overburdened Community Definition and Scoring Criteria website](#). Projects are scored and thereby prioritized by EGLE's Drinking Water and Environmental Health Division. Individual project scores can be found and reviewed on the [DWSRF](#) home page.

The PPL will be updated as changes occur such as projects dropping or shifting funding years. Applicants should not expect to increase their loan amounts or grant/forgiveness amounts if actual project costs come in higher than estimated. EGLE understands the tough economic variables occurring and will make every attempt possible to finance projects allowing flexibility in timing and cost overruns. There may be instances where loan dollars can exceed the PPL estimates however, EGLE reserves the right to lock loan, grant, and forgiveness amounts into

what is illustrated on the Final PPL due to limited resources. While the overall awarded principal forgiveness percentage is based on total estimated project costs, a large amount of the available forgiveness or grant dollars are directly related to LSLR activities. Therefore, if an applicant reduces or drops their estimated LSLR work from what is illustrated on the Final PPL, the associated forgiveness/grant amount may be reduced or eliminated completely.

Project inclusion on the PPL indicates an applicant has submitted a final project plan with an estimated dollar amount that was scored and ranked by EGLE. There is no actual or implied guarantee that being listed on the PPL will constitute a commitment of financial assistance from the DWSRF. All program requirements must be satisfied, and applicable permits issued before a binding commitment can be offered and a loan or grant issued.

For inclusion on the FY2025 PPL, ITA forms were due to EGLE by November 1, 2023, with final planning documents submitted by June 1, 2024. The ITA form includes project information such as overview of project scope, estimated costs, and estimated date of construction.

Engineering Review

Projects that are considered for funding undergo programmatic and technical review of planning and design documents such as engineering reports and plans and specifications to ensure they follow state and federal regulations. Project alternatives are reviewed including the cost and effectiveness of feasible options including operation and maintenance costs.

Environmental Review

An Environmental review is required for all DWSRF projects. EGLE WIFFS staff review every project for impacts to various water, land, and flora/fauna species. A Finding of No Significant Impact or a Categorical Exclusion should be determined on all DWSRF projects prior to any construction activities taking place. Should a FNSI not be able to be issued, the Department may undertake further review through issuance of an Environmental Impact Statement. If project work is added or changed during the project due to unforeseen conditions and was not included as part of the original project scope additional environmental reviews may be required and/or funding may be reduced or delayed.

Loan Issuance

An approvable loan application must include:

- Signed milestone schedule.
- Complete DWSRF application including Parts I-III.
- Detailed project description, cost breakdown, and schedule.
- Financial documentation demonstrating ability to repay the loan.
- Any necessary executed intermunicipal service agreements.
- An approved planning document.
- Set of approved plans and specifications including construction permit(s) if required.
- Resolution from the applicant designating a project representative and approving the project scope after a local public hearing/meeting.

A project notice to proceed must be issued within 60 days of loan closing unless an extension request has been approved by WIFFS. Project construction activities should be complete within three years of loan award with project initiation occurring unless otherwise approved by WIFFS.

Construction Monitoring

Projects are required to be built according to the approved plans and specifications and that they adhere to any covenants in their loan agreement including American Iron and Steel (AIS), Davis Bacon, and Build America, Buy America (BABA) compliance where applicable.

Any changes from the original design need to be reviewed via Change Order or Amendment. Once approved, the project budget is revised to reflect the change when applicable.

Program Marketing and Outreach

WIFFS has subject matter experts housed in nearly all EGLE's district/field offices. WIFFS presents at virtual and in person events in collaboration with Michigan chapters and regional water organizations. Social media, website development, and email blasts also serve to market the DWSRF program. In addition, EGLE meets with the regional Environmental Finance Center, US Department of Agriculture – Rural Development, Rural Community Assistance Program, American Council of Engineering Companies, and numerous other local stakeholder Non-Governmental Organizations to collaborate funding sources and message program updates.

Long-Term Program Goals

The DWSRF program operates as a public health protection program and in such maintains long-term goals to ensure the State is meeting the Safe Drinking Water Act and EGLE's mission to protect and maintain safe drinking water. DWSRF long-term goals include:

- Maintain the fiscal integrity of the fund to ensure it remains viable and self-perpetuating including harmonizing additional subsidization funds and revolving loan funds to safeguard the DWSRF fund. When additional subsidization and/or set-aside dollars increase, dollars revolving back into the fund are reduced thereby limiting fund growth.
- Maintain and refine procedures to prevent fraud and ensure a system of checks and balances.
- Target outreach to communities that have never utilized the DWSRF and increase geographic diversity in the use of the DWSRF funds.
- Maintain and develop relationships with long-term borrowers and other funding and financing agencies and organizations to ensure resources are distributed in a holistic and efficient manner.

Short-Term Program Goals

The DWSRF upholds short-term goals to continually improve and evolve the program to better meet water quality needs around the state. DWSRF short-term goals include:

- Introduce and maintain a new data system for tracking DWSRF projects and related state grant programs.

- Assist applicants listed on the annual PPL in meeting DWSRF requirements to successfully close on a loan.
- Apply for all DWSRF federal grants and ensure requirements of the grant terms and conditions are met including Michigan’s ARP funds.
- Assist disadvantaged applicants in upgrading or improving their drinking water infrastructure to maintain compliance with the SDWA.

Programmatic Requirements

Disadvantaged Community

EPA defines a disadvantaged community in DWSRF as the entire service area of a public water system that meets affordability criteria established by the State. Disadvantaged communities may be afforded additional subsidization or extended loan terms.

Michigan’s affordability criteria, referred to as a disadvantaged community determination, was updated for FY2024 projects and is described on EGLE’s [SRF Overburdened Community Definition and Scoring Criteria website](#). The disadvantaged criteria includes two tiers, overburdened communities and significantly overburdened communities. An applicant is required to have a disadvantaged calculation completed every fiscal year if seeking qualification under this program.

Attachment 1 illustrates applicants that have qualified as either overburdened or significantly overburdened. Additional priority points of 20 for overburdened or 25 for significantly overburdened (out of 100 total) are awarded based on this status.

The DWSRF PPL allocates financing and funding to 31 projects, all of which qualify as disadvantaged.

Additional Subsidization

Two distinct and additive subsidy authorities are included in the traditional capitalization grant for Michigan’s FY2025 projects. Under the congressional additional subsidy authority, states must provide 14 percent (\$1,488,760) of their annual capitalization grant from EPA as additional subsidization to eligible recipients. Secondly, under the Safe Drinking Water Act (SDWA) Disadvantaged Community Additional Subsidy Authority, states must use at least 12 percent (\$1,276,080), but not more than 35 percent (\$3,721,900) of the capitalization grant as additional subsidization to state-defined disadvantaged communities. Michigan is planning to award all additional subsidization as principal forgiveness to disadvantaged communities in FY2025. Principal forgiveness allows applicants to forgo loan repayment for the portion of their loan that is forgiven, thereby operating like a grant.

The table below illustrates the traditional DWSRF capitalization grant and associated additional subsidy amounts for FY2025 projects.

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Table 2 Additional Subsidy Allocation

Capitalization Grant	Required 14% Congressional Subsidy	SDWA Subsidy	Total Traditional Subsidy in 2025
\$10,634,000	\$1,488,760	\$3,008,341	\$5,000,000

BIL Additional Subsidy

As mandated under the BIL, 49 percent of funds from the DWSRF Supplemental grant, 100 percent of funds under the EC grant, and 49 percent of funds under the LSLR grant must be awarded as additional subsidy. These BIL subsidies will also be awarded to applicants in the form of loan principal forgiveness. Table 1 illustrates the total subsidy being awarded under BIL. In some instances, there is not enough traditional loan or BIL supplemental loan dollars to award to projects to fund/finance 100% of project costs. In these occurrences, only grant or forgiveness dollars have been allocated to a project requiring an applicant to fund the remaining project costs from sources outside of DWSRF. Attachment 1 illustrates the total dollars that are estimated to be awarded in FY2025.

Project Priority List

Using a combination of principal forgiveness, state grant funds, DWSRF BIL, and traditional loan dollars, WIFFS is planning to award \$501,948,600 to projects on the FY2025 PPL. The methodology listed below was used to distribute funds for FY2025. Funds were allocated in priority order.

- Significantly Overburdened applicants are awarded 40% grant/forgiveness up to a maximum of \$10,000,000.
- Overburdened applicants are awarded 20% grant/forgiveness up to a maximum of \$10,000,000.
- One exception being the sole EC project within the fundable range, which is awarded 20% of BIL EC PF up to a maximum of \$20,000,000.

EGLE reserves the right to limit grant, principal forgiveness, and loan dollars to the amounts identified on the Final PPL. All activities greater than \$50,000 require an executed contract solicited using competitive bidding unless otherwise approved by EGLE. While the overall awarded principal forgiveness percentage is based on total estimated project costs, a large amount of the available forgiveness or grant dollars are directly related to LSLR activities. Therefore, if an applicant reduces or drops their estimated LSLR work from what is illustrated on the Final PPL, the associated forgiveness/grant amount may be reduced or eliminated completely.

WIFFS will focus staff resources on awarded projects identified on the PPL. **Applicants are expected to execute a milestone schedule with their WIFFS project manager no later than**

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December 13, 2023. Failure to do so may result in the applicant’s project being bypassed and associated funds awarded to the next available project. Failure to comply with dates established on a milestone schedule may also result in a project being bypassed and loss of allocated funds.

In summary, EGLE’s available funds for FY2025:

Table 3 Total Funds Available in FY2025

Allocation	Amount
DWSRF Loan	\$280,800,000
DWSRF Principal Forgiveness	\$5,000,000
BIL DWSRF Supplemental Loan	\$38,980,554
BIL DWSRF Supplemental Principal Forgiveness	\$36,712,040
BIL DWSRF Emerging Contaminants Principal Forgiveness	\$22,152,890
BIL DWSRF LSLR Loan	\$43,706,853*
BIL DWSRF LSLR Principal Forgiveness	\$43,241,877
State LSLR + WM Grant	\$43,901,300
Total	\$514,495,514

*Does not include \$1,300,000 being allocated for DWEHD set-aside use

Davis Bacon Act

Under regulations in 29 CFR 5.5, EPA must ensure that fund recipients are subject to the Davis Bacon provisions. Additionally, compliance with the Davis Bacon Act is required for all ARP funded projects. Therefore, all projects on the DWSRF list, regardless of funding source, are required to comply with the Davis Bacon Act. Applicants are required to submit a certification of compliance with each disbursement request.

American Iron and Steel

All projects receiving DWSRF base and BIL dollars are required to comply with the American Iron and Steel provision unless a waiver from EPA has been granted.

Equivalency Projects

Equivalency projects are defined within the SRF programs as a select group of loans whose sum is equal to the amount of the capitalization grant which are required to meet certain federal requirements. They must meet the federal crosscutter, single audit, Disadvantaged Business Enterprise, Signage, and FFATA reporting requirements. The addition of Build America, Buy America (BABA) has also been added this year. States are required to meet equivalency projects under both the base DWSRF and the BIL. Signage requirements will be met via [EGLE’s Water Infrastructure Financing Dashboard](#) displayed on the DWSRF public website.

Given multiple funding sources, all projects receiving DWSRF loan and BIL dollars will be considered equivalent projects in FY2025. The final list of entities that comply with these requirements will be included in the FFATA Reporting and the FY2025 Annual Report.

EPA Data System

WIFFS agrees to enter data into the EPA's data system on a minimum quarterly basis as loans are issued.

Fund Financial Management

Source and Allocation

Due to an increase in program demand, in FY2020 EGLE began operating the DWSRF as a leveraged program. The state will sell revenue bonds that are secured by federal and state assets. Bond issuance costs are covered by the bonds sold and thus are not identified as direct administrative expenses of the DWSRF. Project costs of the local units of government are reimbursed from the bond issues. For borrowers who are non-municipal entities, limitation on private activity from tax-exempt issues require EGLE and MFA to fund private water suppliers from funds other than tax-exempt revenue bonds. There are no private, non-municipal water suppliers on the FY2025 PPL.

Michigan is required to provide a 20 percent state match to the traditional DWSRF capitalization grant as well as a 20 percent match of the BIL general supplemental. No state match is required to receive the BIL Emerging Contaminant or LSLR grants. General fund dollars are available for both match requirements this year. Any excess match funds available in FY2025 may be carried over for the benefit of the fund and used for match requirements in future years.

EGLE uses a process to prescribe how available funds will be allocated between eligible recipients as follows:

- Identify borrowers ready to proceed with projects in FY2025.
- Determine amount of financing needed by applicants.
- Identify sources and amount of funds available to provide the requested assistance.
- Allocate dollars in priority order consistent with the terms of applicable funding sources.
- Negotiate a milestone schedule with fundable applicants.
- Determine final loan amounts based on as-bid dollars.
- Redistribute any remaining funds in future years if projects drop or costs come in lower than estimates. Determine if funds are available for any projects that may come in higher than PPL estimates.

DWSRF financial assistance to municipalities during FY 2025 will consist of loans, grants, and principal forgiveness. All projects within the fundable range are anticipated to close loans in FY2025. Final binding commitment dates are subject to change based on the needs of applicants and any unforeseen conditions that may arise and will be established once milestone schedules are negotiated with applicants. WIFFS will offer seven loan closing dates throughout

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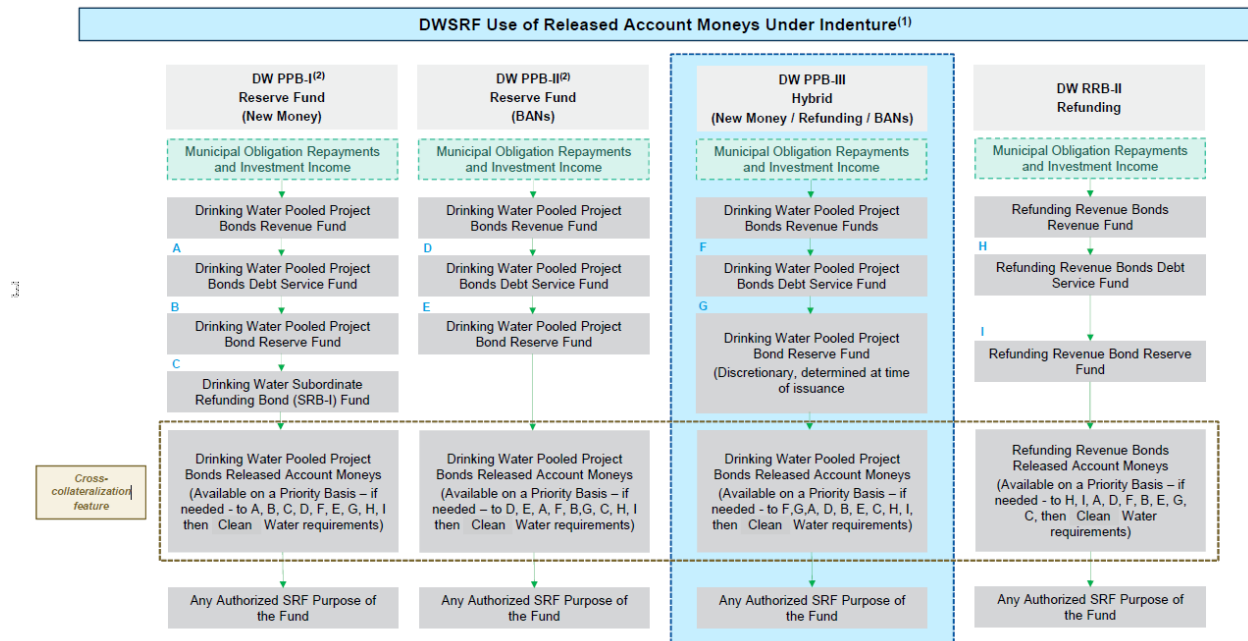
the calendar year. There will be two dates per quarter, except for quarter four, in which there will only be one loan closing in August.

Final loan award amounts will be included in the DWSRF Annual Report.

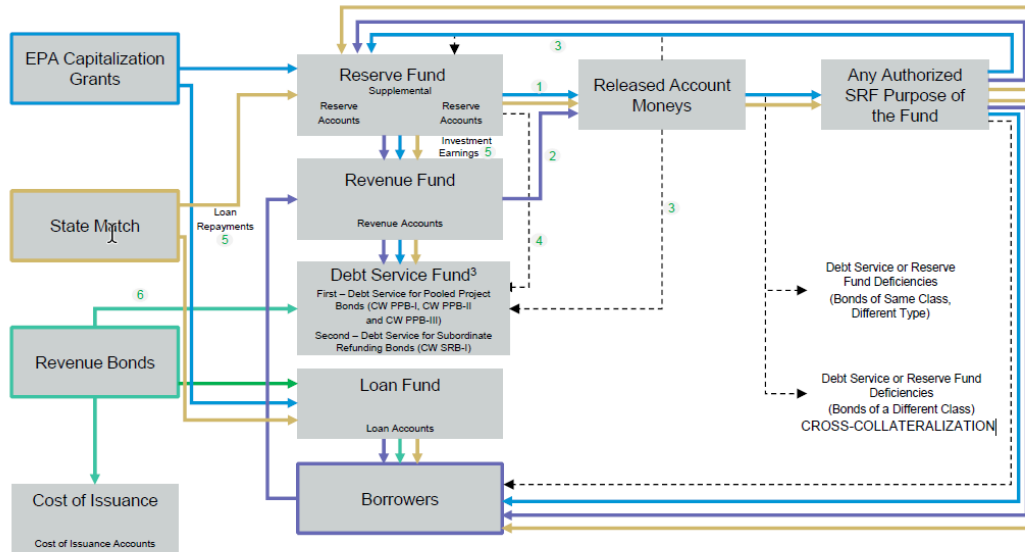
Cross Collateralization

The DWSRF and CWSRF are cross-collateralized and have been from the outset. Below are flow charts illustrating the process.

Drinking Water Use of Released Account Moneys Under Indenture



Clean Water and Drinking Water SRF - Flow of Funds^{1,2}



- (1) Reserve Fund moneys in excess of the Reserve Account Requirement are released as principal on Bonds as paid
- (2) Revenue Fund moneys released in order of priority at any time following Sufficiency Calculation
- (3) Released Account moneys available first for any Debt Service Fund Account deficiencies and second for any Reserve Fund Account deficiencies
- (4) Reserve Fund moneys that are not Released Account moneys only applied to fund Related Debt Service account deficiencies after available Related Revenue Account and Released Account Moneys are used
- (5) Interest repayments on Related Loans and Investment earnings on the Loan Account and the Reserve Account first transferred to the Revenue Account for the Related State Match Bonds (none currently issued) and then to the Related Revenue Account
- (6) Principal repayments on Related Loans only transferred to the Related Revenue Account
- (7) Accrued interest and capitalized interest, if any (initially deposited to the Revenue Fund)

Transfer Authority

In accordance with the Safe Drinking Water Act and the SRF funds transfer provisions, Michigan can transfer an amount up to 33 percent of the DWSRF program capitalization grant to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program. No funds were transferred from either program during this period.

Interest Rates

Along with the potential for principal forgiveness, low interest rates remain an advantage to municipalities when seeking assistance from the DWSRF. Interest rates are established annually by EGLE’s Director and based on the demand for financing in the coming year, anticipated future demand, consideration of market rates, and evaluation of additional costs to borrowers for program participation. FY2025 interest rates have been established as follows:

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Table 4 Interest Rates

Term	Applicant Type	Rate
20-year	N/A	2.50 %
30-year	N/A	2.75 %
20-year 30-year 40-year	Overburdened	2.00 %
20-year 30-year 40-year	Significantly Overburdened	1.00 %

Administrative Costs

To administer the program, WIFFS is using the authority granted to utilize the 1/5th of 1% of total net position, or \$1,765,258.

Set-Asides

The projects and expenditures proposed in the set aside work plans are deemed necessary to maintain the current level of effort to implement federal drinking water standards in Michigan, to support source water protection activities, to maintain important groundwater databases, and to support an Information Technology Modernization Project which will benefit public water systems by providing opportunities for improved transparency and communication, streamlining processes, increasing data quality control, and enhancing decision-making capabilities through analytics, trends and insights, automated alerts, and data-driven actions. Set-Aside workplans when complete will be located on the [DWSRF website](#) or can be obtained by contacting Dana DeBruyn whose contact information can be found at the end of this document.

Public Review

A public hearing on the FY2025 draft IUP is scheduled for September 17, 2024. The hearing will be held in person in the Hutchinson Conference Room, at Constitution Hall, Lansing, Michigan beginning at 1:00 pm EST. Additionally, a virtual option to join as well as a recording of the hearing will be available online at Michigan.gov/DWSRF. Questions about the hearing can be directed to Dan Beauchamp at BeauchampD@Michigan.gov.

Scoring is completed by the department's Drinking Water and Environmental Health Division. Set asides are also administered by the Drinking Water and Environmental Health Division.

Origination of Documents

The Finance Division of EGLE is responsible for issuing the DWSRF IUP and its accompanying information.

Questions about the IUP may be directed to:

Kelly Green, Administrator
Water Infrastructure Funding and Financing Section
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Michigan Department of Environment, Great Lakes, and Energy
PO Box 30457
Lansing, MI 48909-7957
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E-Mail: EGLE-WIFFS@Michigan.gov

Questions about Treasury related items may be directed to:

Alyson Hayden, Executive Director
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Michigan Department of Treasury
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Questions about DWSRF set asides may be directed to:

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Questions about project scoring may be directed to:

Brian Thurston, Assistant Director
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Attachment #1 - Fiscal Year 2025 DWSRF Project Priority List - DRAFT

Project Number	Applicant	Project Scope	Project County	Total Priority Points	Population Served by Project	Total Loan Amount Requested	Cost per Population	Emerging Contaminant Costs	BIL LSLR Eligible Costs	Non BIL LSLR Eligible Costs	Overburdened Determination	DWSRF Loan	DWSRF PF	BIL Emerging Contaminant PF	BIL DWSRF Supplemental Loan	BIL DWSRF Supplemental PF	BIL DWSRF LSLR Loan	BIL DWSRF LSLR PF	State LSLR + WM Grant	Total PF/Grant*	
7751-01	City of Muskegon Heights	WTP, LSLR, WM and Valve Rep	Muskegon	100	9,917	\$ 16,420,000	\$1,655.74		\$ 7,950,000	\$ -	Significantly Overburdened	\$ 5,797,500				\$ 2,672,500	\$ 4,054,500	\$ 3,895,500		\$ 6,568,000	
7710-01	City of Battle Creek	LSLR, WM, and Well Improvements	Calhoun	95	52,000	\$ 24,575,000	\$472.60		\$ 2,600,000	\$ -	Overburdened	\$ 18,334,000				\$ 3,641,000	\$ 1,326,000	\$ 1,274,000		\$ 4,915,000	
7866-01	City of Kalamazoo	PFAS Treatment, LSLR, and WM Rep	Kalamazoo	95	200,247	\$ 110,265,000	\$550.64	\$ 97,264,000	\$ 5,890,000	\$ 7,110,000	Overburdened	\$ 90,265,000		\$ 20,000,000							\$ 20,000,000
7729-01	YCUA (city only)	LSLR, WM Rep, Looping, Meters	Washtenaw	90	22,926	\$ 3,030,000	\$132.16		\$ 124,000	\$ -	Overburdened	\$ 2,360,760				\$ 545,240	\$ 63,240	\$ 60,760		\$ 606,000	
7717-01	City of Muskegon	LSLR, WM Rep and Looping	Muskegon	90	38,300	\$ 13,985,000	\$365.14		\$ 10,710,000	\$ -	Overburdened	\$ 9,761,530				\$ -	\$ 1,426,470	\$ 2,797,000		\$ 2,797,000	
7884-01	City of Dowagiac	New WTP, LSLR, WM Rep, Looping	Cass	90	5,943	\$ 14,285,000	\$2,403.67		\$ 2,000,000	\$ -	Overburdened	\$ 10,408,000				\$ 1,877,000	\$ 1,020,000	\$ 980,000		\$ 2,857,000	
7777-01	City of Hartford	LSLR, WM Rep, Looping, Meters, SCADA	Van Buren	90	2,080	\$ 11,760,000	\$5,653.85		\$ 4,488,000	\$ -	Significantly Overburdened	\$ 4,767,120				\$ 2,504,880	\$ 2,288,880	\$ 2,199,120		\$ 4,704,000	
7869-01	City of Iron Mountain	LSLR, WM, and Looping	Dickinson	90	1,500	\$ 13,300,000	\$8,866.67		\$ 4,600,000	\$ -	Overburdened	\$ 8,294,000				\$ 406,000	\$ 2,346,000	\$ 2,254,000		\$ 2,660,000	
7626-01	City of Harbor Beach	LSLR, WTP Storage, TM and WM Rep	Huron	90	1,604	\$ 15,000,000	\$9,351.62		\$ 375,000	\$ -	Overburdened	\$ 11,808,750				\$ 2,816,250	\$ 191,250	\$ 183,750		\$ 3,000,000	
7870-01	City of Saginaw (City)	LSLR, WM Rep	Saginaw	90	940	\$ 18,800,000	\$20,000.00		\$ 2,300,000	\$ -	Significantly Overburdened	\$ 10,107,000				\$ 6,393,000	\$ 1,173,000	\$ 1,127,000		\$ 7,520,000	
7872-01	City of St. Louis	LSLR, WM and Valve Rep, Looping	Gratiot	90	333	\$ 13,340,000	\$40,060.06		\$ -	\$ 180,000	Significantly Overburdened	\$ 8,004,000				\$ 5,156,000	\$ -	\$ -	\$ 180,000	\$ 5,336,000	
7880-01	City of Owosso	LSLR, WTP and Well Improvements	Shiawassee	85	26,658	\$ 11,620,000	\$435.89		\$ 900,000	\$ -	Overburdened	\$ 8,837,000				\$ 1,424,000	\$ 459,000	\$ 441,000	\$ 459,000	\$ 2,324,000	
7768-01	Mt. Pleasant	WTP Improvements and LSLR	Isabella	85	26,007	\$ 13,100,000	\$503.71		\$ 47,500	\$ 282,500	Overburdened	\$ 10,480,000	\$ 2,287,000						\$ 333,000	\$ 2,620,000	
7681-01	City of Bay City	LSLR, WM, and Looping	Bay	85	33,644	\$ 27,425,000	\$815.15		\$ 26,345,580	\$ 327,980	Overburdened	\$ 16,840,000	\$ 585,000				\$ 5,100,000	\$ 4,900,000		\$ 5,485,000	
7771-01	City of Sault Ste. Marie	LSLR, MW Rep, Looping, Intake Protection	Chippewa	85	13,410	\$ 16,885,000	\$1,259.13		\$ -	\$ 1,254,774	Overburdened	\$ 13,508,000	\$ 2,128,000						\$ 1,249,000	\$ 3,377,000	
7779-01	City of Gatesburg	WM Rep, System Improvements	Kalamazoo	85	2,377	\$ 3,260,000	\$1,371.48		\$ -	\$ -	Overburdened	\$ 2,608,000				\$ 652,000				\$ 652,000	
7680-01	City of Hart	LSLR, WM Rep, Well System Improvements	Oceana	85	2,063	\$ 3,655,000	\$1,771.69		\$ 1,421,000	\$ -	Overburdened	\$ 2,199,290					\$ 724,710	\$ 696,290	\$ 34,710	\$ 731,000	
7887-01	GLWA/DWSD	LSLR, WM Rep	Wayne	85	13,495	\$ 25,670,000	\$1,902.19		\$ 7,280,810	\$ 380,000	Significantly Overburdened	\$ -			\$ 11,956,787	\$ 6,052,403	\$ 3,713,213	\$ 3,567,597	\$ 380,000	\$ 10,000,000	
7888-01	GLWA/DWSD	LSLR, WM Rep	Wayne	85	12,403	\$ 25,540,000	\$2,059.18		\$ 6,881,981	\$ 360,000	Significantly Overburdened	\$ 9,036,302			\$ 2,993,888	\$ 2,571,767	\$ 3,509,810	\$ 3,372,171	\$ 4,056,062	\$ 10,000,000	
7893-01	City of Hazel Park	LSLR, WM Rep, Looping	Oakland	85	4,913	\$ 13,650,000	\$2,778.34		\$ 2,401,271	\$ 9,066,729	Overburdened	\$ 9,695,352				\$ 1,224,648	\$ 1,176,623	\$ 1,553,377	\$ 2,730,000		
7867-01	City of Grand Rapids (City)	LSLR, WM Rep	Kent	85	6,376	\$ 20,340,000	\$3,190.09		\$ 8,000,000	\$ -	Overburdened	\$ -			\$ 12,192,000		\$ 4,080,000	\$ 3,920,000	\$ 148,000	\$ 4,068,000	
7863-01	Oakland County (Pontiac)	LSLR, WM Rep	Oakland	85	5,278	\$ 19,080,000	\$3,615.01		\$ 5,438,600	\$ -	Overburdened	\$ 652,435			\$ 11,837,879		\$ 2,773,686	\$ 2,664,914	\$ 1,151,086	\$ 3,816,000	
7659-01	Redford	LSLR, WM Rep, Looping	Wayne	85	3,700	\$ 13,755,000	\$3,717.57		\$ 2,000,000	\$ -	Overburdened	\$ 9,984,000				\$ 1,020,000	\$ 980,000	\$ 1,771,000	\$ 2,751,000		
7544-01	City of St. Ignace	LSLR, WTP and WR Improvements	Mackinac	85	2,987	\$ 14,000,000	\$4,686.98		\$ 230,000	\$ -	Overburdened	\$ 11,082,700				\$ 117,300	\$ 112,700	\$ 2,687,300	\$ 2,800,000		
7845-01	City of Brown City	LSLR, WTP Filters, Meters, Looping	Lapeer	85	1,300	\$ 7,415,000	\$5,703.85		\$ -	\$ 800,000	Overburdened	\$ 5,932,000							\$ 1,483,000	\$ 1,483,000	
7520-01	City of Eaton Rapids	LSLR, WTP filters, WM Rep	Eaton	85	5,340	\$ 33,810,000	\$6,331.46		\$ -	\$ 3,250,000	Overburdened								\$ 6,762,000	\$ 6,762,000	
7873-01	Village of Farwell	LSLR, WM Rep, Meters, WT Improvements	Clare	85	880	\$ 5,830,000	\$6,625.00		\$ -	\$ 48,000	Significantly Overburdened	\$ -							\$ 2,332,000	\$ 2,332,000	
7808-01	City of Evert	LSLR, WM Rep, Well and Tank Improvements	Osceola	85	1,742	\$ 12,675,000	\$7,276.12		\$ 3,509,000	\$ -	Significantly Overburdened	\$ -				\$ 3,509,000	\$ -	\$ 5,070,000	\$ 5,070,000		
7827-01	City of Gaastra	LSLR, WTP, SCADA, PS, Improvements	Iron	85	312	\$ 2,500,000	\$8,012.82		\$ 220,000	\$ 55,000	Significantly Overburdened	\$ -				\$ 220,000		\$ 1,000,000	\$ 1,000,000		
7878-01	City of Lincoln Park	LSLR and WM Improvements	Wayne	85	1,386	\$ 11,520,000	\$8,311.69		\$ 2,292,600	\$ 1,710,228	Significantly Overburdened	\$ -				\$ 2,292,600		\$ 4,608,000	\$ 4,608,000		
7892-01	City of Ecorse	LSLR, WM Rep and Upsizing	Wayne	85	1,205	\$ 14,470,000	\$12,008.30		\$ 6,000,000	\$ -	Significantly Overburdened	\$ -				\$ 212,000	\$ 5,788,000		\$ 5,788,000		
7881-01	City of Escanaba	LSLR, WM Rep	Delta	85	2,799	\$ 35,000,000	\$12,504.47		\$ 26,500,000	\$ -	Overburdened										
7819-01	Village of Clifford	LSLR, WTP and Storage System Improvements	Lapeer	85	324	\$ 6,500,000	\$20,061.73		\$ -	\$ 60,000	Overburdened										
7879-01	City of Hamtramck	LSLR and WM Rep	Wayne	85	677	\$ 18,600,000	\$27,474.15		\$ 5,604,000	\$ -	Significantly Overburdened										
7805-01	Village of Kaleva	LSLR, WM and Storage System Improvements	Manistee	85	507	\$ 13,930,000	\$27,475.35		\$ 3,272,000	\$ -	Significantly Overburdened										
7876-01	City of Kingsford	LSLR, WM Rep and Looping	Dickinson	85	382	\$ 12,560,000	\$32,879.58		\$ 1,992,000	\$ -	Overburdened										
7883-01	City of Ithaca	LSLR, WM Rep and Looping	Gratiot	85	50	\$ 2,245,000	\$44,900.00		\$ 104,000	\$ 34,000	Overburdened										
7833-01	Lansing BWL	WTP, Wells, and MW Improvements	Ingham	80	274,286	\$ 23,235,000	\$84.71		\$ -	\$ -	Overburdened										
7790-01	City of Imlay City	LSLR and WM Improvements	Lapeer	80	3,703	\$ 9,440,000	\$2,549.28		\$ 3,594,000	\$ -	Overburdened										
7896-01	City of Melvindale	LSLR, WM Rep Upsizing and Looping	Wayne	80	1,770	\$ 7,335,000	\$4,144.07		\$ 2,640,000	\$ 360,000	Significantly Overburdened										
7894-01	City of Garden City	LSLR, WM Rep and Upsizing	Wayne	80	1,103	\$ 6,135,000	\$5,562.10		\$ 360,000	\$ 240,000	Overburdened										



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Project Number	Applicant	Project Scope	Project County	Total Priority Points	Population Served by Project	Total Loan Amount Requested	Cost per Population	Emerging Contaminant Costs	BIL LSLR Eligible Costs	Non BIL LSLR Eligible Costs	Overburdened Determination	DWSRF Loan	DWSRF PF	BIL Emerging Contaminant PF	BIL DWSRF Supplemental Loan	BIL DWSRF Supplemental PF	BIL DWSRF LSLR Loan	BIL DWSRF LSLR PF	State LSLR + WM Grant	Total PF/Grant*
7828-01	City of Wayne	LSLR	Wayne	80	952	\$ 5,985,000	\$6,286.76		\$ 5,386,500	\$ 598,500	Overburdened									
7711-01	Village of Benzonia	LSLR, WM Rep, Looping and Storage	Benzie	80	551	\$ 5,496,000	\$9,974.59		\$ 2,440,000	\$ -	Overburdened									
7619-01	City of Sturgis	LSLR, MW Rep and Looping	St Joseph	80	271	\$ 3,045,000	\$11,236.16		\$ 829,801	\$ -	Overburdened									
7748-01	Royal Oak Twp.	WM Rep	Oakland	80	742	\$ 8,680,000	\$11,698.11		\$ -	\$ -	Overburdened									
7815-01	City of Crystal Falls	LSLR and WM Rep	Iron	80	508	\$ 6,085,000	\$11,978.35		\$ 1,922,440	\$ -	Significantly Overburdened									
7801-01	City of Mt. Morris	LSLR and WM Rep	Genesee	80	1,215	\$ 21,620,000	\$17,794.24		\$ 1,800,000	\$ -	Overburdened									
7621-01	Village of Quincy	LSLR and WM Rep	Branch	80	100	\$ 2,335,000	\$23,350.00		\$ 210,000	\$ -	Overburdened									
7783-01	City of Caro	LSLR and WM Rep	Tuscola	75	5,029	\$ 5,365,000	\$1,066.81		\$ 676,545	\$ 274,275	Overburdened									
7865-01	City of Belding	LSLR and WM Rep	Ionia	75	5,938	\$ 7,220,000	\$1,215.90		\$ 814,000	\$ 1,000,000	Overburdened									
7816-01	City of Gladstone	WM Rep and Intake Protection	Delta	75	5,248	\$ 7,930,000	\$1,511.05		\$ 47,725	\$ -	Overburdened									
7791-01	City of Gladwin	LSLR, WM Rep, Valves and Hydrants	Gladwin	75	3,069	\$ 4,724,000	\$1,539.26		\$ 137,170	\$ -	Overburdened									
7795-01	City of Manistiquie	LSLR, WM Rep and Looping, TM and Meters	Schoolcraft	75	2,814	\$ 6,725,000	\$2,389.84		\$ 3,115,809	\$ -	Overburdened									
7742-01	City of Hudson	LSLR, WM Rep, Storage Improvements	Lenawee	75	2,415	\$ 8,525,000	\$3,530.02		\$ 1,925,000	\$ -	Overburdened									
7874-01	Village of Peck	WM Rep, Storage and Well Improvements	Sanilac	75	603	\$ 3,050,000	\$5,058.04		\$ -	\$ -	Overburdened									
7857-01	City of Caspian	WM Rep, Storage, PRV, Well and PS Improvements	Iron	75	805	\$ 4,110,000	\$5,105.59		\$ -	\$ -	Overburdened									
7861-01	City of Manton	LSLR, WM Rep, and Storage Improvements	Wexford	75	1,258	\$ 6,500,000	\$5,166.93		\$ 5,278,100	\$ -	Overburdened									
7770-01	City of Munising	LSLR	Alger	75	330	\$ 2,105,000	\$6,378.79		\$ 2,105,000	\$ -	Overburdened									
7826-01	Village of Alpha	LSLR, WM Rep, SCADA, and Well Improvements	Iron	75	129	\$ 850,000	\$6,589.15		\$ 12,000	\$ 216,000	Overburdened									
7646-01	Village of Newberry	LSLR, WM Rep, Storage and AMP	Luce	75	1,600	\$ 11,000,000	\$6,875.00		\$ 5,250,000	\$ -	Significantly Overburdened									
7754-01	Village of Hillman	New Wells, WM Rep, Storage Improvements	Montmorency	75	679	\$ 6,800,000	\$10,014.73		\$ -	\$ -	Significantly Overburdened									
7739-01	Carrollton Twp.	WM Rep	Saginaw	75	500	\$ 5,200,000	\$10,400.00		\$ -	\$ -	Overburdened									
7843-01	Village of Maple Rapids	LSLR and New Well	Clinton	75	573	\$ 5,980,000	\$10,436.30		\$ 1,300,000	\$ -	Overburdened									
7786-01	Village of Roscommon	LSLR, WM Rep, Well and Storage Improvements	Roscommon	75	981	\$ 11,545,000	\$11,768.60		\$ 500,000	\$ 1,000,000	Overburdened									
7834-01	Village of Akron	WM Rep, WTP and Storage Improvements	Tuscola	75	402	\$ 13,200,000	\$32,835.82		\$ -	\$ -	Overburdened									
7716-01	YCUA (townships)	LSLR, WM Rep, PS and Meter Improvements	Washtenaw	70	128,175	\$ 16,515,000	\$128.85		\$ 165,000	\$ -										
7822-01	Adams Township	New WM and Storage, WTP Improvements	Houghton	70	9,417	\$ 8,000,000	\$849.53		\$ -	\$ -	Overburdened									
7695-01	City of Northville	LSLR, WM Rep, PVR	Wayne	70	6,119	\$ 9,335,000	\$1,525.58		\$ -	\$ 84,000										
7799-01	City of Stanton	LSLR and WM Rep	Montcalm	70	1,348	\$ 3,505,000	\$2,600.15		\$ 423,200	\$ -	Overburdened									
7675-01	City of Niles	LSLR	Berrien	70	1,050	\$ 3,000,000	\$2,857.14		\$ 3,000,000	\$ -	Overburdened									
7778-01	Village of Marcellus	WTP, WM, and Meter Improvements	Cass	70	1,074	\$ 3,215,000	\$2,993.48		\$ -	\$ -	Significantly Overburdened									
7889-01	Charter Twp. of Independence	VOCS, WM Rep	Oakland	70	2,526	\$ 7,805,000	\$3,089.87		\$ -	\$ -										
7773-01	City of Roseville	LSLR	Macomb	70	1,750	\$ 6,700,000	\$3,828.57		\$ 6,697,788	\$ -	Overburdened									
7706-01	Village of Schoolcraft	LSLR, WM Rep, Well Improvements	Kalamazoo	70	1,525	\$ 9,520,000	\$6,242.62		\$ 2,669,769	\$ 482,831										
7645-01	City of Pleasant Ridge	LSLR and WM Rep	Oakland	70	2,377	\$ 27,130,000	\$11,413.55		\$ 7,345,000	\$ -										
7749-01	City of Bangor	LSLR and WM Rep	Bay	70	90	\$ 1,400,000	\$15,555.56		\$ -	\$ 270,000	Overburdened									
7764-01	City of Hastings	LSLR and WM Rep	Barry	70	500	\$ 8,140,000	\$16,280.00		\$ 129,340	\$ 1,261,060	Overburdened									
7763-01	City of Saugatuck	LSLR, WM Rep, Well and Storage Improvements	Allegan	70	865	\$ 16,040,000	\$18,543.35		\$ 4,237,000	\$ 1,412,000										
7724-01	City of Omer	New WTP and New Storage	Arenac	70	260	\$ 6,000,000	\$23,076.92		\$ -	\$ -	Overburdened									
7797-01	Iron River Twp.	WM Rep, Valves and Storage Improvements	Iron	70	554	\$ 20,645,000	\$37,265.34		\$ -	\$ -	Overburdened									
7746-01	Houghton Township	WM Rep, Storage Improvements	Houghton	70	138	\$ 6,700,000	\$48,550.72		\$ -	\$ -	Overburdened									
7897-01	Village of Shelby	LSLR and WM Rep	Oceana	80	1,964	\$ 3,500,000	\$1,782.08		\$ 600,000	\$ -	Overburdened									
7679-01	City of Holland	LSLR and WTP Improvements	Ottawa	65	59,224	\$ 10,000,000	\$168.85		\$ 6,000,000	\$ -										



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7823-01	City of Houghton	WM Rep and Storage Improvements	Houghton	65	8,386	\$ 3,900,000	\$465.06		\$ 60,000	\$ -	Significantly Overburdened									
7792-01	City of Iron River	WM and PRV Rep, Storage Improvements	Iron	65	3,410	\$ 2,075,000	\$608.50		\$ -	\$ -	Overburdened									
7654-01	City of Big Rapids	WM Rep, WTP Improvements	Mecosta	65	10,601	\$ 8,090,000	\$763.14		\$ -	\$ -	Significantly Overburdened									
7694-01	City of Davison	WM Rep, WT Improvements	Genesee	65	5,092	\$ 5,200,000	\$1,021.21		\$ -	\$ -	Overburdened									
7760-01	Village of Milford	LSLR, WM Rep, New TM	Oakland	65	6,366	\$ 7,105,000	\$1,116.09		\$ -	\$ 708,400										
7853-01	Village of Almont	LSLR, WM Rep, and WT Improvements	Lapeer	65	2,674	\$ 3,500,000	\$1,308.90		\$ -	\$ 100,000										
7781-01	Village of Sunfield	New Well	Eaton	65	538	\$ 750,000	\$1,394.05		\$ -	\$ -	Overburdened									
7813-01	Village of Holly	LSLR, WM Rep, WTP Improvements	Oakland	65	5,997	\$ 11,475,000	\$1,913.46		\$ 1,160,000	\$ -	Overburdened									
7787-01	Beecher MD	New WTP, WM Rep, and SCADA	Genesee	65	8,717	\$ 19,915,000	\$2,284.62		\$ -	\$ -	Overburdened									
7885-01	City of St Joseph	LSLR and WM Rep	St Joseph	65	1,830	\$ 5,000,000	\$2,732.24		\$ 3,735,000	\$ -										
7752-01	Ferndale	LSLR	Oakland	65	2,781	\$ 12,000,000	\$4,314.99		\$ 12,000,000	\$ -										
7858-01	Village of Carsonville	WTP and Well Improvements, WM Rep	Sanilac	65	472	\$ 2,680,000	\$5,677.97		\$ -	\$ -	Significantly Overburdened									
7796-01	Onotonagon	WM and Tank Rep	Onotonagon	65	1,441	\$ 8,785,000	\$6,096.46		\$ -	\$ -	Overburdened									
7494-01	City of Grosse Pointe Park	LSLR and WM Rep	Wayne	65	2,045	\$ 12,670,000	\$6,195.60		\$ 2,400,000	\$ -										
7831-01	Village of Edmore	LSLR, WM Rep, Well and Storage Improvements	Montcalm	65	1,210	\$ 10,290,000	\$8,504.13		\$ 2,404,080	\$ 2,276,640	Overburdened									
7638-01	Bangor Twp.	LSLR and WM Rep	Bay	65	465	\$ 4,705,000	\$10,118.28		\$ -	\$ 855,600										
7877-01	City of Mt. Clemens	LSLR and WM Rep	Macomb	65	425	\$ 5,000,000	\$11,764.71		\$ 960,000	\$ -	Overburdened									
7678-01	Flat Rock	WM Rep	Wayne	65	389	\$ 4,775,000	\$12,275.06		\$ -	\$ -	Overburdened									
7683-01	Albee Township	Distribution Expansion	Saginaw	65	365	\$ 5,165,000	\$14,150.68		\$ -	\$ -										
7812-01	City of Three Rivers	LSLR and WM Rep	St Joseph	65	840	\$ 14,585,000	\$17,363.10		\$ 288,750	\$ 2,483,250	Overburdened									
7674-01	City of Pinconning	LSLR and WM Rep	Bay	65	425	\$ 10,500,000	\$24,705.88		\$ 215,000	\$ 585,000										
7647-01	City of Trenton	LSLR and WM Rep	Wayne	65	191	\$ 5,475,000	\$28,664.92		\$ 360,000	\$ -										
7653-01	Port Huron Charter Twp.	WM and Meter Improvements	St Clair	60	6,475	\$ 7,305,000	\$1,128.19		\$ -	\$ -	Overburdened									
7772-01	City of Hancock	WR Rep, Well and Storage Improvements	Houghton	60	4,526	\$ 5,990,000	\$1,323.46		\$ -	\$ -	Overburdened									
7821-01	City of Farmington	LSLR, WM Rep, PVR and Meters	Oakland	60	11,597	\$ 15,805,000	\$1,362.85		\$ 202,400	\$ -										
7793-01	McMillan Twp.	New WTP and Well, Storage and PS Improvements	Luce	60	486	\$ 950,000	\$1,954.73		\$ -	\$ -	Overburdened									
7807-01	Village of Ellsworth	New Well and Storage Improvements	Antrim	60	347	\$ 730,000	\$2,103.75		\$ -	\$ -	Overburdened									
7824-01	Osceola Twp.	LSLR and WM Rep, PS Improvements	Houghton	60	1,213	\$ 4,500,000	\$3,709.81		\$ 1,665,000	\$ -	Overburdened									
7512-01	Village of White Pigeon	LSLR	St Joseph	60	750	\$ 3,000,000	\$4,000.00		\$ 3,000,000	\$ -	Overburdened									
7891-01	City of Harper Woods	WM Rep	Macomb	60	2,375	\$ 15,750,000	\$6,631.58		\$ -	\$ -										
7765-01	Village of Vicksburg	LSLR and WM Rep	Kalamazoo	60	445	\$ 5,600,000	\$12,584.27		\$ 1,968,000	\$ -										
7840-01	Grayling Township	WM Extension (PFAS)	Crawford	60	3,120	\$ 50,685,000	\$16,245.19	\$ 50,685,000	\$ -	\$ -										
7780-01	Bedford Charter Township	WM Extension (PFAS)	Calhoun	60	50	\$ 4,335,000	\$86,700.00	\$ 4,335,000	\$ -	\$ -										
7762-01	Saginaw Midland MWSC	PS and Intake System Improvements	Saginaw	55	332,735	\$ 2,050,000	\$6.16		\$ -	\$ -										
7642-01	SOCWA	PS and Storage Improvements	Oakland	55	200,728	\$ 4,450,000	\$22.17		\$ -	\$ -										
7871-01	City of Saginaw (System)	WTP and WM Improvements	Saginaw	55	176,748	\$ 20,460,000	\$115.76		\$ -	\$ -										
7709-01	City of Rochester	WM Rep and Looping	Oakland	55	6,786	\$ 6,625,000	\$976.27		\$ -	\$ -										
7862-01	Garfield Township	WM Looping, Storage Improvements	Grand Traverse	55	19,499	\$ 20,005,000	\$1,025.95		\$ -	\$ -										
7825-01	Crystal Falls Twp.	LSLR and WM Rep	Iron	55	3,612	\$ 6,500,000	\$1,799.56		\$ 175,000	\$ 325,000										
7554-01	City of Southgate	LSLR	Wayne	55	160	\$ 570,000	\$3,562.50		\$ 514,600	\$ 55,400										
7804-01	Village of Buckley	WR Rep and Looping, Storage and Hydrant Improvements	Wexford	55	775	\$ 4,160,000	\$5,367.74		\$ -	\$ -	Overburdened									
7685-01	Bergland Township	LSLR, WM Rep, Well System Improvements	Onotonagon	55	290	\$ 2,480,000	\$8,551.72		\$ -	\$ 360,000	Overburdened									
7802-01	Village of Mesick	WM, Meters, and Storage Improvements	Wexford	55	397	\$ 3,740,000	\$9,420.65		\$ -	\$ -	Significantly Overburdened									
7550-01	Village of Beverly Hills	WM Rep and Looping	Oakland	55	890	\$ 8,420,000	\$9,460.67		\$ -	\$ -										
7737-01	City of Ionia	WM Rep	Ionia	55	800	\$ 8,560,000	\$10,700.00		\$ -	\$ -	Significantly Overburdened									
7875-01	Ely Township	New WTP System	Marquette	55	141	\$ 2,000,000	\$14,184.40	\$ 2,000,000	\$ -	\$ -										
7814-01	Rockland Twp.	WM Rep, Well Improvements	Onotonagon	55	126	\$ 1,955,000	\$15,515.87		\$ -	\$ -	Overburdened									
7868-01	City of Grand Rapids (System)	WTP System Improvements	Kent	50	307,815	\$ 8,620,000	\$28.00		\$ -	\$ -										
7719-01	City of Traverse City	LSLR, WR Rep and Looping	Grand Traverse	50	31,542	\$ 8,000,000	\$253.63		\$ 112,500	\$ 56,250										
7690-01	Village of Constantine	Meters and Storage Improvements	St Joseph	50	1,947	\$ 755,000	\$387.78		\$ -	\$ -	Overburdened									



MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Attachment #1 - Fiscal Year 2025 DWSRF Project Priority List - DRAFT

Project Number	Applicant	Project Scope	Project County	Total Priority Points	Population Served by Project	Total Loan Amount Requested	Cost per Population	Emerging Contaminant Costs	BIL LSLR Eligible Costs	Non BIL LSLR Eligible Costs	Overburdened Determination	DWSRF Loan	DWSRF PF	BIL Emerging Contaminant PF	BIL DWSRF Supplemental Loan	BIL DWSRF Supplemental PF	BIL DWSRF LSLR Loan	BIL DWSRF LSLR PF	State LSLR + WM Grant	Total PF/Grant*		
7860-01	City of St. Clair	WTP and Storage Improvements	St Clair	50	5,485	\$ 5,250,000	\$957.16		\$ -	\$ -												
7811-01	City of Linden	WM Looping	Genesee	50	4,142	\$ 4,790,000	\$1,156.45		\$ -	\$ -												
7536-01	City of Dearborn	LSLR	Wayne	50	10,963	\$ 29,340,000	\$2,676.27		\$ 29,340,000	\$ -												
7895-01	City of Eastpointe	LSLR	Macomb	50	765	\$ 3,625,000	\$4,738.56		\$ 3,625,000	\$ -												
7594-01	Hampton Charter Twp.	WM Rep	Bay	50	689	\$ 3,980,000	\$5,776.49		\$ -	\$ -												
7849-01	City of Grosse Pointe Woods	LSLR	Wayne	50	300	\$ 1,745,000	\$5,816.67		\$ 1,105,640	\$ 637,870												
7886-01	Village of Britton	Well and Storage Improvements	Lenawee	50	537	\$ 3,200,000	\$5,959.03		\$ -	\$ -	Overburdened											
7498-01	City of Marysville	WM Rep	St Clair	50	216	\$ 2,500,000	\$11,574.07		\$ -	\$ -												
7660-01	White Lake Twp.	New WM, System Improvements	Oakland	45	5,799	\$ 10,830,000	\$1,867.56		\$ -	\$ -												
7500-01	Charter Twp. of Bloomfield	WM Rep	Oakland	45	966	\$ 8,550,000	\$8,850.93		\$ -	\$ -												
7539-01	Ann Arbor Twp.	WM Rep and Looping, Storage Improvements	Washtenaw	45	1,338	\$ 12,920,000	\$9,656.20		\$ -	\$ -												
7890-01	Charter Twp. of Independence	WM Extension (PFAS)	Oakland	45	902	\$ 9,710,000	\$10,764.97	\$ 9,710,000	\$ -	\$ -												
7707-01	City of Wyoming	New TM	Kent	40	246,848	\$ 83,900,000	\$339.89		\$ -	\$ -												
7700-01	City of Grand Blanc	WM Rep and Looping, Well and Storage Improvements	Genesee	40	8,091	\$ 5,000,000	\$617.97		\$ -	\$ -												
7850-01	City of Grosse Pointe	LSLR	Wayne	40	1,657	\$ 6,000,000	\$3,621.00		\$ 5,940,000	\$ 60,000												
7663-01	Zox CLCA	LSLR and WM Rep	Oakland	40	700	\$ 5,100,000	\$7,285.71		\$ -	\$ 400,000												
7809-01	Village of Westphalia	WM Rep	Clinton	35	924	\$ 2,120,000	\$2,294.37		\$ -	\$ -												
7759-01	City of Warren	LSLR	Macomb	35	3,690	\$ 12,000,000	\$3,252.03		\$ 12,000,000	\$ -												
7571-01	Village of Pewamo	WM Rep	Ionia	35	469	\$ 3,450,000	\$7,356.08		\$ -	\$ -												
7615-01	Sumpter	WM Rep	Wayne	35	250	\$ 2,480,000	\$9,920.00		\$ -	\$ -												
						\$ 1,621,295,000																
												\$ 280,762,738	\$ 5,000,000	\$ 20,000,000	\$ 38,980,554	\$ 36,712,040	\$ 42,845,308	\$ 42,390,424	\$ 35,257,536			

AMP- Asset Management Plan
 LSLR- Lead Service Line Removal
 PFAS- Per- and polyfluoroalkyl substances
 PRV- Pressure Reducing Valve
 PS- Pump Station
 Rep- Replacement

SCADA- Supervisory Control and Data Acquisition
 TM- Transmission Main
 WM- Water Main
 WT- Water Tower
 WTP- Water Treatment Plant

* \$10 million max per eligible project, \$20 million max per eligible PFAS mitigation project



City of Hart

Estimated DWSRF Water Project Scenarios

DRAFT DWSRF Project Details (overburdened):

Total Project Costs	\$	3,655,000
Less: State LSLR + WM Grant		(34,710)
Total Bond Amount		3,620,290
Less: BIL DWSRF LSLR PF		(696,290)
Total Bond Repayment	\$	2,924,000
DWSRF Loan	\$	2,199,290
BIL DWSRF LSLR Loan	\$	724,710

	<u>20-Year Repayment At Project Estimate</u>	<u>30-Year Repayment At Project Estimate</u>	<u>40-Year Repayment At Project Estimate</u>
Interest Rate	2.000%	2.000%	2.000%
Repayment Amount	\$ 2,924,000.00	\$ 2,924,000.00	\$ 2,924,000.00
Annual Debt Service on Repayment Amount	\$ 180,000.00	\$ 130,000.00	\$ 110,000.00
	<u>20-Year Repayment Costs 10% Over Estimate</u>	<u>30-Year Repayment Costs 10% Over Estimate</u>	<u>40-Year Repayment Costs 10% Over Estimate</u>
Interest Rate	2.000%	2.000%	2.000%
Repayment Amount	\$ 3,289,500.00	\$ 3,289,500.00	\$ 3,289,500.00
Annual Debt Service on Repayment Amount	\$ 200,000.00	\$ 147,000.00	\$ 124,000.00



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

🖨 517.323.6346

September 13, 2024

To the City Council
City of Hart, Michigan

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of City of Hart for the year ending June 30, 2024. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and Uniform Guidance

As stated in our engagement letter dated, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider City of Hart's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether City of Hart's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we will examine on a test basis, evidence about City of Hart's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on City of Hart's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on City of Hart's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis, budgetary comparison information, and OPEB schedules, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on other supplementary information, which accompanies the financial statements but is not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

As a part of planning our audit, we have identified significant risks of material misstatement. According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

We expect to begin our year-end audit procedures in September 2024 and issue our report on or before December 31, 2024. Jordan E. Smith, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the City Council and management of City of Hart and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Manes Costeiran PC



CITY OF HART
407 S. STATE ST.
HART, MI 49420
REGULAR MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
September 10th, 2024
MINUTES – Approved

PRESENT: Mayor Vicki Platt, Councilors Catalina Burillo, Jim Cunningham, Dean Hodges, and Amanda Klotz

ABSENT: Jim Evans and Kris Trygstad

OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, and Christina Juska,

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

APPROVAL OF AGENDA:

- C. Burillo motioned to approve Amended agenda and was supported by J. Cunningham
 - Ayes: 5 Nays: 0 Absent: 2

PUBLIC COMMENTS:

- None

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- None

CONSENT AGENDA:

- Approval of minutes from August 27th, 2024
- 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 C. Burillo
 - Ayes: 5 Nays: 0 Absent: 2

ACTION ITEMS:

- Resolution 2024-23 Authorize amendment of Social District Boundaries
 WHEREAS, the State of Michigan through PA 124 of 2020 has authorized the creation of Social Districts in communities throughout the state; and
 WHEREAS, on May 25th, 2021, City Council passed Resolution 2021-40 authorizing the creation of a social district in Downtown Hart, managed by the Community and Economic Development Director; and
 WHEREAS, the Community and Economic Development Director is seeking amendment to Resolution 2021-40 to expand the Social District boundaries to include the Pink Elephant Diner and the Main Street Market Chalets and contiguous common areas as shown in Exhibit A; and
 WHEREAS, to secure the benefits of efficient self-governance and to promote and protect our common interests and welfare, the City Council hereby declares;
 NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL
 Authorizes the expansion of the Social District Boundaries as shown in Exhibit A for use and operation of a Social District in the downtown area as authorized by PA 124 of 2020 to be overseen by the Community and Economic Development Director
 - J. Cunningham motioned to approve Resolution 2024-23 and supported by A. Klotz
 - Ayes: 5 Nays: 0 Absent: 2
- Resolution 2024-24 Approve Social District Permit Application – Pink Elephant Diner
 WHEREAS, the State of Michigan through PA 124 of 2020 has authorized the creation of Social Districts in communities throughout the State; and

WHEREAS, the ongoing limitations placed on businesses as a result of the COVID-19 pandemic has led communities to be creative in supporting businesses which includes passage of regulations permitting the creation of a local Social District; and
WHEREAS, the City Council must approve a Social District Permit for each license to engage in participating Social District business activities per MLCC direction; and
WHEREAS, to secure the benefits of efficient self-governance and promote and protect our common interests and welfare, the City Council hereby declares;
NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL

Authorizes City staff to approve City of Hart Social District Permit Application and sign the Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission Local Government Unit Approval For Social District Permit form, pending Pink Elephant Diner Inc. submitting proper Downtown Hart Social District Permit Application Paperwork

- C. Burillo motioned to approve Resolution 2024-24 and supported by D. Hodges
 - Ayes: 5 Nays: 0 Absent: 2

DISCUSSION ITEMS:

- Hart Historic District Update
The Hart Historic Preservation Group is a 501c3 non-profit organization that operates the City Property within the Hart Historic District. The City and the HHPG have a hundred-year agreement that was executed in April 1995. The agreement allows for the dissolution of the document every 10 years with a 6-month notice. With two long-time volunteers and other board members indicating a desire to resign from their positions leaves a concern for the future of the district.
In an attempt to continue operations, the Hart Parks and Recreation Department has offered to help facilitate and City Hall staff has been fielding Phone calls until operations can be established. It was suggested that the Hart Economic and Redevelopment Team could serve a dual role as board members of both non-profit entities. Would Council be opposed to the HEART Board serving a dual role to provide due diligence and recommendations to council on future goals/activities in the Historic District? And would Council be opposed to the Parks and Recreation Department in cooperation with City Hall providing support services to the Historic District in the short term as future plans are set?
- Starting Block Update
The Starting Block Inc. is a 501c3 non-profit organization that operates the City Owned Property at the Hart Industrial Park. The City partnered with the Starting Block in 2004 to seek and execute grant funds from the United States Department of Agriculture and the Michigan Economic Development Corporation. Since then, the City has supported the Starting Block with some City support services and financial support to cover various operating expenses.
In the last 20 years the starting block has helped grow over 40 companies regionally and continues to connect our agriculture industry and food processing. The current operating agreement provides a termination clause that may allow the City to dissolve the relationship in or about 2024, in 2023 the City approached the Starting Block, seeking to identify if the Starting Block could build a strategic plan in pursuit of covering its own expenses and/or provide more of a community benefit to area residents. Since then, the Starting Block Board has been working to draft a short- and long-term strategy. The discussion has been healthy, identifying that we need a Starting Block 2.0. Priorities have been set to create initiatives to:
 - Increase community engagement and partnerships
 - See financial stability inclusive of potential corporate sponsorships
 - Enhance current offerings to provide new business development/mentorship opportunities
 - Plan for and build future leadership both on the board of directors and in the paid operating directors' role.

General, how do we feel about the standing relationship?

Is there more information Council would like?

Should we look to seek public input to help both the City and the Starting Block home what the future of the entity becomes?

The Starting Block currently uses rental revenues to staff a director for the facility. The position is a part-time position that frequently includes full-time attention. How would the Council feel about combining two-part time positions into one full time City employee that could oversee the Starting Block and the Historic District as two pieces of a larger economic development push? The City owns the building and the land which the Starting Block Operates out of. The building is in need of a roof repair, can we authorize the use of some funds to help sustain the building as these discussions go on?

Burillo – There is opportunity

Cunningham – if it's a City Building than the City should maintain it.

CITY MANAGER'S REPORT:

Updates:

- City Staff met with engineers to discuss our Water Department Capital Improvement plan based on an updated informational risk assessment. This will help to re-affirm out existing CIP and form updated data for the in-progress water rate study. The CIP will be introduced to the Council this fall for review and adoption.
- Wadel Stabilization is completing the West Main Street surface today with some finish work and lane striping left.
- The Starting Block Board held its third strategic planning session on August 28th, the focus and planned outcomes anticipate providing sustainability for the non-profit, as well as a renewed focus on adding value to our community.
- The developer that had built the past 5 duplexes in the Creeks Subdivision made an offer to construct another two and anticipates breaking ground next week.
- Michigan Municipal League Annual Conference begins tomorrow, this is a great annual opportunity to learn with our colleague municipalities about current opportunities and challenges facing our communities.
- City auditors will be on-site Monday through next week. We look forward to another year of good learning opportunities to help City Staff in maintaining a solid City budget that includes good public transparency. All City financials are available on the City's website including a citizen dashboard provided by Munetrix that helps to track year over year financial activity.

Legacy Topics:

- Safe Routes to School trail project – **Approved for bid letting in October' 24!**

Upcoming Topics:

- Adoption of 5-year Park and Rec Master Plan
- Council review of rental inspection policies, procedures, and implementation. Chief Salazar is delayed due to 2 employee resignations and 2 employees parental leave)

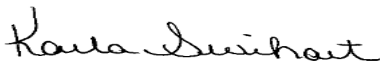
COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Mayor Platt – Friendly reminder of Mr. Hansens memorial Sunday September 15th from 1pm-4pm at the Oceana Eagles

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned upon a motion by J. Cunningham and supported by A. Klotz. The next regularly scheduled meeting will be on September 24th, 2024, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk

Payables Date 09.25.2024	Description	Total	General +	DPW	Energy	BPTF	Water
Blue Cross Blue Shield Of Michigan	Retirees Medical Insurance	\$ 2,125.08	\$ 1,416.72		\$ 708.36		
Charter Communications	Hart Commons Internet	\$ 114.99			\$ 114.99		
Cintas	Bathroom Supplies - Hart Commons 9/4	\$ 61.45	\$ 61.45				
Cintas	Bathroom Supplies - JGP 9/10	\$ 76.51	\$ 76.51				
Cintas	Bathroom Supplies - Hart Commons 9/17	\$ 61.45	\$ 61.45				
Cintas	Bathroom Supplies - JGP 9/17	\$ 238.38	\$ 238.38				
Echo Publishing	Advertising	\$ 151.00	\$ 151.00				
Environmental Systems Research	GIS System License 9/11/24-9/10/25	\$ 4,081.00			\$ 4,081.00		
Frontier	Phone Service - Hydro Dam	\$ 106.91			\$ 106.91		
Grand Rental	Excavator Kubota Equipment Rental	\$ 918.40			\$ 918.40		
GRP Engineering Inc	Engineering Services	\$ 160.00			\$ 160.00		
GRP Engineering Inc	Engineering Services Substation to Power Plant	\$ 600.00			\$ 600.00		
Hart Area Recreation Club	2023 Recreation Fee	\$ 4,625.00	\$ 4,625.00				
Hart Cemetery Commission	Tax Disbursement Batch #5	\$ 8,377.23	\$ 8,377.23				
Hart Cemetery Commission	Tax Disbursement Batch #5	\$ 73.46	\$ 73.46				
Huntington National Bank	CC Statement - Aug 2024	\$ 4,111.09	\$ 2,128.49	\$ 368.41	\$ 1,199.83	\$ 414.36	
Lawson-Fisher Associates	Hart Dam Licensing Requirements	\$ 10,824.84			\$ 10,824.84		
Mc Kenna	Planning Services - Zoning Amendments	\$ 977.50	\$ 977.50				
McMath, Mike	Payment for Empty Canvas ArtWalk Artist	\$ 2,000.00	\$ 2,000.00				
Medler Electric Co.	Parts/Supplies	\$ 363.81			\$ 363.81		
Medler Electric Co.	Parts/Supplies	\$ 485.31			\$ 485.31		
Medler Electric Co.	Parts/Supplies	\$ 143.66			\$ 143.66		
Medler Electric Co.	Parts/Supplies	\$ 74.53			\$ 74.53		
Mika Meyers	Legal Services - General	\$ 727.50	\$ 727.50				
Mika Meyers	Legal Services - WWTP Improvement Project	\$ 328.60	\$ 328.60				
Mika Meyers	Legal Services - Hart Main Street Program	\$ 80.00	\$ 80.00				
Mika Meyers	Legal Services - Sewer Matters	\$ 540.00	\$ 540.00				
MPPA	Purchase Power	\$ 98,611.73			\$ 98,611.73		
MPPA	Purchase Power Sept Strmnt	\$ 107,068.34			\$ 107,068.34		
MPPA	Purchase Power	\$ 21,278.75			\$ 21,278.75		
MWEA	Membership Dues - P. Cutter	\$ 95.00				\$ 95.00	
MWEA	Membership Dues - B. Whitney	\$ 95.00					\$ 95.00
Napa	Auto Parts/Supplies	\$ 18.20			\$ 18.20		
Napa	Auto Parts/Supplies	\$ 39.16	\$ 39.16				
NYE Uniform Co	Uniform - Police Dept	\$ 94.41	\$ 94.41				
Office Machines	Copier Lease - Police Dept	\$ 45.00	\$ 45.00				
Platt, Vicki	Mileage Reimbursement 8/21/2024-8/25/2024	\$ 147.40	\$ 147.40				
Power Line Supply	Parts/Supplies	\$ 7,296.60			\$ 7,296.60		
Power Line Supply	Parts/Supplies	\$ 4,025.25			\$ 4,025.25		
Power Line Supply	Parts/Supplies	\$ 1,408.45			\$ 1,408.45		
Power Line Supply	Parts/Supplies	\$ 2,079.63			\$ 2,079.63		
Power Line Supply	Parts/Supplies	\$ 470.40			\$ 470.40		
Power Line Supply	Parts/Supplies	\$ 470.94			\$ 470.94		
Power Line Supply	Credit Memo	\$ (6,807.15)			\$ (6,807.15)		
Prein&Newhof	2200777 Drinking Water Asset Mgmt Phase 2	\$ 5,507.50					\$ 5,507.50
Prein&Newhof	2221057 SRF Wastewater Imp.	\$ 3,426.35				\$ 3,426.35	
Prein&Newhof	2221070 Dryden & Wood St Reconstruction	\$ 35,756.00		\$ 35,756.00			
Prein&Newhof	2200777 Drinking Water Asset Mgmt Phase 3	\$ 1,440.50					\$ 1,440.50
Prein&Newhof	2221059 BioPure Facility Construction Phase	\$ 14,432.95				\$ 14,432.95	
Prein&Newhof	2240473 West Main St Resurfacing	\$ 2,249.37		\$ 2,249.37			
Quill	Membership Renewal	\$ 69.99	\$ 69.99				
Tanner Plumbing & Heating	Plumbing/Heating Supplies	\$ 122.00				\$ 122.00	
USA Bluebook	Larb Supplies	\$ 1,012.72				\$ 1,012.72	
Vanguard	Fire Extinguisher Inspection - DPW	\$ 395.13		\$ 395.13			
Vanguard	Fire Extinguisher Inspection - JGP	\$ 204.00	\$ 204.00				
Vanguard	Fire Extinguisher Inspection - BioPure	\$ 473.39				\$ 473.39	
Verizon	Office Phones	\$ 483.17	\$ 395.27	\$ 29.30	\$ 29.30	\$ 29.30	
Woodland Farm Market	Cookies - TEAM Golf Outing	\$ 100.00	\$ 100.00				
	Sub-total	\$ 344,537.88	\$ 22,958.52	\$ 38,798.21	\$ 255,732.08	\$ 20,006.07	\$ 7,043.00
HAND CHECKS/ACH/EFT							
Alerus	City Share 401 Retirement - PR 194	\$ -	\$ -				
US Postmaster	Postage/Tax Bills						
AFLAC	Insurance Premium	\$ -	\$ -				
Guardian	Insurance Premium	\$ -	\$ -				
Delta Dental	Insurance Premium	\$ -	\$ -				
MWG/Amfirst	Insurance Premium	\$ -	\$ -				
Blue Cross Blue Shield	Insurance Premium	\$ -	\$ -				
	TOTAL HAND CHECKS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sub-Total Regular Bills/Hand Checks	\$ 344,537.88	\$ 22,958.52	\$ 38,798.21	\$ 255,732.08	\$ 20,006.07	\$ 7,043.00
Gross Payroll	PR 215	\$ 87,369.02					
	Sub-Total	\$ 87,369.02					
	GRAND TOTAL	\$ 431,906.90	\$ 22,958.52	\$ 38,798.21	\$ 255,732.08	\$ 20,006.07	\$ 7,043.00

RESOLUTION 2024-25
Hart City Council
City of Hart, Michigan

Accept Engagement Agreement for Single Audit Services

WHEREAS, the City of Hart is required to have an outside independent audit completed at the end of every fiscal year to ensure that the City’s accounting practices and accounts follow generally accepted accounting practices and all Governmental Accounting Standards Board (GASB) and Other Post-Employment Benefits (OPEB) reporting requirements; and

WHEREAS, during FY 2024, the City of Hart has exceeded federal fund expenditures of \$800,000 triggering the need for a single audit per US Treasury requirements; and

WHEREAS, with the end of Fiscal Year 2024 and also in 2025, it is necessary to enter into an agreement with an independent auditing firm to conduct a single audit, the purpose of a single audit is to provide assurance to the US government that the City of Hart has adequate internal controls in place and is in compliance with program requirements required by Subpart F of the uniform guidance code; and

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

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

Accepts the engagement agreement with Maner Costerisan for single audit services for FY 2024 in the amount of \$5,000 and FY 2025 in the amount of \$5,200; and

Authorize the City Manager to sign the engagement letter.

Moved by _____, supported by _____, and thereafter adopted by the Hart City Council at a regular council meeting held on September 20, 2024.

Ayes: __ Nays: __ Absent: __



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

September 20, 2024

City of Hart
407 State Street
Hart, Michigan 49420

We are pleased to confirm our understanding of the services we are to provide City of Hart for the years ending June 30, 2024 and 2025.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of City of Hart as of and for the years ending June 30, 2024 and 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Hart's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Hart's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. Required supplementary other post-employment benefit disclosures

We have also been engaged to report on supplementary information other than RSI that accompanies City of Hart's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

1. Schedule of expenditures of federal awards
2. Combining statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform tests of City of Hart's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Hart's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on City of Hart's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of City of Hart in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management’s responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor’s reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor’s reports or nine months after the end of the audit period.

We will provide copies of our reports; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Maner Costerisan and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maner Costerisan personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jordan E. Smith, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to them.

The fees for audit services will be as follows:

Year Ending <u>June 30,</u>	<u>Financial Audit</u>	<u>Single Audit</u>	<u>Total</u>
2024	\$ 21,500	\$ 5,000	\$ 26,500
2025	22,500	5,200	27,700

This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you. Our invoices for these fees will be rendered as work progresses and are payable on presentation. Past due amounts are subject to a service fee of 1½ percent per month. In accordance with firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. Third-party confirmation providers for certain financial institutions may invoice us for responding to confirmation requests and we will pass those costs through to you.

For purposes of pricing the Single Audit, the fee quoted above assumes City of Hart will have one major federal program, with one eligible use category. Major programs with additional eligible use categories are required to be audited under the Single Audit Act, there will be an additional charge of \$3,500 per additional eligible use category that incurred expenditures. If additional major federal programs are required to be audited under the Single Audit Act, there will be an additional charge of \$3,500 per additional eligible use categories per additional major federal program.

Because we are extremely interested in continuing to serve City of Hart and the fact that our audit team members have a great deal of experience working with similar entities, we are proposing a discount to our audit cost estimate. The price schedule detailed above is a firm price assuming City of Hart records are in reasonable condition and that we are provided reasonable staff assistance. If our team members spend more hours than the projected hours detailed above that are not due to unusual circumstances (i.e., unrecorded accruals, unbalanced records, improperly recorded activities, the state of the records being significantly different than what was stated, inadequate staff assistance, significant changes in auditing standards, etc.) then we will not bill for any amounts over the audit cost estimate. During the audit, we will spend approximately 20% more in fees than what is projected above, however, we will not bill you for that additional time, unless it exceeds the 20% amount which would be caused by circumstances such as those items listed above.

Our proposal is to provide City of Hart with auditing services, rather than accounting services. The cost schedule detailed on the previous page assumes that extensive journal entries to adjust the accounting records (i.e., bookkeeping) will not be required as part of the audit process. If auditor-proposed journal entries are required in order for the financial statements to be fairly presented in accordance with generally accepted accounting principles, we propose a per entry fee of \$200.

The fees quoted above are based on City of Hart's current levels of client assistance and expertise. Should any of these levels of assistance or expertise change during the period of our engagement, we may need to arrive at a new fee arrangement for the remainder of the agreement.

If the City would like us to prepare the State of Michigan, F-65 Report, Form Act 51, or Form 5572; our fees will be based on the services rendered at our standard hourly rates.

If additional procedures are necessary to assist with implementation or continuation accounting standards (such as GASB Statement Nos. 68, 74, 75, 84, 87, 96, or 100 or any other accounting standard impacting the financial statements of the City), such assistance is considered outside the scope of the audit and our fees will be based on the services rendered at our standard hourly rates.

During the term of this agreement and for a period of one year thereafter, neither party shall directly or indirectly, solicit for employment or for engagement as an independent contractor, or encourage leaving their employment or engagement, any employee or independent contractor of the other party. For the avoidance of doubt, general advertisements for employment and responses thereto, shall not be deemed a violation of the paragraph. The parties agree that any breach of this paragraph would damage the other party in an amount difficult to ascertain with certainty, and that in the event that either party breaches this provision resulting in the other party losing the services of an employee or independent contractor for any period of time, the breaching party shall pay to the other party an amount equal to the annual rate of compensation (paid by the non-breaching party for the immediate

prior calendar year) of the applicable employee or independent contractor.

Government Auditing Standards requires that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2020 peer review report accompanies this letter.

If reproduction or publication of financial statements audited by us, or any portion thereof, is intended, it is our policy that any master of printer's proofs be submitted to us for review prior to publication.

We will continue to perform our services under the arrangements discussed above from year to year unless for some reason you or we find that some change is necessary. However, the performance of each audit is a separate and severable engagement. Each separate engagement shall be deemed complete and Maner Costerisan will not have a continuing responsibility to perform additional services with respect to that completed engagement when we present to you the final audit report that relates to any given year.

Considering our current relationship as an independent member of the BDO Alliance USA, the firm may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

In connection with this engagement, we may communicate with you or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding the statute of limitations of the State of Michigan, any claim based on this engagement must be commenced within 12 months after performance of our service, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration if this agreement provides that the particular dispute is subject to arbitration, or by whatever other lawful means are available to them if this agreement does not provide for arbitration of the particular dispute. Costs of any mediation proceeding shall be shared equally by all parties.

City of Hart and Maner Costerisan both agree that any dispute over fees charged by Maner Costerisan to the client or any other disputes will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. The arbitration shall take place at Lansing, Michigan. Any hearing shall be before one arbitrator in accordance with Rule 17 of the Commercial Arbitration Rules of the American Arbitration Association (the Rules). Any award rendered by the arbitrator pursuant to this agreement may be filed and entered and shall be enforceable in the appropriate court of the county in which arbitration proceeds. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution. The prevailing party shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and the governing board of City of Hart. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to City of Hart and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Maner Costerisan PC

RESPONSE:

This letter correctly sets forth the understanding of City of Hart.

By: _____

Title: _____

Date: _____

To: Maner Costerisan

After considering the qualifications of the accounting personnel of City of Hart, we believe they have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with accounting principles generally accepted in the United States of America. However, for convenience and other issues, we may contract with you to prepare our financial statements.

Signature: _____

Title: _____

Date: _____

ADDENDUM TO ENGAGEMENT LETTER

As part of the audit engagement, you have requested our assistance with the following services. *Government Auditing Standards* considers these services as “non-attest” or “non-audit” services. Management is required to review, approve, and accept responsibility for any non-audit services we may perform.

- Preparation of the financial statements, including the related notes, required and additional supplementary information.
- Assistance with the preparation and submission of audit financial information required by law or regulations.
- Assistance with, or the preparation of, year-end adjusting journal entries and workpapers.
- Assistance with the preparation of other financial reporting required by law or regulation (i.e. Form F-65, Form Act 51, Form 5572, etc.).
- Access to a secure website to exchange information electronically.



Report on the Firm's System of Quality Control

July 31, 2023

To the Principals of Maner Costerisan PC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Maner Costerisan PC (the firm) in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maner Costerisan PC in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Maner Costerisan PC has received a peer review rating of *pass*.

A handwritten signature in black ink that reads 'Reilly, Penner & Benton LLP'.

Reilly, Penner & Benton LLP

Reilly, Penner & Benton LLP

1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

www.rpb.biz

RESOLUTION 2023-11
Hart City Council
City of Hart, Michigan

Accept Engagement Agreement for Auditing Services

WHEREAS, the City of Hart is required to have an outside independent audit completed at the end of every fiscal year to ensure that the City's accounting practices and accounts are in compliance with generally accepted accounting practices and all Governmental Accounting Standards Board (GASB) and Other Post-Employment Benefits (OPEB) reporting requirements; and

WHEREAS, the City of Hart has been happy with the services we have received in the past several years from the team of auditors that have ultimately formed into the firm which is known as Maner Costerisan and they are familiar with the city's practices and have helped with improving our process; and

WHEREAS with the end of Fiscal Year 2023 upon us it is necessary to enter into an engagement agreement with an independent auditing firm and as a professional service this is like attorneys and engineers not a service that is frequently bid out as the institutional knowledge that is gained by working with one firm for several years is a benefit to the City;

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

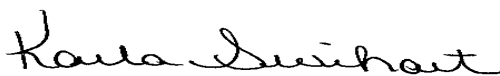
NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

Accepts the engagement agreement with Maner Costerisan for auditing services for FY 2023 in the amount of \$20,500, for FY 2024 in the amount of \$21,500 and FY 2025 in the amount of \$22,500; and

Authorize the City Manager to sign the engagement letter.

Moved by Catalina Burillo, supported by Kris Trygstad, and thereafter adopted by the Hart City Council at a regular council meeting held on February 28, 2023.

Ayes: 6 Nays: 0 Absent: 1



Karla Swihart, City Clerk



MICHIGAN MUNICIPAL LEAGUE
CONVENTION2024

———— *WELCOME!* ————

M M L
CONV
2024

Transforming Employee Health Insurance

Aaron MacDonald
Chief Strategy Officer
Michigan Planners, Inc.



We have a problem with health care costs



44%

Increase in
healthcare costs
since 2013



50%

Indicate that it is
difficult to afford
health care in U.S.



25%

Insured adults
have put off
health care in the
last 12 months
due to cost



41%

U.S. adults that
report some level
of medical debt



MACRO ECONOMIC COST DRIVERS

Why is healthcare more expensive in the U.S.?



Administration

Studies attribute ~30% of U.S. healthcare costs to administrative complexity



Aging Society

In 2020, 1 in 6 U.S. citizens are age 65+. (In 1920, it was 1 in 20)



Health Status

42% of the U.S. population have 2 or more chronic conditions. (90% of spend)



Defensive Medicine

75% of physicians report practicing defensive medicine to avoid lawsuits



Transparency

The U.S. health system lacks cost or quality transparency



Technology

Healthcare is an industry where tech adds cost. (~40-50% of annual increases)

[High U.S. Health Care Spending | Commonwealth Fund](#)

[2020 Census: 1 in 6 People in the United States Were 65 and Over](#)

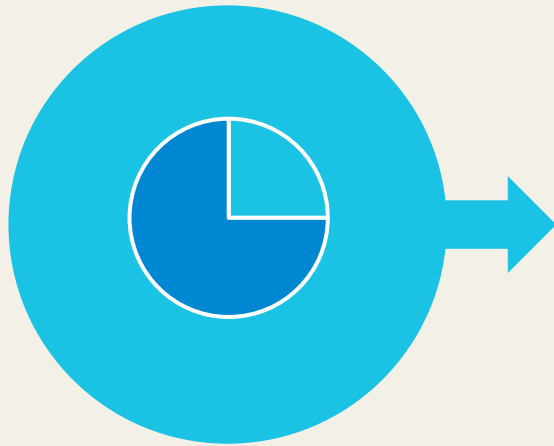
[Chronic Disease Prevalence in the US: Sociodemographic and Geographic Variations by Zip Code Tabulation Area \(cdc.gov\)](#)

[Reducing the Cost of Defensive Medicine - Center for American Progress](#)

[Technology And Rising Health Care Costs \(forbes.com\)](#)

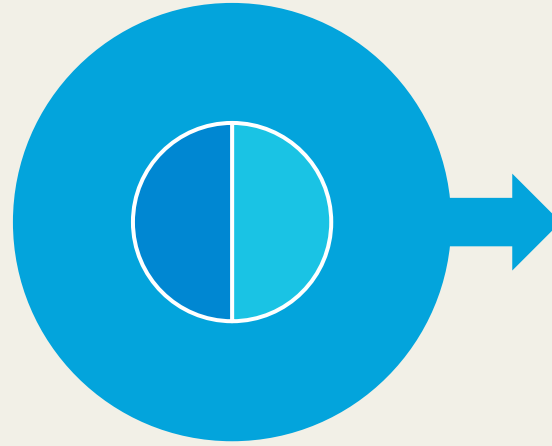
COST CONTAINMENT STRATEGIES

What employers are doing today to address cost



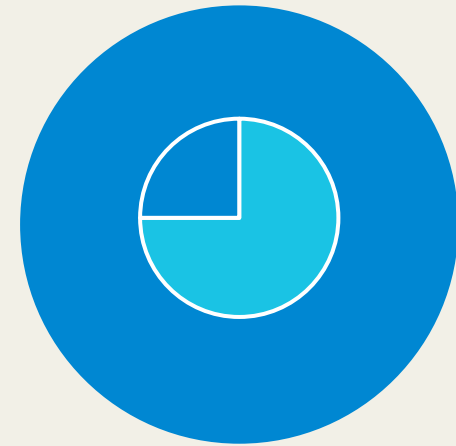
TIER 1

- Plan Design Changes
- Employee Contributions
- Network Strategy
- High Deductible Health Plans (HSAs)
- Medicare Migration Strategy
- Family Glitch Strategy



TIER 2

- Funding Changes (Level-Funding, Self-Funded, Captives)
- Pharmacy Carve-Outs
- Point Solutions



TIER 3

- Reference Based Pricing
- Direct Provider Contracting
- IC-HRA

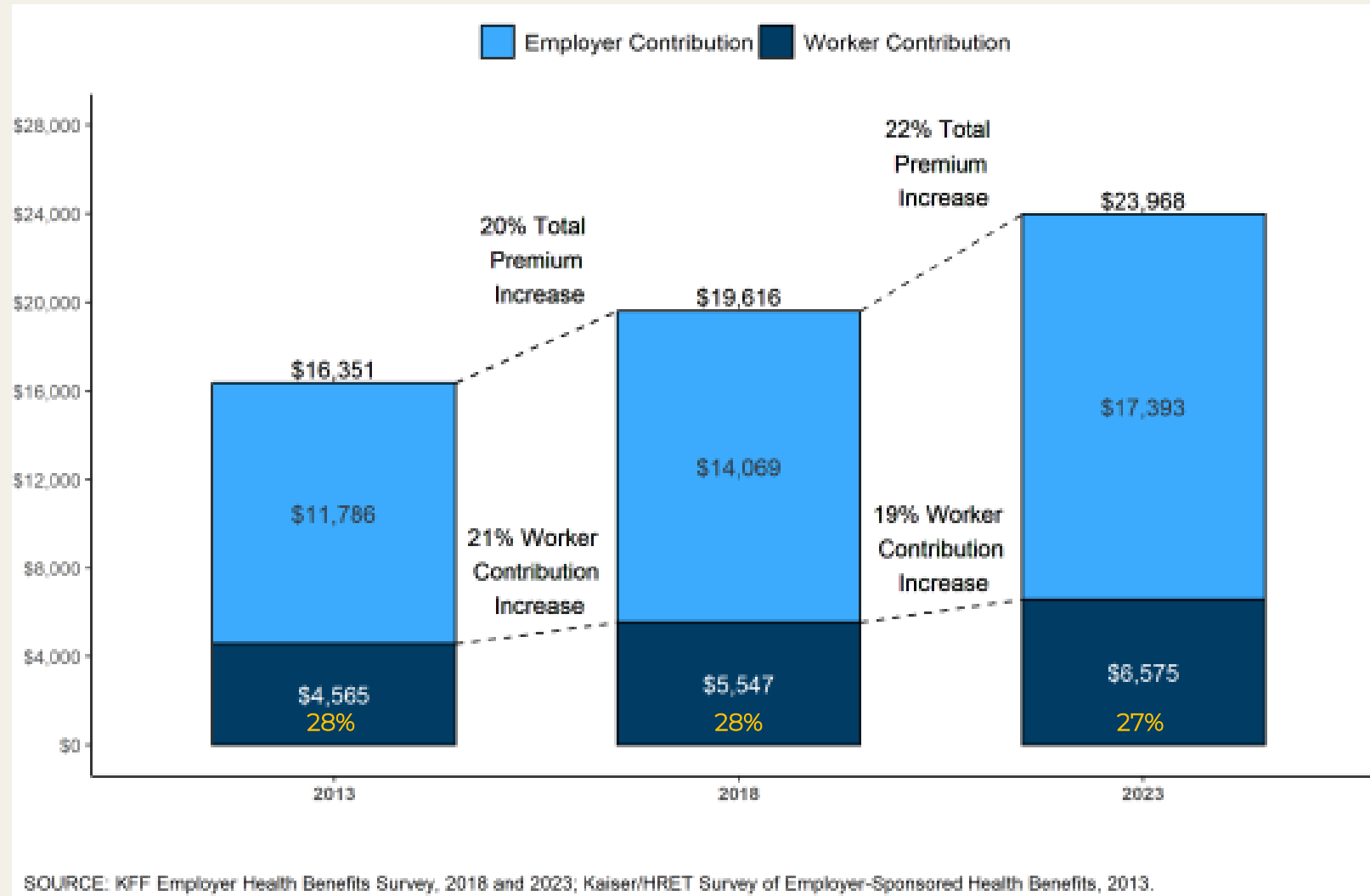
Low

Potential Disruption / Potential Savings

High

BENCHMARKING

Premium Sharing



90%

Average employer contribution among Michigan Planners' municipal customers

78%

Lowest employer contribution among Michigan Planners' municipal customers

100%

Highest employer contribution among Michigan Planners' municipal customers

HEALTHCARE VALUE

Employers & employees often equate lower deductibles & other cost sharing with value. In other words, a low deductible plan is viewed as a “high value” plan. Is that really true?

	 EMPLOYER	 UNHEALTHY EMPLOYEES ~20%	 HEALTHY EMPLOYEES ~80%	 CARRIER
Pro	<ul style="list-style-type: none"> ✓ Can promote rich plan design for recruitment and retention of employees ✓ Potential reduction of employee benefit inquiries 	<ul style="list-style-type: none"> ✓ The plan requires lower out-of-pocket costs WHEN services are utilized 	<ul style="list-style-type: none"> ✓ The plan requires lower out-of-pocket costs IF services are utilized 	<ul style="list-style-type: none"> ✓ Maximizes carrier revenue with highest cost premium products ✓ Improves cash flow position on monthly interest accrual
Con	<ul style="list-style-type: none"> ✓ Costly for employer to offer if they have high premium share contribution rates ✓ Little correlation between employee benefit satisfaction and deductible levels ✓ Creates perverse incentive for employees to utilize care once cost sharing maximums are met 	<ul style="list-style-type: none"> ✓ Likely has higher premium contributions out of paycheck ✓ Inability to access triple-tax advantaged HSAs to pay for health care services or save towards retirement healthcare costs 	<ul style="list-style-type: none"> ✓ Likely has higher premium contributions out of paycheck for an unused benefit ✓ Inability to access triple-tax advantaged HSAs to pay for health care services or save towards retirement healthcare costs 	<ul style="list-style-type: none"> ✓ Creates perverse incentive for members to utilize care once deductible and coinsurance maximums are met

HIGH DEDUCTIBLE HEALTH PLANS

Advantages of Offering HSA Products

30.7%

PMPM

HSA plans are 30.7% lower cost on a per member per month basis than non-HSA



2X

PMPM Trend

The amount per member per month cost of non-HSA plan grew compared to HSA plans



\$16

Member Cost

HSA plans cost, on average, \$16 more per member per month – or, one Starbucks coffee per week



\$119

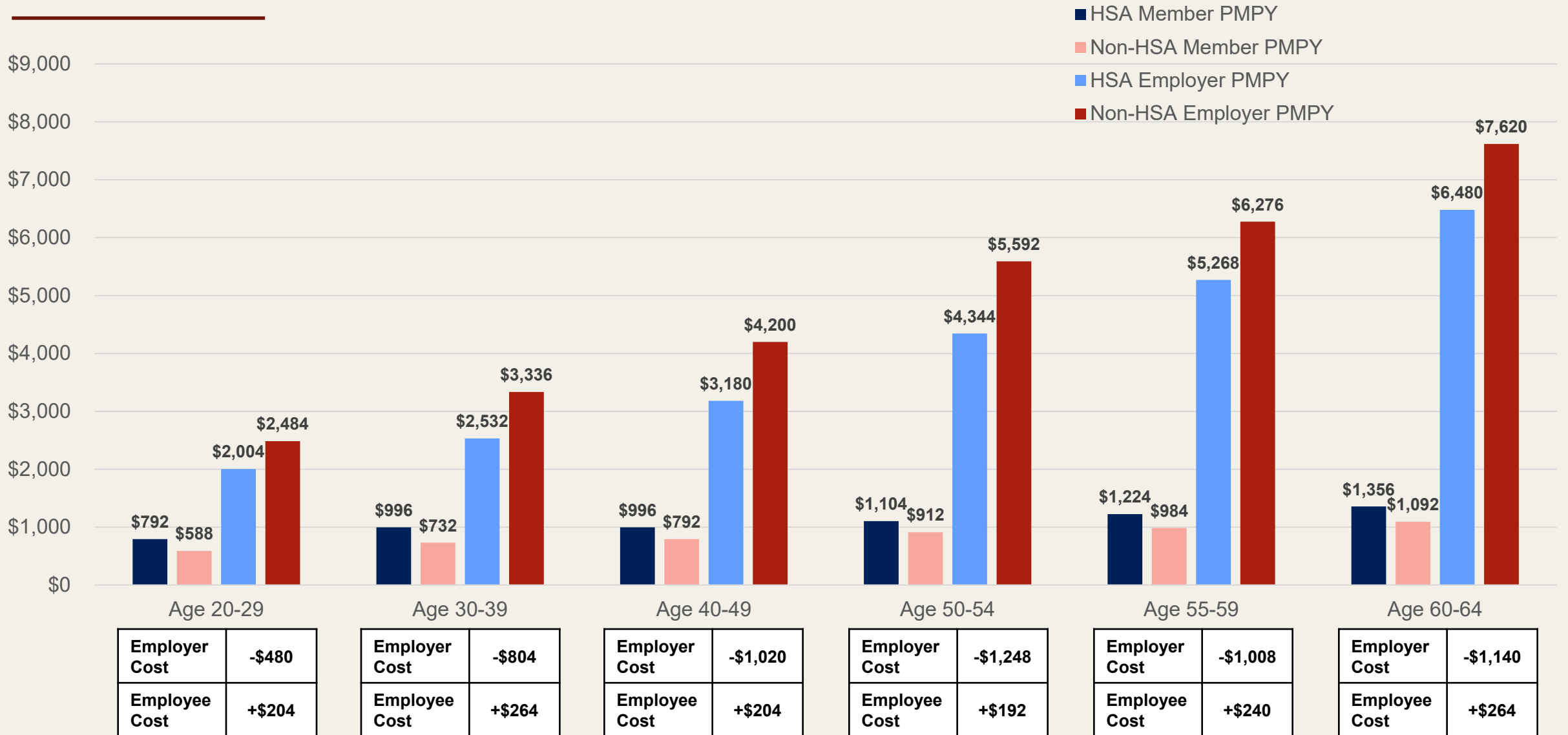
Plan Savings

HSA plans cost employers \$119 less PMPM than non-HSA plans



HSA COSTS

Employer & Employee Cost for HSA vs. Non-HSA



CASE STUDIES

Employers' potential savings by moving to HDHP

Client 1

Large Employer – PPO

BCBSM	Current	HSA
Deductible	\$1,000	\$3,500
Coinsurance	0%	0%
Coinsurance Maximum	N/A	N/A
Annual OOPM	\$8,150	\$6,900
Rx	\$10/\$40/\$80	\$10/\$40/\$80
Single Monthly Premium	\$1,078	\$730
Annual Premium	\$12,936	\$8,760
HDHP Annual Savings	\$4,176	

Client 2

Small Employer - PPO

BCBSM	Current	HSA
Deductible	\$500	\$4,500
Coinsurance	20%	0%
Coinsurance Maximum	\$2,000	N/A
Annual OOPM	\$8,700	\$7,000
Rx	\$10/\$40/\$100	\$20/\$60/\$150/ 20%/20%
Single Monthly Premium	\$814	\$522
Annual Premium	\$9,768	\$6,264
HDHP Annual Savings	\$3,504	

Client 3

Large Employer - POS

Priority	Current	HSA
Deductible	\$1,000	\$2,000
Coinsurance	20%	0%
Coinsurance Maximum	\$1,500	N/A
Annual OOPM	\$7,900	\$4,000
Rx	10%/20%/30%	10%/20%/30%
Single Monthly Premium	\$638	\$503
Annual Premium	\$7,656	\$6,036
HDHP Annual Savings	\$1,620	

HEALTH SAVINGS ACCOUNTS

What are some of the key features?

Eligibility



- Must be enrolled in a high deductible health plan
- Must be a U.S. taxpayer
- Cannot be enrolled in another non-HDHP or Medicare plan
- Cannot be enrolled in an FSA or HRA
- Can't be claimed as a dependent

Ownership



- Account owned by employee
- Account is portable by the employee
- Account rolls over from year-to-year

Uses



- To pay for IRS qualified health care related expenses
 - Deductibles, copays, etc.
 - Dental, vision, Rx
- To pay for retiree health care expenses including Medicare

Tax Advantages



- HSA accounts are triple tax advantaged
 - Contributions to the HSA are pre-tax
 - Account growth from interest & investments is tax free
 - IRS qualified distributions are tax free

Annual Maximums



- IRS sets annual HSA contribution maximums. For 2025:
 - Single = \$4,300
 - Family = \$8,550
- Also, individuals aged 55 or older can contribute an additional \$1,000 in catch-up contributions

MI LIFE PLAN

Takes into account each stage of an individual's life and provides a strategy to address

Covered under parent or guardian

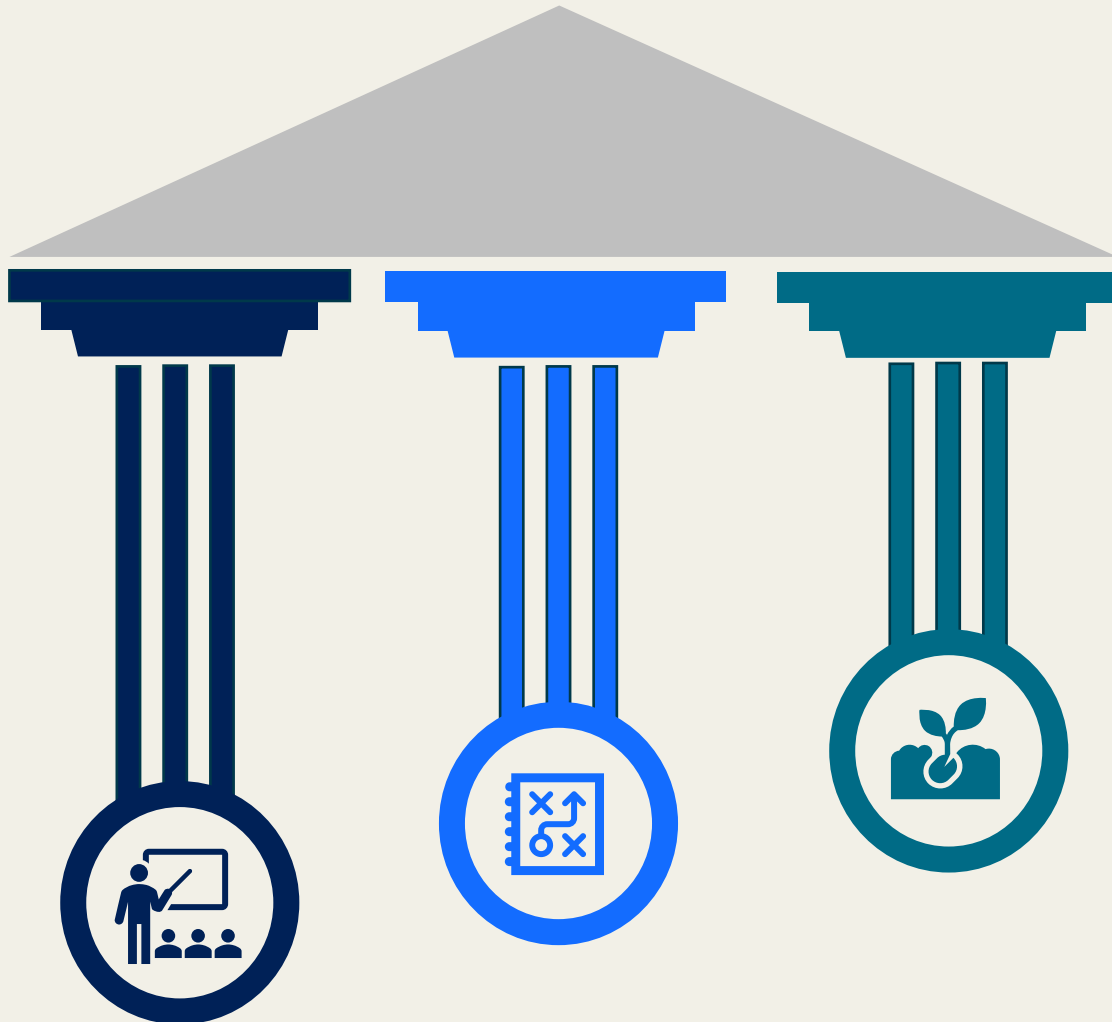
Covered under employer sponsored plan

Covered under a Medicare plan

	Covered under parent or guardian			Covered under employer sponsored plan		Covered under a Medicare plan
	Childhood	Working Age			Senior	
Life Stage	Young Adult	Progressing Adult	Middle Age Adult	Pre-Retirement	Retirement	
Age	20-29	30-49	50-59	60-64	65+	
Expected Annual Member Cost (HSA)	\$792 PMPY	\$996 PMPY	\$1,164 PMPY	\$1,356 PMPY	N/A	
HSA Savings	\$\$\$\$	\$\$\$	\$\$	\$	N/A	
HSA Spend	\$	\$\$	\$\$	\$\$\$\$	\$\$\$\$\$	
Important Voluntary Plans	<ul style="list-style-type: none"> • Accident 	<ul style="list-style-type: none"> • Accident • Critical Illness (40+) • Life Insurance 	<ul style="list-style-type: none"> • Critical Illness • Hospital Indemnity • Life Insurance 	<ul style="list-style-type: none"> • Critical Illness • Hospital Indemnity 	N/A	

MI LIFE PLAN

Key considerations for the long-term success of the plan



Education

- It's critical that employees understand the program and its long-term value
- Education cannot start and stop at open enrollment – especially during strategy onset
- Strategy should be “sold” to senior and mid-level management for alignment
- The strategy should be sold to employees as not just a health care solution but a retirement solution



Commitment to Strategy

- This is a long-term solution and leadership should be invested in maintaining this approach
- This approach alters the most common lever to pull to address premium increases – need to think differently about what levers to pull
- Invest in other programs (virtual health, point solutions, etc.) to ensure long-term success

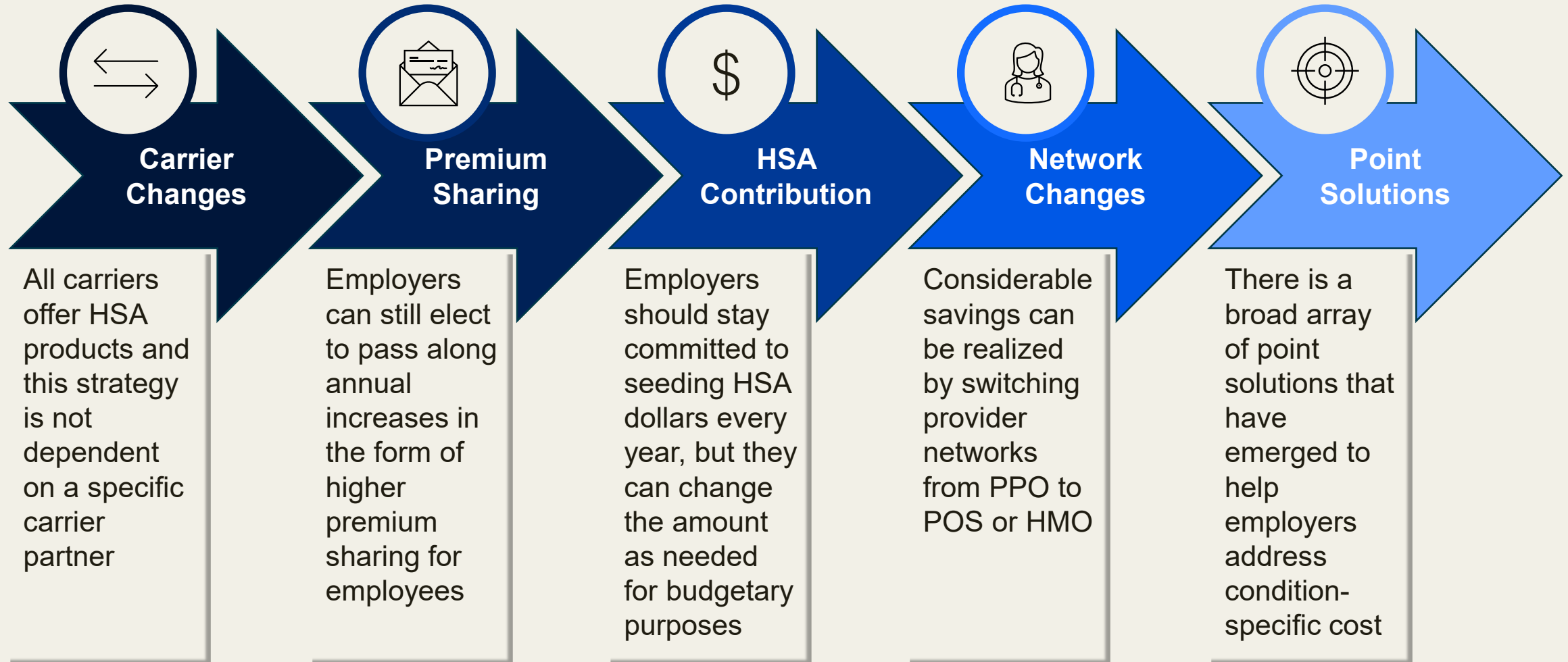


Health Savings Account Seeding

- It is critical that employers are invested in seeding the employees' HSA accounts
- Develop a multi-year HSA seeding budget and stay committed to the investment

MI LIFE PLAN

Tactics to reduce premium increases



City of Hart
407 State Street
Hart, MI 49420



Working together for Public Safety

City of Hart - Hart Area Fire Department – Oceana County

August 1st, 2023

On February 22, City of Hart DPW Director - Brad Whitney, Hart Area Fire Department - Chief Dwight Fuehring, Oceana County Emergency Manager - Troy Maloney, and Hart City Manager - Rob Splane, met to discuss the City of Hart water system, fire hydrant maintenance and emergency planning. The meeting was productive resulting in a list of goals, action items, and future planning. During the meeting The Hart Fire Department offered to work with the City of Hart to work with city hydrants as part of regular firefighter training. This opportunity would allow the fire department staff to learn locations of city hydrants, practice hydrant operation, assist the city with maintenance, and identify any issues that may need to be addressed.

In the months that followed several things have been accomplished and work is on-going:

- An updated water system map was created by city engineers and shared to help identify where larger water mains exist for when higher flows are required.
- New, easier to see signage was ordered to help identify any out-of-service hydrants.
- A hydrant maintenance policy has been documented and shared with the fire department to ensure proper handling and operation of city owned hydrants.
- Brand new hydrants on Lincoln Street installed by a local contractor were found to have improper threads making them unusable with local fire department equipment. Although this was the first occurrence of this sort, the situation led to the city and city engineers creating a new policy to test all future hydrants accordingly.
- City of Hart DPW worked to create a hydrant exercise plan inclusive of data sheets to record information about each hydrant. In July, during regularly scheduled training, the Hart Area Fire Department worked in crews to exercise hydrants throughout the city. A report is being created to help identify any system components that may need repair or replacement.
- As hydrants are exercised, it creates physical stress on the city's aging water infrastructure. During the effort one downtown business and one residential water service line ruptured creating the need for emergency repairs.
- Future goals include on-going maintenance, further documentation of system capacity, on-going training and education including basic hydraulics coursework as presented by the State of Michigan.

This collaboration marks the first time in decades that the city and the fire department are working so closely together. Today's leadership has identified that working together in pursuit of these common goals is the best path to success.

Special thanks to the hard-working staff and volunteers at Oceana County, Hart Area Fire Department, and The City of Hart Department of Public Works. Our area residents, business owners, and visitors thank you!

2003

list of hydrants we struggled with

S2	CAP WONT COME OFF
S 14	WONT TURN ON
D 8	TOP BROKEN CONTINUES TO SPIN
U 9	OOS TAG ALREADY ON IT
G 6	ADDRESS SHOULD BE CHANGED TO 613
G 10	COULD NOT LOCATE
C 3	NO STEAMER CAP ONLY 2 1/2 HOOK UP
C 8	NO STEAMER CAP ONLY 2 1/2 HOOK UP
W 4	ALMOST IMPOSSIBLE TO OPEN
R 1	VERY LOW ALMOST ON GROUND HARD TO OPEN
R 2	VERY TIGHT NO PLAY HARD TO OPEN
O 1	NO STEAMER CAP ONLY 2 1/2 HOOK UP
O 2	NO STEAMER CAP ONLY 2 1/2 HOOK UP
O 3	NO STEAMER CAP ONLY 2 1/2 HOOK UP
14 ORCHA	NOT WORKING
A 3	NO STEAMER CAP ONLY 2 1/2 HOOK UP
PK 3	CAN'T OPEN
PK 4	CAN" T OPEN
PK 5	LEFT INSERT LOOSE
PK 7	HARD TO OPEN
PK 9	STEAMER FROZE BARREL FULL
PK 10	FULL OF WATER
PK 14	RIGHT CAP FROZEN
PK 18	LEFT SEAL IS OUT
PK 21	UNABLE TO LOCATE
IND 5	FROZEN

Still need to get to 30 hydrants

Most need chains

We didn't oil hydrants as we didn't have an effective way to oil them



CITY OF HART
 407 S. State St., Hart, MI 49420
 Ph: 231-873-2488 Fax: 231-873-0100
SPECIAL EVENTS PERMIT



THE CITY IS NOT RESPONSIBLE FOR BY-STANDERS AT YOUR EVENT.

DATE OF APPLICATION: 09-19-2024

NAME OF EVENT: Halloween Kickoff Party (Name subject to change)

DATE OF EVENT: 10/26/2024 TIME: 5:00pm TO 9:00pm

RAIN DATE OF EVENT: **MUST PROVIDE** Rain or shine

LOCATION AND/OR ROUTE OF EVENT: Hart Historic District - Heritage Hall - Museum

DESCRIPTION OF EVENT:

Spooky Museum Tours, DJ Dance Party, Outdoor Halloween Movie, Concessions

SPECIAL NEEDS:

NAME OF ORGANIZATION OR SPONSOR: City of Hart, Parks and Recreation

ADDRESS: 570 Lincoln

CONTACT PERSON: Erin Stotler

PHONE: 231-923-0478

FAX:

EMAIL: events@cityofhart.org

X 

SIGNATURE OF EVENT COORDINATOR/SPONSOR

DATE 09/19/24

ALL CURRENT COVID-19 STATE MANDATED RESTRICTIONS MUST BE ADHERED TO. IT IS YOUR RESPONSIBILITY TO SCHEDULE THE LOGISTICS MEETING WITH THE CITY DEPARTMENTS INDICATED IF YOUR APPROVED PERMIT INDICATES THAT A MEETING IS NEEDED. PLEASE NOTE THAT A 7 - 10 DAY ADVANCE NOTICE WILL BE NEEDED TO SCHEDULE THE MEETING.

POLICE: 873-2488, DPW: 873-3100, HYDRO: 873-5367, EMS: 873-8240

SECTIONS BELOW TO BE COMPLETED BY THE CITY

PROOF OF LIABILITY INSURANCE FOR STREET SOLICITATION: YES OR NO

LOGISTICS MEETING NEEDED: YES OR NO

DEPT. ATTENDING: DPW POLICE EMS HYDRO

PERMIT NUMBER: APPROVED BY CITY COUNCIL/CITY MANAGER

DATE OF APPROVAL/DENIAL: YES OR NO

CONDITIONS:

CITY REPRESENTATIVE'S SIGNATURE: