CITY OF HART
407 S. STATE ST.
HART, MI 49420
REGULAR MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
JUNE 10th, 2025
MINUTES – Approved

PRESENT: Mayor Amanda Klotz, Councilors, Catalina Burillo, Jim Cunningham, Andrew Mullen, and Betty Root
ABSENT: Dean Hodges, and Karen Thomson
OTHERS PRESENT: City Manager – Rob Splane, BioPure Superintendent – Paul Cutter, Clerk/Treasurer – Karla Swihart, Sharon Hallack, Cristina Juska, Rolando Salgado, and Emily Sigler

APPROVAL OF AGENDA:

- C. Burillo motioned to approve the Agenda and was supported by B. Root
  - Ayes: 5 Nays: 0 Absent: 2

PUBLIC COMMENTS:

- NONE

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Public Hearing – Truth in Taxation Hearing.
  - A. Mullen motioned to open the Public Hearing on increasing 2025 Property Taxes at 7:37pm and supported by C. Burillo
    - Ayes: 5 Nays: 0 Absent: 2
- No Public Present.
  - B. Root motioned to close the Public Hearing on increasing 2025 Property Taxes at 7:45pm and supported by C. Burillo
    - Ayes: 5 Nays: 0 Absent: 2

CONSENT AGENDA:

- Approval of minutes from May 27th, 2025
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
  - C. Burillo motioned to approve Consent Agenda and supported by A. Mullen
    - Ayes: 5 Nays: 0 Absent: 2

ACTION ITEMS:

- Resolution 2025-15 FY 2026 Millage Rates and Tax Levy
  WHEREAS, the City of Hart has established a general millage for operating purposes and voted millage for the cemetery and street improvements in 2018 and 2024, respectively; and
  WHEREAS, the City conducted a "Truth In Taxation" hearing on June 10, 2025, which permits the proposed tax rates to exceed the maximum rates allowed by "Headlee" rules (MCL 211.34); and
  WHEREAS, the City has determined that for FY 2026 that it is necessary to levy the maximum allowable mill levy;
  NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Adopts and levies the following tax rates for 2025 as follows:

Purpose	**2025 Millage Rate**
Operating	12.2687
Street (voted November 2024)	1.9349
Cemetery (voted November 2018	.4844
Total	**14.6880**

- K. Thomson motioned to approve Resolution 2025-14 and supported by A. Mullen
  - Ayes: 7 Nays: 0 Absent: 0

- Resolution 2025-16 FY 2026 Utility and Solid Waste Rates

WHEREAS the City of Hart owns and operates electric, water, sewer and wastewater treatment facilities; and contracts for trash hauling services ("services"); and

WHEREAS, these services are funded through user rates and should self-fund their operations, maintenance, equipment replacement, and debt service; and

WHEREAS, the FY2026 Annual Budget is developed assuming the following electric, water, sewer and trash rates; and

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

NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

Adopts the rates and charges as identified below for FY2026, effective for utility bills for services after July 1, 2025:

A	**ELECTRIC—RESIDENTIAL – Council adopted 4.7% annual increase per 2023 Study**	**RATES FY 2026 - RATES FY 2025**
	Single phase monthly base rate	$9.32 - $8.90
	Three phase monthly base rate	$22.47 - $21.46
	kWh charge	$0.09383 - $0.08962
B	**ELECTRIC-- COMMERCIAL– Council adopted 4.0% annual increase per 2023 Study**	**RATES FY 2026 - RATES FY 2025**
	Single phase monthly base rate	$21.09 - $20.28
	Three phase monthly base rate	$23.80 - $22.88
	kWh charge	$0.1092 - $0.1050
C	**ELECTRIC--DEMAND CUSTOMER– Council adopted 2.9% annual increase per 2023 Study**	**RATES FY 2026 - RATES FY 2025**
	Monthly base rate	$95.30 - $92.61
	Demand charge per KW	$9.53 - $9.26
	kWh charge	$0.06745 - $0.06555
D	**ELECTRIC—INDUSTRIAL CUSTOMER EXCEDING 2,000,000 KWH ANNUALLY– Council adopted 2.9% annual increase per 2023 Study**	**RATES FY 2026 - RATES FY 2025**

	Monthly base rate	$158.83 - $154.35
	Demand charge per KW	$9.53 - $9.26
	kWh charge	$0.06253 - $0.06077
E	**POWER COST ADJUSTMENT FACTOR (12-MONTH ROLLING AVERAGE)**	Varies
F	**ENERGY OPTIMIZATION**	**RATES FY 2026 - RATES FY 2025**
	Residential per kWh	$0.0013 - $0.0013
	Commercial per meter	$4.43 - $4.43
	Industrial per meter (6)	$215.24 - $215.24
G	**WATER – Council planned 1% annual increase per 2022 Water Rate Study**	**RATES FY 2026 - RATES FY 2025**
	Base rate per month with: 5/8 inch meter **1 inch meter** **1.5-inch meter** **2-inch meter** **3-inch meter** **4-inch meter**	$6.44 - $6.38 $8.07 - $7.99 $11.29 - $11.18 $19.35 - $19.16 $29.02 - $28.73 $29.02 - $28.73
	Rate per 1000 gallons (1-13,000 gallons per month)	$1.34 - $1.33
	Rate per 1000 gallons (over 13,000 per month)	$1.15 - $1.14
H	**WASTEWATER – Council planned increase per 2023 debit payment schedule**	**RATES FY 2026 - RATES FY 2025**
	Base rate per month	$41.86 - $35.75
	Volume rate per 1000 gallons per month	$4.65 - $3.97
	Volume rate per 1000 gallons per month (industrial)	$4.65 - $3.97
	BOD Surcharge per pound	$0.254 - $0.237

	TSS Surcharge per pound	$0.187 - $0.174
I	**CUSTOMER CHARGE** **Gray & Company** **Michigan Freeze Pack** **Indian Summer**	 $3,893.08 - $3,414.98/month $3,893.08 - $3,414.98/month $1,109.72 - $973.44/month
J	**MONTHLY RESIDENTIAL TRASH COLLECTION FEE**	$25.32 - $24.61
	MONTHLY RESIDENTIAL CLEAN-UP FEE	$1.00
	Monthly residential trash collection fees increase annually at 2.9% per contractual agreement with Republic Services	

- A. Mullen motioned to approve Resolution 2025-16 and supported by B. Root
  - Ayes: 5 Nays: 0 Absent: 2.

- Resolution 2025-17 Adoption of Fiscal Year 2026 Budget

WHEREAS, the City of Hart pursuant to Chapter IX of the Hart City Charter is required to conduct a public hearing for and adopt an annual budget on or before the first meeting in June each year, and City staff have prepared and submitted a budget for review by various committees and boards, and

WHEREAS, the City of Hart conducted a Truth and Taxation public hearing on June 10, 2025, formalizing revenue included in the annual budget: and

WHEREAS, the City of Hart has prepared a 10-Year Capital Improvement Program, a planning and forecasting tool to assess the long-term infrastructure needs of the City; and

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

NOW THEREFORE BE IT RESOLVED THAT the Annual Budget for FY2026 (July 1, 2025 – June 30, 2026) and 10-Year Capital Improvement Program is adopted as follows:

GENERAL OPERATING FUNDS			
	REVENUES	**EXPENDITURES**	
General - 101	$2,499,410	$2,209,227	
	Balance	***$290,183***	
Major Streets - 202	$206,200	$81,500	
	Balance	***$124,700***	
Local Streets - 203	$128,280	$67,980	
	Balance	**$60,300**	
Street Improvements - 204	$105,100	$21,500	
	Balance	***$83,600***	

Park - 208	$561,400	$530,850	
	Balance	***$30,550***	
Tax Increment Financing - 215	$299,200	$200,185	
	Balance	***$99,015***	
HEART - 244	$43,800	$38,800	
	Balance	***$5,000***	
Historic District - 702	$59,960	$29,200	
	Balance	**$30,760**	
ENTERPRISE FUNDS			
Hydroelectric - 580	$5,455,200	$5,682,029	
	Balance	***($226,829)***	
BioPure - 590	$2,183,505	$2,109,735	
	Balance	***$73,770***	
Water - 591	$888,880	$329,742	
	Balance	***$559,138***	
SPECIAL FUNDS			
Library Debt Service - 301	**Retired**	**Retired**	
	Balance	***$0***	
Hart Lake Board - 241	**$37,400**	**$25,303**	
	Balance	***$12,097***	
GRAND TOTAL FY 2026	**REVENUES**	**EXPENDITURES**	
	$15,520,572	**$14,374.308**	
	Includes use of cash reserves	Includes interfund transfers	
PRIOR YEAR BUDGETED FY2025	**$22,800,169**	**$21,315,182**	

- C. Burillo motioned to approve Resolution 2025-17 and supported by A. Mullen
  - Ayes: 5 Nays: 0 Absent: 2

- Resolution 2025-18 Accept MDOT right-of-way turn-back
  WHEREAS, the City of Hart operates and maintains approximately 14 miles of major and local streets within City limits; and
  WHEREAS, the Michigan Department of Transportation wishes to transfer jurisdiction of the Road Segment of South State Street from Polk Road to Johnson Road to the City of Hart; and
  Whereas, MDOT proposes a one-time payment of $2,450,257.12 to the City of Hart for the reconstruction of the road segment, along with regular Michigan Transportation Fund ACT51 revenues associated with the maintenance and operation of the said right-of-way; and
  WHEREAS, the City believes residents and business owners will benefit from the transfer as local control will enable closer scrutiny of this road segment; and
  WHEREAS, the City Council desires to secure the benefits of efficient self-government and to promote and protect our common interest and welfare;
  NOW THEREFORE BE IT RESOLVED THAT THE HART CITY COUNCIL:

  Accepts the conditions proposed by MDOT in the attached Memorandum of Understanding:
  The "ROAD SEGMENT" proposed for jurisdictional transfer from MDOT to the City of Hart,
  to become a City Major Street, specifically:
  US-31BR/State St. from US-31BR/Polk Rd to Johnson St. a distance of approximately
  0.72 miles in Control Section 64016
  Furthermore, the Council authorizes the City Manager, the designated ACT51 Street Administrator,
  to sign any related documentation to complete the transfer.

  - B. Root motioned to approve Resolution 2025-18 and supported by C. Burillo
    - Ayes: 5 Nays: 0 Absent: 2

DISCUSSION ITEMS:

- Special Event Permit – Community Wide Garage Sales - **APPROVED**
- Special Event Permit – First Baptist Church Outdoor Service and Picnic – **APPROVED**
- City Manager Search Strategy – Will present proposals at next City Council meeting June 24th, 2025

CITY MANAGER'S REPORT:

Updates:

- In a new conversation, we are working with the Hart-VFW "brick team" to seek a short-term solution while we work on funding the total construction project. – (next meeting is June 24th, 2pm at City Hall.)
- Daupler Communication System administrator training was held on the morning of June 10, and team training is scheduled for June 20th. The Daupler launch will follow the conclusion of training.
- The Hart Energy GIS system is nearing completion of an effort that began in 2023.
- Work at Hart BioPure continues at a rapid pace. The Headworks building has taken shape and adds a substantial presence at the plant. Wadel and other contractors are working as a team through the project, as logistics with plant operations continue to be a weekly conversation.
- The first Hart Parks and Recreation Movie Night, on June 2nd, was a success at John Gurney Park, with over 35 attending. The concession stand at the ball field was also a hit with area rec groups playing baseball on Monday nights. Movie nights will continue on Mondays through the summer, weather permitting.
- Construction has started on another four units at the Creeks Subdivision as the last four wrap up construction. They are selling faster than they can build.
- Paul Cutter will receive the Operations Professional of the Year award on June 17th at the Michigan Water Environment Association's Conference, where the MWEA will also celebrate its 100th Anniversary.

Legacy Topics:

- Safe Routes to School trail project – work with MDOT is on-going – [Cadaver Dog right-of-way search being scheduled]

Upcoming Topics:

- Redevelopment Ready Community re-certification in 2025
  Adopt Zoning Board of Appeals By-Laws

Adopt two new ordinances (June 2025)

- Council review of rental inspection policies, procedures, and implementation.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- J. Cunningham – in addition to the asparagus parade there is also a car show going on at the historic district.
- C. Burillo – will be in the dunk tank Saturday afternoon, feel free to come and dunk me.
- If any council members would like to be in the parade, they are welcome.
- C. Burillo – There will be a movie shown at Hart Middle School world premier called "Did you Eat" on Thursday 12th at 6:30pm.

ADJOURN:

- There being no further business to come before the Council, Mayor Klotz adjourned the meeting at 8:35pm. The next regularly scheduled meeting will be on June 24th, 2025, at 7:30 pm.

Respectfully Submitted

Karla Swihart

Karla Swihart, City Clerk