CITY OF HART
407 S. STATE ST.
HART, MI 49420
REGULAR MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
MAY 27th, 2025
MINUTES – Approved

PRESENT: Mayor Amanda Klotz, Councilors, Catalina Burillo, Jim Cunningham, Dean Hodges, Andrew Mullen, Betty Root and Karen Thomson

ABSENT:

OTHERS PRESENT: City Manager – Rob Splane, BioPure Superintendent – Paul Cutter, Clerk/Treasurer – Karla Swihart, JGP Superintendent – Chris TerHaar, Cristina Juska, Rolando Salgado, and Emily Sigler

APPROVAL OF AGENDA:

- B. Root motioned to approve the Agenda and was supported by K. Thomson
  - Ayes: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS:

- NONE

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Public Hearing – Fiscal Year 2026 Proposed Budget Public Hearing
  - B. Root motioned to open the Public Hearing and supported by A. Mullen
    - Ayes: 7 Nays: 0 Absent: 0
- CITY OF HART
  FY2026 Annual Budget – Draft
  In accordance with Chapter IX of the City Charter, here is the proposed annual budget for FY2026 (July 1,2025 – June 30,2026) for the City of Hart, Michigan. Thans to Mayor Klotz, the City Council, Committees, Boards, and Superintendents for their invaluable assistance in preparing this document. Below is a review of the FY 2025 accomplishments and propsed goals for FY2026.

  FY2025 ACCOMPLISHMENTS

  Constructed six new housing units at The Creeks Development with four additional units in construction.
  Replaced the majority of aged water meters in Hart and implemented remote meter reading technology as a massive efficiency measure for City Staff
  Infrastructure upgrades and road replacement completed on Dryden, Wood, Hart, and Jefferson Streets.
  Purchase used dump truck for DPW/Street Department to ensure public safety through expedient plowing and salting during snow events.
  Replaced doxens of utility poles at end-of-life as directed by pole inspection results.
  Continued tree trimming to minimize Hart Energy power outages.
  Received $300,000 grant to help support Lake road circuit rebuild project through the Department of Energy Grid Resilience Grant Program.
  Continued work with drinking water asset management project with awarrded grant funds in the amount of $407,400 to survey the City's water supply inventory and help support the state mandated replacement of drinking water service lines.

  FY2026 GOALS

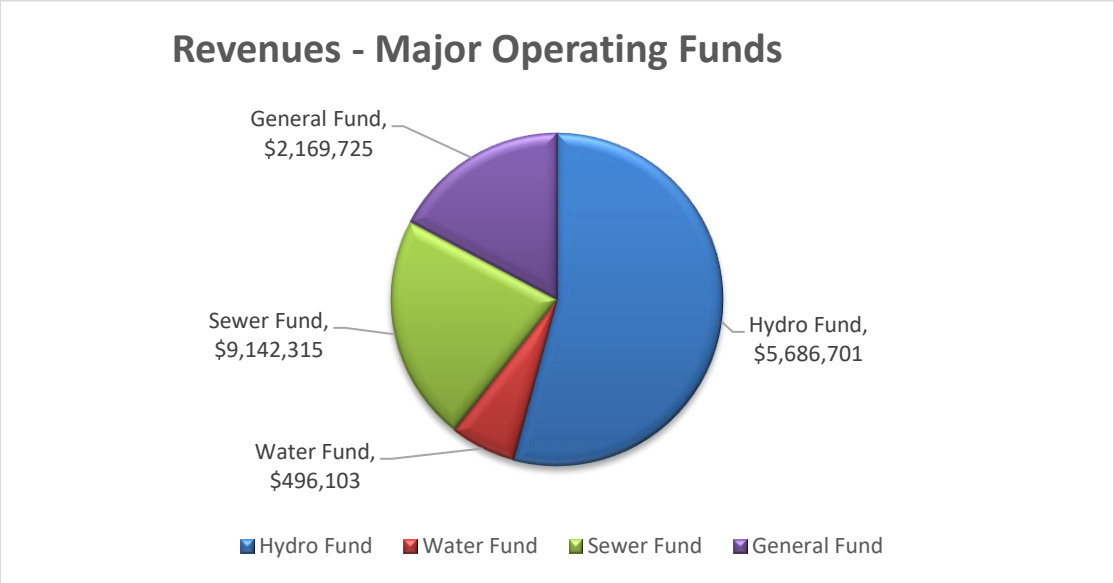
  Begin fundraising compaign to utilize DNR grant award of $300,000 to improve Veteran's Memorial Park.
  Implement property maintenance code enforcement and rental inspection program.
  Seek infrastruction grant to fund a redundant water main along Oceana Drive to better serve North East Hart.
  Work with City staff, engineers, and stakeholder support to seek out and apply for other avaiable grants.
  Site remediation of Boy Scout Cabin. (A 2023 goal).

Completion of Drinking Water Asset Management Grant (DWAM) to study and assist with replacement planning of City water supply lines per state manadate.
Research Diesel Power Plant potential strategies.
Payments in-lieu of taxes (PILOT) from city utility operating revenues have plateaued and should be reviewed in FY2026 as they have not been raised in over 7 years.
Continue risk managements and emergency planning with Hart Police Department. Projects include surveillance of critical infrastructure/assets, access control and staff training.
Lease a new dump truck to satisfy our need to efficiently plow and salt our City streets during winter weather events.
Work to futher enhance budgetary reporting and begin long-term budgeting to address the increasing cost of operations and infrastructure maintenance.
The City of Hart anticipates receiving an award upwards of $448523.00 in funding from the Safe Routes To Schools program. The Michigan SRTS program is managed by the Michigan Department of Transportation with support provided by the Michigan Fitness Foundation. The grant funds will support the extension of our Bike Trail from Wood and Water Street North to Johnson, West to Plum Street, North to Tyler and West to the mobile home parkt at 72nd and Tyler. This is a welcome addition to our existing outdoor recreational opportunities, providing additional safety to our strudents, and continuing development of National Bike Route 35 (BR35).

Department	Goal	Estimated Expenditure	Notes
City Hall	Continues Security Enhancements	$22,000	In Cooperation with the 2022 threat assessment
City Hall	Soffit & lighting replacement at entrance	$6,500	
Police	New Vehicle	$65,000	
DPW	Dump Truck	$250,000	Need to rotate out oldest unit can entertain used/reconditional model
D/E/B	Industriall Vacuum Truck (wishlist)	$250,000	Used to jet lines, catch basins, storm drains, and hydro-excvation
Parks	Veteran's Park planned construction	$1,300,000	($300,000 grant + $500,000 local match = $600,000in gap [300k in value engineering]
Parks	John Gurney Park Plan	3,500	Work to develop a 5-year growth plan
Parks	Refresh Disc Golf Course	$14,000	2025
DPW	Backhoe	$20,000	2026
Energy	Refer to GRP CIP	$950,000	Fy2026 Planned projects (likely 50%+ savings)
Energy	New indoor/outdoor storage	$100,000	Potential move of building from Ceres to Energy
BioPure	Hose for pump and add fittings to bldg	$14,000	Used primarily in BioPure, but could be used in any department to move water
BioPure	Gator	$8,500	
BioPure	BioSolids application alternative research	$20,000	Consultant/engineer - $490,000/ year for biosolid hauling
Streets	Hart Street norht of Main	$24,000	Patch Work
Streets	South Plum	$40,000	Align to servey and place aggregate
Streets	Both ends of Woodlawn and East Main	$24,000	Patch Work
Streets	Industerial Park Drive	$200,000	Resurface – no curb/gutter
Water	Water Tower Maintance	$25,000	Pending inspection results
Water	Water Tower Maintance	$22,000	Security system improvements
DPW/P&R	Pocket Park	$8,500	
Water	Water Tower Maintance	$8,000	Inspection
DPW/Water	Pick-up Truck	$34,000	4 guys sharing 5 trucks
Parks	Hart Commons	$4,500	Deck is moving Engineering to identify fix
Parks	Vet's Park	$10,000	Mini Excavator= dig out area and rebuild seawall and repalce all deck boards –($10,000)?

REVENUES

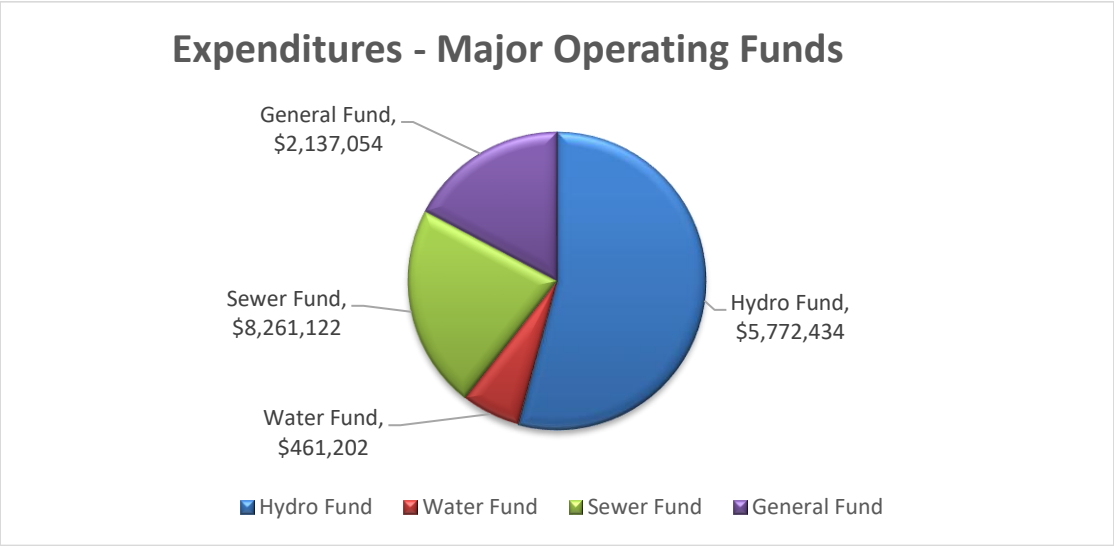
The annual budget contains statements of revenues and expenditures for the fiscal year July 1-June 30. It is also a planning document in that identifies projects and programs the City will undertake during the year. Here are the major operating funds with corresponding revenues totaling $11,026,995



The General Fund has a mix of funding sources. Property taxes are increasing significantly and constitute the largest funding source. Several new properties are coming onto the tax rolls, helping to increase annual tax revenue. These properties include parcel annexation into the City, 26 properties that were identified in the 1997 425 agreement with Hart Township (but never transferred), and the newly developed sites in the Creek's subdivision. These additions will bring an additional $50,000 in revenue to the City annually beginning with this years tax roll adoption. Payments in-lieu of taxes (PILOT) from City utility operating revenues have plateaued and should be reviewed. State Revenue sharing has increased slightly due to new state and federal funds. General Fund revenues total $2,499,410.

EXPENITURES

This chart shows the major fund expense categories and includes the use of cash reserves totaling $10,330,733. The City supports Hart Cemetery, Hart Area Fire Board, Hart Economic and Redevelopment Team, Hart Area Recreation, Starting Block Kitchen Incubator and Hart Historic District. The FY2026 Major Operating Fund expenditure overview is as follows:



FY2024 Staffing Levels		
Department	**Full-time**	**Part-time**
City Hall &	5	1
Historic	1	1 & Volunteers
HEART		2 & Volunteers
Police	5	1
Public Works	4	1
Hydro	5	0
Wastewater	3	0
TOTAL	**22**	**6**

SUMMARY

Utility Rates and Fees – This year continues to implement our Water and Sewer rate increases (As part of the State Revolving Fund Bond repayment plan adopted by council in 2022) and an electric rate increase of 3.5% (As council adopted following the financial study in 2024) to meet our Capital Improvement planned and forecasted goals.

Taxes – Millage rates are porposed to remian consistent with prior year rates.

Grants – The City was awarded U.S. Economic Development Corporation $2,877,000 grant to help cover some of the cost of proposed $9,500,000 wastewater, water, and road ingrastructure projects. This state awarded principal forgiveness of 50% (up to $4,250,000) to support the improvements of the wastewater system. A DNR Trust Fund Grant of $300,000 (awarded in 2021) will help cover the Veterans Park renovations cost, additional funds will need to be raised to proceed with construction. The previously mentioned SRTS grant will support the construction of a multi-use part from Wood and Water Street to 72nd and West Main. Drinking Water Asset Management (DWAM) Grant will wrap up this year, helping to develop a lead service line replacement strategy and infrastructure Capital Improvement Plan. A Grid Resiliency Grant will support the cost of rebuilding the Lake Road energy circuit.

Debt – A 2023 approved $9,500,000 SRF loan will be repaid over 30 years using utility rate payer funds to allow the necessary reconstruction of several proposed Water, Wastewater, and Road projects.

Staffing – Goals in 2026 include an efficiency measure to digitize archived paper records to reduce the maount of storage space needed for City records and add the ability to easily find old documents. A temporary part-time position will continue to focuse on this effort. No other new positions are planned.

RECOMMENDATION

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

	REVENUES	EXPENDITURES
GRAND TOTAL FY2024	**$22,167,449**	**$20,637,392**

- J. Cunningham motioned to close the Public Hearing and supported by B. Root
  - Ayes: 7 Nays: 0 Absent: 0

CONSENT AGENDA:

- Approval of minutes from May 13th, 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 K. Thomson
    - Ayes: 7 Nays: 0 Absent: 0

ACTION ITEMS:

- Resolution 2025-14 Designate Michigan Public Power Agency Member Authorized Representative to Sign Power Purchase Agreements

  WHEREAS, On March 11, 2009, the Michigan Public Power Agency ("MPPA") Board of Commissioners, by action in open meeting, created the Energy Services Project ("Project"); and

  WHEREAS, as Member joining the Project must execute an Energy Services Agreement ("ESA"); and

  WHEREAS, Section 2 of the ESA requires the Member's Governing Body to designate a Member Authorized Commitments ("PPC") with MPPA.

  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

  The City of Hart designates the City Manager and City Clerk/Treasurer as Member Authorized Representatives and delegates the authority to approve and execute PPC's with MPPA so long as the PPC's are within the term and quantity parameters of MPPA's Power Supply Risk Management Policy.
  - K. Thomson motioned to approve Resolution 2025-14 and supported by A. Mullen
    - Ayes: 7 Nays: 0 Absent: 0

DISCUSSION ITEMS:

- NONE

CITY MANAGER'S REPORT:

Updates:

- City Manger turned in Resignation Letter to City Council, R. Splane will continue his role as City Manager to help facilitate the recruitment process. During this time, wrap up near-term priorities and hand off essential tasks to minimize disruptions. The average time to recruit a City Manager is 4-6 months.

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:

- Mayor Klotz – We appreciate your service to the City of Hart, I'm sad to have to accept this resignation, by all means this is not something that I wanted to see for the City of Hart but would appreciate your support in helping with the transition and staying on.
- C. Burillo – Rob this is difficult to address, as a city council member who has served with you on council and now with you as City Manager I am dishearten to see your letter of Resignation, I whole heartedly understand that your health should come first, and support your decision, however let it be known that when you were selected as City Manager you might not have been an experienced candidate for the position, I strongly believe you were selected due to your capability, although I can not speak on behalf of my fellow council members, I strongly believe that this council still believes that you are capable of becoming a long term City Manager who continues to improve himself professionally daily given the right tools and support as it takes years for anyone to become an expert in their field and I believe in time you would have to, again given the support, tools and guidance necessary to carry out your role, and if you reconsider I just wanted you to know that.
- J. Cunningham – I'd like to tell a story about Rob, Way back when I was approached by the Mayor to be appointed to City Council and at that time I didn't really want to be but given the circumstances I did tell the Mayor that I would accept, so when it came time for the City Council Meeting someone else on the Council appointed a different person, so we had two people to be appointed with only one seat, so the two of us stepped out into the hallway and I told this person that if you want the job you can have it because I didn't want it in the first place. And that is how Rob came onto the City Council, and that was June 11th, 2014.

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 10th, 2025, at 7:30 pm.

Respectfully Submitted

Karla Swihart

Karla Swihart, City Clerk