City of Hart, Michigan
CITY COUNCIL AGENDA
September 27, 2022, 7:30 PM
407 State St. – Council Chamber
NOTICE OF PUBLIC MEETING
REGULAR COUNCIL MEETING

1. Call to Order
2. Roll Call – Burillo, Evans, Hodges, Klotz, Rybarz Jr., Trygstad, Platt
3. Pledge of Allegiance
4. Approval of Agenda
5. Public Comments – **Public comment on any matter that is not included on the agenda for a public hearing by the Council. We ask that you please limit your comments to 3 minutes**
    a. Correspondence, Events, Presentations
        i. Auditor Engagement Letter – Maner Costerisan
6. Consent Agenda:
    a. Approval of Minutes from September 13, 2022 Council meeting.
    b. Bills, Claims, Payroll
    c. Reports of Boards, Commissions, and Committees
    d. Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp.
7. Action Items
    a. Resolution 2022-40 Acceptance of agreement related to services – 2022 Clean Water State Revolving Fund Bonds
    b. Resolution 2022-41 Acceptance of agreement related to services – 2023 Clean Water State Revolving Fund Bonds
    c. Resolution 2022-42 Accept proposal to perform Professional Environmental Due Diligence Services and award work
8. Discussion Items
    a. Civic Leadership And Notable Community Involvement Award (The CLANCI)
    b. City Council Retreat – Proposed for Winter 2022
9. City Manager Report
10. Communications from the Mayor and Council (Including board and committee updates.)
11. Adjournment –

Access is provided through the Michigan Relay Service for individuals with speech or hearing impairments. https://hamiltonrelay.com/michigan/index.html

With advance notice of seven calendar days, the City will provide interpreter services at all public meetings, including language translation and signage for the hearing impaired. Call 231-873-2488. La Ciudad proporcionará servicio de intérprete para esta reunión pública si se pide con siete días de anticipación, lo cual incluye la traducción de idioma y letreros para los con una discapacidad auditiva. Llame al 231-873-2488.

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

September 8, 2022

To the City Council
City of Hart, Michigan

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hart (the City), Michigan, for the year ended June 30, 2022. 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 Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated September 8, 2022, 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.

As part of our audit, we will consider the internal control of the City. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the City's 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.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free from material misstatement. As part of our audit, we will consider the internal control of the City. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

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 accompany the financial statements but are 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, Timing of the Audit, and Other

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 City and its environment, including 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 City or to acts by management or employees acting on behalf of the City. 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.

We expect to begin our audit procedures in September 2022 and issue our report on or before December 31, 2022. Steven R. Kirinovic, 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 the City of Hart and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maner Costerisan PC

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

September 8, 2022

City of Hart
407 State St.
Hart, MI 49420

We are pleased to confirm our understanding of the services we are to provide City of Hart for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of City of Hart as of and for the year ended June 30, 2022. 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. Combining statements for nonmajor governmental funds
2. Combining statements for fiduciary funds

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion 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 a 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.*

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records of City of Hart 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 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes 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. 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 customers, 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 internal control relevant to the audit, 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. 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.* 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. 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 and *Government Auditing Standards.*

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 the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit 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.*

Other Services

We will also assist in preparing the financial statements and related notes of City of Hart in conformity with accounting principles generally accepted in the United States of America 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 statement 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

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for 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, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and 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 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 and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, 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) additional information that we may request for the purpose of the audit; and (3) 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 your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards.*

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. 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 other 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 relating to the financial statements 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 and related notes and that you have reviewed and approved the financial statements 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.

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 an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the 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 oversight agency. If we are aware that a federal awarding agency 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.

Steven R. Kirinovic, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The fees for audit services will be as follows:

Year Ended June 30,	Financial Audit
2022	$ 19,500

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement letter. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We will provide copies of our reports to City of Hart, 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.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance be performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We understand we will be provided balanced records for each fund and that all accounts will be reconciled. If additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs.

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 $100. This fee will not be billed if there are less than ten entries in a given year.

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.

In any year that City of Hart would like us to prepare the State of Michigan, Department of Treasury F-65 Form or Form Act 51, we will bill City of Hart at an hourly rate of $200.

If additional procedures are necessary to assist with the implementation of a GASB Statement, 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 require 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 most recent 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.

Our audit report on the financial statements to be issued pursuant to this engagement is for your use. If it is your primary intent that our report will benefit or influence a third-party user, we must be informed prior to the beginning of the annual audit engagement.

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 a written report upon completion of our audit of City of Hart's financial statements. Our report will be addressed to management and those charged with governance 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.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards.* The report on internal control and on compliance and other matters will state (1) that 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 on compliance, and (2) that 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 report will also state that the report is not suitable for any other purpose. If during our audit we become aware that City of Hart is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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 U.S. generally accepted accounting principles. 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.
- Calculation of the provision for depreciation.
- 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 work papers.
- Assistance with the preparation of other financial reporting required by law or regulation (i.e. Form F-65 or Form Act 51).
- Access to a secure website to exchange information electronically.

CITY OF HART
407 S. STATE ST.
HART, MI 49420
COUNCIL PROCEEDINGS
September 13th, 2022
MINUTES – Draft

PRESENT: Mayor Vicki Platt, Councilors: Catalina Burillo (late), Jim Evans, Dean Hodges, Amanda Klotz, and Fred Rybarz
ABSENT: Kris Trygstad
OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, DPW – Superintendent Brad Whitney, Energy Superintendent – Mike Schiller, Police Chief – Juan Salazar, Ginny Renna, Patricia Renna, Julie Lough, Bill Volpp, and George Sadler

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

APPROVAL OF AGENDA:

- F. Rybarz motioned to approve the agenda and was supported by C. Burillo
  - Ayes: 6 Nays: 0 Absent: 1

PUBLIC COMMENTS:
CORRESPONDENCE, EVENTS, PRESENTATIONS:

- Patricia Renna, Garbage service refund

Patricia Renna
604 Griswold St.
Hart, MI 49420
cell 231 301 4624

Sept 8, 2022

I would like to address the Hart City Council on Tues Sept 13, 2022 regarding the fee I've had to pay for garbage on the small cabin on my property. I've had to pay for two cans since I had the electric turned on in the small cabin, even though I live alone and didn't use the second one.
Would you go retroactive back to when I had it turned on last year? A city employee told me "if there is a meter on you have to pay for the 2nd can also. That is not true.

Sincerely,
Patricia Renna

Upon discussion City Council agreed to refund garbage service back to Mrs. Renna.

CONSENT AGENDA:

- Approval of minutes from August 23rd, 2022.
- 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 J. Evans
        - Ayes: 6 Nays: 0 Absent: 1

ACTION ITEMS:

- TABLED - Resolution 2022-39 Accept competitive quotes and award contract for IT Support Services
    - J. Evans motioned to Table Resolution 2022-39 following more information and supported by F. Rybarz
        - Ayes: 6 Nays: 0 Absent: 1

DISCUSSION ITEMS:

- Special events permit – Hispanic Heritage Celebration
- Special events permit – Zumba Class, Rosario Mendoza

CITY MANAGER'S REPORT:

UPDATES:

- Hispanic Heritage Festival this Saturday!
- Audit is in progress, auditors will be onsite Wednesday and Thursday
- Hanson Road Construction nearing completion
- Creeks Subdivision construction coming along, framing work next week
- TEAM golf outing Sunday September 25th
- Oceana County Economic Alliance to setup an exhibitor space at the West Michigan Developer Day on September 27th showcasing development opportunities

Legacy Topics:

- Waiting on legal to draft intergovernmental operational agreement for property code enforcement department – Adaption of that agreement in October looking to post Rental Inspection/Property Maintenance Code Enforcement position shortly after.
- Work is ongoing to obtain quotes to demolish 227 East Main property.
- Waiting on legal for City Charter amendment – amendment to include allowing council to set day and time for council meetings by resolution.

Upcoming Topics:

- Adoption of 2022-2026 Park and Rec Master Plan
- Planning Consultant RFP due next week – Council recommendation from the Planning Commission in October.

- C. Burillo, commented on City Charter amendment and at one point there was talk about forming a sub committee to review the City Charter language and recommend changes. Does it make sense now to form a subcommittee as we are looking to change the time council meetings start? Burillo and Evans said they'd be happy to sit on that committee. To form that committee council wishes to have 3. D. Hodges will also sit on that committee
- J. Evans asked what it would take to review the parking downtown? Could the lot at the old walkers building be employee parking for the downtown businesses? City Manager R. Splane, TIFA board is currently review proposals for the downtown street scape which included parking in the downtown area.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Mayor Platt commented on the Creeks property when she went there was a concrete company pouring a cement slab as there is a duplex being built. Also, the parking lot at the DPW is looking fabulous along with Hansen St.
- What is happening with the trees downtown? Asked if they could be trimmed differently so they grow different? M. Schiller explained the problem with the trees downtown is that they are such a fast-growing tree, in order to keep them looking good they need to be cut back every year so in the end it depends on how much the City wants to spend in these trees, when the downtown street scape gets done the trees are most likely going to have to be removed at that time.

Discussion should be done on what will be done with the trees before the holiday season.

- C. Burillo two items, the new addition going on over at Seneca Foods started to make me think about the energy issues going on, how is that going to impact the power supply for the City? M. Schiller stated that is very minimal as that big addition is just for general storage. Other item is where does the City stand with the alley way behind Kristi's? The drain basin DPW is keeping on eye on it. Currently the alley is not in the current infrastructure plan, currently it is scheduled in 2030, but if it need be sooner will be addressed at that time.

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned at upon a motion by C. Burillo and supported by J. Evans. The next regularly scheduled meeting will be on September 27th, 2022, at 7:30 pm.

Respectfully Submitted

Karla Swihart

Karla Swihart, City Clerk

Payables Date: 9/27/2022	Description	Total	General +	DPW	Energy	BPTF	Water
Charter	Hart Commons Internet	$ 114.99			$ 114.99		
Cutter, Paul	Reimburse Operating Expense	$ 84.53				$ 84.53	
Fleis&Vanderbrink	SRTS Project	$ 2,566.28	$ 2,566.28				
Freed Mgmt	#11 JGP Mgrs	$ 3,570.00	$ 3,570.00				
Gustafson HDD	Directional Bore Hart Gray & Co	$ 11,200.00			$ 11,200.00		
Huntington CC	8.27.22 Stmt	$ 4,321.05	$ 1,958.88	$ 579.62	$ 1,041.54	$ 741.01	
Lakeside Equipment Corporation	Lab Supplies	$ 264.08				$ 264.08	
Leaf	Police Copier Lease Fee	$ 39.00	$ 39.00				
Malburg's Sanitation Service	Pump Out Waster Water	$ 4,200.00				$ 4,200.00	
Maner Costerisan	Audit fieldwork	$ 10,000.00	$ 2,500.00		$ 2,500.00	$ 2,500.00	$ 2,500.00
Mika Meyers	CWSRF Sewer Project	$ 12,378.00	$ 12,378.00				
Mika Meyers	Garcon The Creeks Condominum	$ 145.00	$ 145.00				
Mika Meyers	Charter Revision	$ 111.00	$ 111.00				
Mika Meyers	General Legel	$ 3,559.50	$ 3,559.50				
Mika Meyers	Zoning Matters	$ 1,520.50	$ 1,520.50				
MPPA	Purchased Power	$ 78,443.69			$ 78,443.69		
MPPA	Purchased Power	$ 31,786.87			$ 31,786.87		
MPPA	Purchased Power	$ 78,443.69			$ 78,443.69		
NYE Uniform	Safety Vests	$ 62.26	$ 62.26				
NYE Uniform	Uniform New Hire Ray Ryder	$ 254.21	$ 254.21				
Pitney Bows	Postage	$ 503.50	$ 125.88		$ 125.88	$ 125.88	$ 125.88
Power Line Supply	Parts/Supplies	$ 189.93			$ 189.93		
Power Line Supply	Parts/Supplies	$ (1,548.75)			$ (1,548.75)		
Pranger Property Management	Cleaning Services	$ 204.00	$ 204.00				
Prein & Newhof	NPDES Permit & Irrigation Expansion	$ 924.00				$ 924.00	
Prein & Newhof	Drinking Water Asset Management	$ 429.00					$ 429.00
Prein & Newhof	Hanson & Wigton Street	$ 24,454.60	$ 24,454.60				
Prein & Newhof	Drinking Water Asset Management	$ 4,190.80					$ 4,190.80
Prein & Newhof	Hart Dam Stairway & Erosion	$ 9,866.70			$ 9,866.70		
Prein & Newhof	Forcemain Replacement Griswold	$ 1,401.55				$ 1,401.55	
Prein & Newhof	Wastewater System Lift Stations	$ 7,201.23				$ 7,201.23	
Rotary Club	Quarterly Dues - Splane	$ 170.00	$ 170.00				
Steve's Auto and Truck Inc	2019 Ford -Police Interceptor	$ 632.87	$ 632.87				
Swihart's Septic Service	Pump Out Waster Water	$ 11,550.00				$ 11,550.00	
Team Life	Defibrillation Pads	$ 242.00		$ 80.67	$ 80.66	$ 80.67	
Windridge	DPW Sweatshirts	$ 732.00		$ 732.00			
		$ -					
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	Subtotal	$ 304,208.08	$ 54,251.98	$ 1,392.29	$ 212,245.20	$ 29,072.95	$ 7,245.68
HAND CHECKS/ACH/EFT							
Alerus	City Share 401 Retirement	$ 4,263.10	$ 4,263.10				
US Postmaster	Postage	$ -					
Guardian	Insurance Premium	$ -					
Delta Dental	Insurance Premium	$ 1,741.25	$ 1,741.25				
United Group	Insurance Premium	$ -					
Blue Cross Blue Shield	Insurance Premium	$ -					
	TOTAL HAND CHECKS	$ 6,004.35	$ 6,004.35	$ -	$ -	$ -	$ -

--OVER--

Payables Date: 9/27/2022	Description	Total	General +	DPW	Energy	BPTF	Water
	Sub-Total Regular Bills/Hand Checks	*$ 310,212.43*	*$ 60,256.33*	*$ 1,392.29*	*$ 212,245.20*	*$ 29,072.95*	*$ 7,245.68*
Gross Payroll	546	$ -					
	Sub-Total	$ -					
	GRAND TOTAL	*$ 310,212.43*	$ 60,256.33	$ 1,392.29	$ 212,245.20	$ 29,072.95	$ 7,245.68

CITY OF HART – ENERGY DEPARTMENT

POWERBOARD @ CITY HALL
407 STATE STREET, HART, MICHIGAN
MONDAY, September 12th, 2022
8:30 am – MINUTES – Draft

Present: Members: Gayle Forner, Dean Hodges, and Steve Burch
Absent: Chair Mike Powers and Member Nick Wadel
Others present: City Manager – Rob Splane, City Clerk – Karla Swihart, and Energy Superintendent – Mike Schiller
Call to Order: Forner called the meeting to order at 8:30 am.
Agenda/Minutes:

- Mr. Hodges motioned to accept the current agenda and supported by Mr. Burch
- Mr. Burch made a motion to approve the minutes from the July 11th,2022 meeting, and supported by Mr. Hodges
  - Ayes: 3 Nays: 0 Absent: 2

Public Comment: None
Superintendents Mike Schiller's Report:

- Wadel completed the east side of the Dam minus the stairs. Ran into a few hiccups, but all in all the job went smooth. Wadel will be starting the westside and should be completed by the end of the week.
- Working on unground Oceana drive hoping to get most of that done this week.
- New Service going into Seneca foods on their new addition in the back.
- Still waiting to hear about new double bucket truck will reach out to them again as they told us that it should have been ordered in Aug
- Terry Birkman had open heart surgery and is doing well. He is hoping to be back to work sometime in Nov.
- Reached out to CC Power as we are short on staff and just incase of an emergency it is nice to have backup. They are in the area and willing to help when needed. Will be meeting with them to go over things and get more information.
- Will have a tally on how many poles are left to change out but have been working on getting them knocked out.

Action Items:

- Review MPPA Power Purchase Commitment Authorization and consider recommendation to City Council.
  The City of Hart Hydro Electric ("Hart"), through its Member Authorizes Representative, hereby authorizes the purchase of Energy by Michigan Public Power Agency ("MPPA") on behalf of Hart at the following Quantity, Term, Delivery Location and not to exceed price levels. These transactions, if executed by MPPA, are Power Purchase Commitments under the Energy Services Agreement between MPPA and Hart.

Delivery Period	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)	ONPK (5x16)
Term	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Quantity (MW)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.5	0.3	0.0
Quantity (MWH)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	211.2	0.0	184.0	96.0	0.0
Total$ Not to exceed								$17,529.60		$11,408.00	$5,760.00	
Price$ MWH Not to exceed								$83.00		$62.00	$60.00	
% of load								6.8%		6.7%	3.9%	
Forecasted	88.4%	95.5%	101.5%	86.6%	76.3%	87.1%	72.1%	69.5%	69.7%	69.6%	69.9%	74.0%

Delivery Period	Off PK (5x8, 2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)	Off PK (5x8) (2x24)
Term	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Quantity (MW)	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.7	0.0	0.2	0.0	0.0
Quantity (MWH)	0.0	0.0	0.0	0.0	39.2	0.0	78.4	274.4	0.0	75.2	0.0	0.0
Total$ Not to exceed					$1764.00		$3998.40	$12,896.80		$3609.60		
Price$ MWH Not to exceed					$45.00		$51.00	$47.00		$48.00		
% of load					2.3%		3.4%	10.8%		3.8%		
Forecasted	92.9%	101.8%	97.7%	75.0%	70.5%	81.1%	72.5%	69.8%	70.1%	71.8%	78.3%	82.4%

The transaction(s) above will be for Financially Firm Energy with Physical delivery to the MISO Michigan Hub in the Day Ahead Market.

The purchase transactions outlined above account for the identified percentages of Hart's forecasted energy requirements in the applicable forward calendar years. The sum of all purchases represents a maximum commitment of $56,966.40

- Mr. Burch motion to recommend MPPA Power Purchase Commitment to City Council and supported by Mr. Hodges
  - Ayes: 3 Nays: 0 Absent: 2

City Manager Report:

- APPA Reliable Public Power Provider (RP3) certification

  RP3 is the regular operational check-up your utility needs in four critical areas.

  Reliability, Safety, Workforce Development and System Improvement. Reliable public power provider program application/designation process

  01, Utilities complete application May 1 thru Sept 29). 02, Utilities submit application by Sept 30th. 03, RP3 Panel performs preliminary application reviews, RP3 panel requests additional information from utilities if needed (Oct). 04, RP3 Panel executes final application reviews (Dec). 05, RP3 Panel notifies utilities of designation (Jan) 06, utilities receive RP3 award at annual APPA Engineering & Operations technical Conference (Spring). 07, Utilities promote their RP3 status to community stakeholders (throughout the 3-year designation period). 08, Utilities reapply for RP3 designation (May 1 through Sept 29th in the year prior to designation expiration).

  City Manager R. Splane highly recommends the City apply for RP3 certification, The process should take a few years and comes at no cost to the City also the City will discover what they are doing well and what the City could improve on.

Discussion Items:

- Hart Solar Status

  The City entered into a purchase agreement to purchase 2% of Hart solar project, the City was told a little over a year ago, was supposed to be operational fall of 2023 with official date of July 2024. The company reached out to the MPPA and said that at this point with supply chain issues they see that start date pushed back at least 18 months to June 1st, 2025.

Comments from the Power Board: None

Adjournment:

- Mr. Burch motioned to adjourn the meeting at 9:05 am and supported by Mr. Hodges. All Ayes

Next Meeting: October 3rd, 2022, at 8:30 am.

Respectfully Submitted,

Karla Swihart

Karla Swihart, City Clerk

City of Hart Police Department

407 State Street Ph. (231)873-2488 Fax (231)873-0100 Hart, MI 49420-1259

Juan Salazar, Chief

TO: City of Hart Mayor, City Council, and City Manager
FROM: Juan Salazar, Chief of Police
DATE: September 27th, 2022

RECENT EVENTS

From Thursday, September 8th, 2022, through Wednesday, September 21st, 2022, the Hart Police Department received 95 complaints ranging from Truancies, Well-Being Checks, Property Damage Crashes, Suspicious Situations, Animal Complaints, Assault & Batteries, Family Troubles, Noise Complaints, Medical Assists, Warrant Arrests, Alarms, Disturbances, Mental Health Complaints and Assist to Other Agencies.

On Thursday, September 8th, 2022, the Hart Police Department was dispatched to the 200 block of West Main Street referencing a property damage complaint. A 41-year-old Hart man was cutting a tree at the home and while cutting the tree, the tree twisted and fell directly on the man's vehicle. There were no reported injuries regarding to this incident. The man's vehicle was towed away from the scene.

On Friday, September 9th, 2022, the Hart Police Department was dispatched to the 600 block of State Street regarding a Domestic Assault. A 48-year-old Hart man claims to have been assaulted by a 50-year-old Hart woman. The man stated the woman had entered his bedroom demanding the man leave the room. The woman grabbed the television set the man was watching. As the man attempted to retrieve the television set from the woman, the woman struck the man in the face area with an opened hand. The woman claims also to have been assaulted when the man attempted to retrieve the television set, also being struck in the face with an opened hand. The parties were separated, and a report will be submitted to the Oceana County Prosecutor's Office for his review.

On Monday, September 12th, 2022, the Hart Police Department was dispatched to the 600 block of East Main Street referencing a Medical Assist/CPR in Progress. An 84-year-old Hart woman had fallen out of bed and was noted not breathing. Lifesaving efforts (Cardiopulmonary Resuscitation) were being performed prior to officer's arrival. Officers arrived on scene and continued with lifesaving efforts. Prior to LIFE EMS arriving on scene, officers were able to locate a pulse on the woman's person. LIFE EMS transported the woman to Lakeshore Hospital for further evaluation.

On Friday, September 16th, 2022, the Hart Police Department was dispatched to the 400 block of Hart Street referencing a Mental Health Complaint. A 45-year-old Hart man stated he has been "feeling sad" and threatened to commit suicide. Officers were able to speak with the man and later transported the man to Trinity Health Mercy Hospital in Muskegon for a mental health evaluation.

On Monday, September 19th, 2022, Officer Moore and Officer Ryder attended a legal update course at the Ottawa County Sheriff's Office. The legal update course updates police officers in recent changes in criminal law and police procedures. This training was offered via the West Michigan Criminal Justice Training Consortium.

On Monday, September 19th, 2022, the Hart Police Department was dispatched to the 100 block of Hart Street referencing a Domestic Assault. A 46-year-old Hart woman claims to have been assaulted by a 31-year-old Hart man, by the man grabbing the woman by the throat, pushing her onto the bed, and then covered her mouth and nose with his other hand. The man also threatened to kill the woman, her family and friends. The man was arrested and lodged at the Oceana County Jail.

On Monday, September 19th, 2022, the Hart Police Department was dispatched to the 500 block of Johnson Street regarding a Malicious Destruction of Property complaint. A 27-year-old Shelby man was in the area picking up a 26-year-old Shelby woman. It should be noted, the woman is currently in a dating relationship with the Shelby man and the Shelby man was picking up the woman from the woman's ex-husband's residence, a 31-year-old Hart man. The Hart man exited his home and grabbed the driver side window of the Shelby man's vehicle as the Shelby man was attempting to roll his window up. The Hart man ultimately damaged/shattered the driver side window of the Shelby man's vehicle. A report will be submitted to the Oceana County Prosecutor's Office for his review.

Respectfully,

J. Salazar,
Chief of Police

RESOLUTION 2022-40
City Council
City of Hart, Michigan
Oceana County

ACCEPT AGREEMENT RELATED TO SERVICES – 2022 CLEAN WATER STATE REVOLVING FUND BONDS

WHEREAS, the City of Hart owns, operates and maintains municipal water and wastewater systems; and

WHEREAS, the City of Hart has committed to the letting of revenue bonds as matching funds for a $2,887,000 EDA Grant to assist the city in a series of wastewater capital improvement projects; and

WHEREAS The City of Hart has been awarded financing from the State of Michigan's Clean Water State Revolving Loan Fund ("CWSRF"). This low interest loan will cover the needed matching funds for the EDA Grant project. The CWSRF loan will be evidenced by the city's issuance of revenue bonds under the provisions of Act 94 of the Public Acts of Michigan of 1933, as amended ("Act 94").; and

WHEREAS, A municipal financial advisor will be required to oversee preparation and processing of bond funding related documents including revenue support consulting, debt structuring, timetable management, application preparation, liaison assistance with the Municipal Finance Authority and the Department of Treasury; and

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

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Accepts the proposal submitted from Baker Tilly Municipal Advisors to provide services related to 2022 CWSRF Bonds for the fee of $9,500. City Council further authorizes the city manager to sign and execute any related documents to this expenditure.

Moved by _____, supported by _____, and thereafter adopted by the Hart City Council at a regularly scheduled meeting held on September 27, 2022

Ayes: __ Nays: __ Absent: __

bakertilly
MUNICIPAL ADVISORS

Baker Tilly Municipal Advisors, LLC
2852 Eyde Pkwy, Ste 150
East Lansing, MI 48823
United States of America

T: +1 (517) 321 0110
bakertilly.com

September 16, 2022

City of Hart
407 State St.
Hart, MI 49420

RE: Engagement Letter Agreement Related to Services – 2022 CWSRF Bonds, Series B

This letter agreement (the "Engagement Letter") is to confirm our understanding of the basis upon which Baker Tilly Municipal Advisors, LLC ("Baker Tilly") and its affiliates are being engaged by the City of Hart (the "Client") to assist the Client with advisory services.

Scope, Objectives and Approach

It is anticipated that projects undertaken in accordance with this Engagement Letter will be at the request of the Client. The scope of services, additional terms and associated fee for individual engagements will be contained in the Scope Appendix to this Engagement Letter. Authorization to provide services will commence upon execution and return of this Engagement Letter.

Management's Responsibilities

It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for decisions regarding implementation of the advice or recommendations included in such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees that Baker Tilly will have no liability in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations unless the failure to detect such material errors is within the scope of the applicable engagement and/or Baker Tilly knew or should have known of such material error, subject to Baker Tilly's applicable professional standard of care.

The ability to provide service according to timelines established and at fees indicated will rely in part on receiving timely responses from the Client.

The responsibility for auditing the records of the Client rests with the Client's separately retained auditor and the work performed by Baker Tilly shall not include an audit or review of the records or the expression of an opinion on financial data.

Ownership of IP

Unless otherwise stated the Scope Appendix, subject to Baker Tilly's rights in Baker Tilly's Knowledge (as defined below), Client shall own all intellectual property rights in the deliverables developed under the applicable Scope Appendix or Appendices ("Deliverables"). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all Baker Tilly's Knowledge. For purposes of this Agreement "Baker Tilly's Knowledge" means Baker Tilly's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Bakery Tilly prior to the Effective Date of this Agreement or the applicable Scope Appendix or Appendices ("Baker Tilly's Preexisting Knowledge") (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly's Preexisting Knowledge which do not include or incorporate Client's confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly. Additionally, Baker Tilly may maintain copies of its work papers for a period of time and for use in a manner sufficient to satisfy any applicable legal or regulatory requirements for records retention.

The supporting documentation for this engagement, including, but not limited to work papers, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to required third parties, the Client hereby authorizes us to do so.

Timing and Fees

Specific services will commence upon execution and return of this Engagement Letter and our professional fees will be based on the rates outlined in the Scope Appendix.

Dispute Resolution

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter or the applicable Scope Appendix or Appendices as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement or the applicable Scope Appendix or Appendices as shall be resolved as set forth in this section using the following procedure: In the unlikely event that differences concerning the services or fees provided by Baker Tilly should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties may pursue any legal or equitable remedies available to them.

Because a breach of any the provisions of this Engagement Letter or the applicable Scope Appendix or Appendices as concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

Limitation on Damages

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under an applicable Scope Appendix or Appendices shall not exceed (i) if Client is the at fault-party, then the fees paid to Baker Tilly under the applicable Scope Appendix or Appendices to which the claim relates, or (ii) if Baker Tilly is the at-fault party, then a multiple of three times (3x) fees paid to Baker Tilly under the applicable Scope Appendix except to the extent finally determined to have resulted from the legally determined negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, to the extent permitted by law, in no event shall either party be liable to the other for any lost profits, lost business opportunity, lost data, consequential, special, exemplary or punitive damages arising out of or related to this Engagement Letter or the applicable Scope Appendix or Appendices even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within the applicable statute of limitations.

Other Matters

In the event Baker Tilly is requested by the Client to produce its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is neither a party to the proceeding in which the information is sought nor Baker Tilly's Services are at issue, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the 'written consent of the other part. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

Termination

Both the Client and the Baker Tilly have the right to terminate this Engagement Letter or any work being done under the Scope Appendix at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Scope Appendix will terminate 60 days after completion of the services in such Appendix.

Important Disclosures

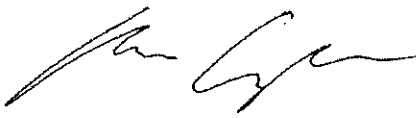
Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

This Engagement Letter, including the attached Disclosures as updated from time to time, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties. Both parties acknowledge that work performed pursuant to the Engagement Letter will be done through Scope Appendices executed and made a part of this document.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Engagement Letter shall survive the expiration or termination of this Engagement Letter or any statement of work contained in a Scope Appendix hereto.

If this Engagement Letter is in agreement with your understanding, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Andy Campbell, CPA, Director

Signature Section:

The services and terms as set forth in this Engagement Letter are agreed to on behalf of the Client by:

Name: _____

Title: _____

Date: _____

Attachment A
Important Disclosures

Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly, including but not limited to Baker Tilly US, LLP, Baker Tilly Municipal Advisors, LLC, Baker Tilly Capital, LLC, and Baker Tilly Investment Services, LLC, are free to render municipal advisory and other services to others and that Baker Tilly does not make its services available exclusively to the Client.

Affiliated Entities

Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Baker Tilly Investment Services, LLC ("BTIS"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser, may provide services to the Client in connection with the investment of proceeds from an issuance of securities. In such instances, services will be provided under a separate engagement, for an additional fee. Notwithstanding the foregoing, Baker Tilly may act as solicitor for and recommend the use of BTIS, but the Client shall be under no obligation to retain BTIS or to otherwise utilize BTIS relative to Client's investments. The fees paid with respect to investment services are typically based in part on the size of the issuance proceeds and Baker Tilly may have incentive to recommend larger financings than would be in the Client's best interest. Baker Tilly will manage and mitigate this potential conflict of interest by this disclosure of the affiliated entity's relationship, a Solicitation Disclosure Statement when Client retains BTIS's services and adherence to Baker Tilly's fiduciary duty and/or fair dealing obligations to the Client.

Baker Tilly Capital, LLC ("BTC") Baker Tilly Capital, LLC ("BTC") is a limited service broker-dealer specializing in merger and acquisition, capital sourcing, project finance and corporate finance advisory services. BTC does not participate in any municipal offerings advised on by its affiliate Baker Tilly Municipal Advisors. Any services provided to Client by BTC would be done so under a separate engagement for an additional fee.

Baker Tilly Municipal Advisors ("BTMA") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC) and the Municipal Securities Rulemaking Board ("MSRB"). As such, BTMA may provide certain specific municipal advisory services to the Client. BTMA is neither a placement agent to the Client nor a broker/dealer. The offer and sale of any Bonds is made by the Client, in the sole discretion of the Client, and under its control and supervision. The Client acknowledges that BTMA does not undertake to sell or attempt to sell bonds or other debt obligations, and will not take part in the sale thereof.

Baker Tilly, may provide services to the Client in connection with human resources consulting, including, but not limited to, executive recruitment, talent management and community survey services. In such instances, services will be provided under a separate scope of work for an additional fee. Certain executives of the Client may have been hired after the services of Baker Tilly were utilized and may make decisions about whether to engage other services of Baker Tilly or its subsidiaries. Notwithstanding the foregoing, Baker Tilly may recommend the use of Baker Tilly or a subsidiary, but the Client shall be under no obligation to retain Baker Tilly or a subsidiary or to otherwise utilize either relative to the Client's activities.

Conflict Disclosure Applicable to Municipal Advisory Services Provided by BTMA.

Legal or Disciplinary Disclosure. BTMA is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving BTMA. Pursuant to MSRB Rule G-42, BTMA is required to disclose any legal or disciplinary event that is material to the Client's evaluation of BTMA or the integrity of its management or advisory personnel.

There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving BTMA. Copies of BTMA filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

Contingent Fee. The fees to be paid by the Client to BTMA are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because BTMA may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, BTMA may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Hourly Fee Arrangements. Under an hourly fee form of compensation, BTMA will be paid an amount equal to the number of hours worked multiplied by an agreed upon billing rate. This form of compensation presents a potential conflict of interest if BTMA and the Client do not agree on a maximum fee under the applicable Appendix to this Engagement Letter because BTMA will not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, hourly fees are typically payable by the Client whether or not the financing transaction closes.

Fixed Fee Arrangements. The fees to be paid by the Client to BTMA may be in a fixed amount established at the outset of the service. The amount is usually based upon an analysis by Client and BTMA of, among other things, the expected duration and complexity of the transaction and the work documented in the Scope Appendix to be performed by Baker Tilly. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Baker Tilly may suffer a loss. Thus, Baker Tilly may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives.

BTMA manages and mitigates conflicts related to fees and/or other services provided primarily through clarity in the fee to be charged and scope of work to be undertaken and by adherence to MSRB Rules including, but not limited to, the fiduciary duty which it owes to the Client requiring BMTA to put the interests of the Client ahead of its own and BTMA's duty to deal fairly with all persons in its municipal advisory activities.

To the extent any additional material conflicts of interest have been identified specific to a scope of work the conflict will be identified in the respective Scope Appendix. Material conflicts of interest that arise after the date of a Scope Appendix will be provide to the Client in writing at that time.

Scope Appendix

The services offered by the Firm include preparation for financing:

- Revenue support consultation
- Debt structuring
- Outline of bonding options
- Managing the timetable

Specific assistance with the financing process includes:

- Bond specifications for the Bond Authorizing Resolution
- Preparation and filing of the EGLE formatted User Charge System
- Part I application preparation
- Part II application guidance
- Municipal Finance Authority liaison
- Bond rating application
- Department of Treasury assistance
- Review and approval of the cash flow generated by the Finance Authority
- Closing assistance

The fee for financial advisory services will be $9,500 and is payable from loan/bond proceeds after closing.

RESOLUTION 2022-41
City Council
City of Hart, Michigan
Oceana County

ACCEPT AGREEMENT RELATED TO SERVICES – 2023 CLEAN WATER STATE REVOLVING FUND BONDS

WHEREAS, the City of Hart owns, operates and maintains municipal water and wastewater systems; and

WHEREAS, the City of Hart has committed to the letting of revenue bonds to provide funding for a series of wastewater capital improvement projects as adopted by council in 2021; and

WHEREAS The City of Hart has been awarded financing from the State of Michigan's Clean Water State Revolving Loan Fund ("CWSRF"). This low interest loan will cover the needed matching funds for the EDA Grant project. The CWSRF loan will be evidenced by the city's issuance of revenue bonds under the provisions of Act 94 of the Public Acts of Michigan of 1933, as amended ("Act 94").; and

WHEREAS, A municipal financial advisor will be required to oversee preparation and processing of bond funding related documents including revenue support consulting, debt structuring, timetable management, application preparation, liaison assistance with the Municipal Finance Authority and the Department of Treasury; and

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

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Accepts the proposal submitted from Baker Tilly Municipal Advisors to provide services related to 2023 CWSRF Bonds for the fee of $15,500. City Council further authorizes the city manager to sign and execute any related documents to this expenditure.

Moved by _____, supported by _____, and thereafter adopted by the Hart City Council at a regularly scheduled meeting held on September 27, 2022

Ayes: __ Nays: __ Absent: __

bakertilly
MUNICIPAL ADVISORS

Baker Tilly Municipal Advisors, LLC
2852 Eyde Pkwy, Ste 150
East Lansing, MI 48823
United States of America

T: +1 (517) 321 0110
bakertilly.com

September 16, 2022

City of Hart
407 State St.
Hart, MI 49420

RE: Engagement Letter Agreement Related to Services – 2023 CWSRF Bonds

This letter agreement (the "Engagement Letter") is to confirm our understanding of the basis upon which Baker Tilly Municipal Advisors, LLC ("Baker Tilly") and its affiliates are being engaged by the City of Hart (the "Client") to assist the Client with advisory services.

Scope, Objectives and Approach

It is anticipated that projects undertaken in accordance with this Engagement Letter will be at the request of the Client. The scope of services, additional terms and associated fee for individual engagements will be contained in the Scope Appendix to this Engagement Letter. Authorization to provide services will commence upon execution and return of this Engagement Letter.

Management's Responsibilities

It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for decisions regarding implementation of the advice or recommendations included in such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees that Baker Tilly will have no liability in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations unless the failure to detect such material errors is within the scope of the applicable engagement and/or Baker Tilly knew or should have known of such material error, subject to Baker Tilly's applicable professional standard of care.

The ability to provide service according to timelines established and at fees indicated will rely in part on receiving timely responses from the Client.

The responsibility for auditing the records of the Client rests with the Client's separately retained auditor and the work performed by Baker Tilly shall not include an audit or review of the records or the expression of an opinion on financial data.

Ownership of IP

Unless otherwise stated the Scope Appendix, subject to Baker Tilly's rights in Baker Tilly's Knowledge (as defined below), Client shall own all intellectual property rights in the deliverables developed under the applicable Scope Appendix or Appendices ("Deliverables"). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all Baker Tilly's Knowledge. For purposes of this Agreement "Baker Tilly's Knowledge" means Baker Tilly's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Bakery Tilly prior to the Effective Date of this Agreement or the applicable Scope Appendix or Appendices ("Baker Tilly's Preexisting Knowledge") (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly's Preexisting Knowledge which do not include or incorporate Client's confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly. Additionally, Baker Tilly may maintain copies of its work papers for a period of time and for use in a manner sufficient to satisfy any applicable legal or regulatory requirements for records retention.

The supporting documentation for this engagement, including, but not limited to work papers, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to required third parties, the Client hereby authorizes us to do so.

Timing and Fees

Specific services will commence upon execution and return of this Engagement Letter and our professional fees will be based on the rates outlined in the Scope Appendix.

Dispute Resolution

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter or the applicable Scope Appendix or Appendices as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement or the applicable Scope Appendix or Appendices as shall be resolved as set forth in this section using the following procedure: In the unlikely event that differences concerning the services or fees provided by Baker Tilly should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties may pursue any legal or equitable remedies available to them.

Because a breach of any the provisions of this Engagement Letter or the applicable Scope Appendix or Appendices as concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

Limitation on Damages

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under an applicable Scope Appendix or Appendices shall not exceed (i) if Client is the at fault-party, then the fees paid to Baker Tilly under the applicable Scope Appendix or Appendices to which the claim relates, or (ii) if Baker Tilly is the at-fault party, then a multiple of three times (3x) fees paid to Baker Tilly under the applicable Scope Appendix except to the extent finally determined to have resulted from the legally determined negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, to the extent permitted by law, in no event shall either party be liable to the other for any lost profits, lost business opportunity, lost data, consequential, special, exemplary or punitive damages arising out of or related to this Engagement Letter or the applicable Scope Appendix or Appendices even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within the applicable statute of limitations.

Other Matters

In the event Baker Tilly is requested by the Client to produce its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is neither a party to the proceeding in which the information is sought nor Baker Tilly's Services are at issue, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the 'written consent of the other part. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

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Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

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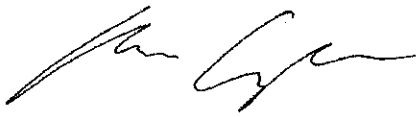
If this Engagement Letter is in agreement with your understanding, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Andy Campbell, CPA, Director

Signature Section:

The services and terms as set forth in this Engagement Letter are agreed to on behalf of the Client by:

Name: _____

Title: _____

Date: _____

Attachment A
Important Disclosures

Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly, including but not limited to Baker Tilly US, LLP, Baker Tilly Municipal Advisors, LLC, Baker Tilly Capital, LLC, and Baker Tilly Investment Services, LLC, are free to render municipal advisory and other services to others and that Baker Tilly does not make its services available exclusively to the Client.

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There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving BTMA. Copies of BTMA filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

Contingent Fee. The fees to be paid by the Client to BTMA are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because BTMA may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, BTMA may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

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The services offered by the Firm include preparation for financing:

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- Debt structuring
- Outline of bonding options
- Managing the timetable

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- Bond specifications for the Bond Authorizing Resolution
- Preparation and filing of the EGLE formatted User Charge System
- Part I application preparation
- Part II application guidance
- Municipal Finance Authority liaison
- Bond rating application
- Department of Treasury assistance
- Review and approval of the cash flow generated by the Finance Authority
- Closing assistance

The fee for financial advisory services will be $15,500 and is payable from loan/bond proceeds after closing.

RESOLUTION 2022-42
City Council
City of Hart, Michigan
Oceana County

ACCEPT PROPOSAL TO PERFORM PROFESSIONAL ENVIRONMENTAL DUE DILIGENCE SERVICES AND AWARD WORK

WHEREAS, the City of Hart Tax Increment Finance Authority has an active TIFA plan adopted by city council in 2021; and

WHEREAS, the City of Hart adopted TIFA plan identifies property acquisition as a TIFA goal in pursuit of improving land to a highest and best use case; and

WHEREAS The City of Hart TIFA has identified an opportunity to acquire a blighted property containing functionally obsolete buildings; and

WHEREAS, The City of Hart TIFA has budgeted for acquiring property, performing environmental due diligence work, remediating any significant findings, and preparing the property for redevelopment with input from the City of Hart community, in cooperation with the State of Michigan, the Oceana County Brownfield Authority, and other area stakeholders; and

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

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Accepts the proposal to perform professional environmental due diligence services and award the work to Fishbeck Engineers for the amount not to exceed $15,200. City Council further authorizes the city manager to sign and execute any related documents to this pursuit.

Moved by _____, supported by _____, and thereafter adopted by the Hart City Council at a regularly scheduled meeting held on September 27, 2022

Ayes: __ Nays: __ Absent: __

fishbeck
Engineers | Architects | Scientists | Constructors

1515 Arboretum Drive, SE
Grand Rapids, Michigan 49546

616.575.3824 | fishbeck.com

March 8, 2022

City of Hart
c/o Nichole Kleiner, Community & Economic Development Director
407 South State Street
Hart, MI 49420

Proposal for Professional Environmental Due Diligence Services
3 & 15 East Main Street & 15 Courtland Street
Hart, Oceana County, Michigan 49420
Parcel Numbers: 64-020-207-004-50, 64-020-207-004-00, 64-020-207-001-00, 64-020-207-005-00 & 64-020-207-008-00

Dear Nichole:

Fishbeck is pleased to furnish this proposal to provide the following environmental due diligence services for the above-noted properties (herein the Site): an updated Phase I Environmental Site Assessment (ESA), a Phase II ESA, a Baseline Environmental Assessment (BEA), and a Documentation of Due Care Compliance Report (DDCCR). The following are our proposed scope of services and associated fees.

Scope of Services

Fishbeck understands that the City of Hart (City) is taking a proactive role in helping stimulate economic development in the community. One way to accomplish this is by acquiring underutilized property that can be redeveloped through public-private-partnerships. The City's interest in obtaining the Site is an exciting opportunity to initiate this process with prime available property in the downtown. Completing environmental due diligence is essential to evaluating potential liability concerns and future redevelopment obstacles associated with the Site. Our scope of services is based on a review of the Phase I ESA of the Site completed by Westshore (dated August 26, 2021) and previous conversations with you.

Phase I ESA Update

A Phase I ESA update is necessary between six (6) months and a year after completion pursuant to the scope and limitations of the American Society for Testing and Materials (ASTM) Standard Practice E 1527-13 and *All Appropriate Inquiry* (AAI), as defined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended. The Phase I ESA of the Site was completed in August 2021, and therefore requires an update. Fishbeck conducts Phase I ESA Updates in conformance with the ASTM Standard Practice E 1527-13 and AAI. The Phase I ESA update is performed as part of your environmental due diligence prior to property purchase. The goal of environmental due diligence is to limit potential environmental liability and determine if there are any *recognized environmental conditions* (RECs) associated with the property. This Phase I ESA update does not provide any common non-scope considerations outside the ASTM E 1527 standard practice. The typical non-scope items include asbestos containing materials, radon, lead based paint, lead in drinking water, wetlands, regulatory compliance, endangered species act, indoor air quality, and mold. However, Fishbeck can provide these and other due diligence services upon request.

Fishbeck will complete a Phase I ESA update for the Site and provide a report summarizing the work performed, results, and conclusions. All reports will be subject to a quality control review by a qualified senior-level staff member. Upon request, one printed copy of the report will be provided. Additional printed copies can be provided for an additional per-copy fee.

Phase II ESA

To evaluate RECs identified in the Westshore Phase I ESA, Fishbeck proposes to conduct up to a total of six (6) soil borings and installation of up to four (4) temporary monitoring wells (TMWs) at the Site to address RECs identified by Westshore in the Phase I ESA. The number of soil/groundwater samples from these locations and type of laboratory analysis is based on the specific RECs.

Prior to conducting the soil borings and sampling, a Ground Penetrating Radar (GPR) scan will be completed to determine the absence/presence of any abandoned underground storage tanks (USTs).

Soil borings will be advanced using a Geoprobe® equipped with macro-cores containing single-use acetate liners and/or a stainless-steel hand auger. Soil samples will be collected for lithological description at each soil boring. Soil samples will be examined for visual or olfactory evidence of contamination.

A 1-inch-diameter polyvinyl chloride (PVC) TMW will be installed (if necessary), based on field observations, within up to four of the soil borings, with the screened interval straddling the groundwater surface. A groundwater sample will be collected from each TMW using low-flow/minimal drawdown techniques, or following 30 minutes of purging, whichever occurs first. The groundwater sample will be attempted; however, if groundwater is identified deeper then 20-feet, no groundwater sampling will be collected.

After sampling, each TMW will be removed from the ground and any excess soil cuttings resulting from the soil borings will be mixed with bentonite and placed back into the borehole. The bentonite will be hydrated with clean tap or deionized water. The surface will be restored to original grade.

The samples will be collected directly into laboratory-prepared bottles, stored on ice in an insulated cooler, and transported under chain-of-custody documentation to an analytical laboratory for analysis of volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs) and/or MI 10 Metals. Analytes may vary between soil boring location depending on the REC in question.

The laboratory will report the results of its analyses within seven business days.

Reporting

If the analytical results of the Phase II ESA do not show concentrations of contaminants exceeding Part 201 Generic Residential Cleanup Criteria (GRCC), and the Site does not meet the definition of a *facility* as defined by Section 20101(1)(s), Fishbeck will prepare a letter report, including a site map showing sample locations, hand-written soil boring logs, data summary tables with comparison to Part 201 GRCC, and the laboratory report.

If the results of the Phase II ESA indicate the Site is a *facility* as defined by Section 20101(1)(s), a BEA and a DDCCR will be prepared. Fishbeck will prepare a BEA in accordance with the Part 201 Rules. The BEA document verifies the presence of contaminants at concentrations above unrestricted land use cleanup criteria (i.e., GRCC) at the time of property acquisition. The State of Michigan has developed a specific format for the BEA. Generally, the Phase I ESA and Phase II ESA findings are summarized, and the future use of the property is stated. The completed Phase I ESA and Phase II ESA documents are included as attachments to the BEA. The BEA must be conducted within 45 days of becoming the owner or operator of the property and submitted to EGLE within six months of becoming the owner or operator.

Michigan environmental law and regulations (Part 201) requires owners and operators take due care measures to ensure that existing contamination on a property does not cause unacceptable exposure risks and is not

exacerbated. A DDCCR for the Site will be prepared to address the potential for exposure and/or exacerbation of existing site contaminant conditions. This plan will include the following information, as required by Rule 299.51003 of the Michigan Administrative Code:

- Background information concerning contaminants located on the property
- Identification of potential exposure pathways and receptors
- Identification of precautions necessary to prevent reasonably foreseeable exposures
- Description of any required response activities
- Property owner's due care obligations

Other topics evaluated and addressed in the document required by Michigan environmental law and regulations will include:

- Offsite migration notice to EGLE
- Abandoned containers notice to EGLE
- Mitigation of fire/explosion hazards
- Notification of exposures to easement holders

Professional Services Fees

The proposed services will be performed on a lump sum basis in accordance with the attached Professional Services Agreement. The estimated fees to conduct the scope of services provided above are summarized as follows:

Phase I ESA Update, Phase II ESA and Phase II ESA Report (Site is not a *facility)*

Phase I ESA Update	$1,650
Phase II ESA	$9,750
Total Cost	**$11,400**

Phase I ESA Update, Phase II ESA, BEA, and DDCCR (Site is a *facility)*

Phase I ESA Update	$1,650
Phase II ESA	$9,750
BEA	$2,000
DDCCR	$1,800
Total Cost	**$15,200**

Note: Pursuant to Act 381 of 1996 - the Brownfield Redevelopment Financing Act, environmental due diligence costs (e.g., Phase I and II ESAs, BEAs, and other related pre-development surveys) are eligible for reimbursement through brownfield tax increment financing. There are also grants through EGLE that can be obtained for certain environmental due diligence activities. The costs above qualify for these incentives.

Assumptions

- The Phase I ESA Update fee assumes Fishbeck will conduct one site visit/inspection; required representatives will be reasonably accessible and available for interviews; agency and company files will be provided to Fishbeck as allowed by time and cost constraints. All pertinent and available environmental or geotechnical reports in possession of client will be supplied to Fishbeck prior to the initial site visit.

- During the completion of the assessment, unknown conditions may occasionally arise that require additional effort over and above the defined scope of services in order to comply with applicable regulatory standards. Fishbeck will notify you if a change in the scope of services is required to complete the project. Additional services will not be performed without prior client approval of any amended scope and fee.
- Phase II ESA sampling activities will be completed in one business day.
- Laboratory samples will be submitted for standard analysis delivery time (7 business days)
- Delays such as weather and site conditions are not encountered.
- Fishbeck will have free and unobstructed access to the areas necessary to perform the sampling activities during regular business hours.
- There are no unidentified underground or aboveground obstructions, conduits, pipelines, or other surface and subsurface structures that would affect soil collection efforts.

Authorization

Attached is our Professional Services Agreement. If you concur with our scope of services, please sign in the space provided and return the executed contract to the attention of Ariane Savoy (asavoy@fishbeck.com). This proposal is made subject to the attached Terms and Conditions for Professional Services. Invoices will be submitted every four weeks and payment is due upon receipt.

Additionally, our team is experienced with the processes and programs used to assist communities in advancing their brownfield redevelopment initiatives. We have seasoned brownfield specialists that have worked with and for the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Brownfield Redevelopment Program, making Fishbeck a unique and trusted partner. From organizing key initial collaborative meetings to preparing, reviewing, and implementing brownfield incentives packages, Fishbeck understands what it takes to move a project from start to finish. Should this project identify potential environmental hurdles to redevelopment, we would be happy to assist in finding resources that offset the costs associated with solving these concerns.

If you have any questions or require additional information, please contact me at 616-638-1457 or rwilson@fishbeck.com.

Sincerely,

Roman Wilson
Due Diligence & Brownfield Program Manager

Attachments
By email
Copy: Todd Campbell – Fishbeck
Kirk W. Perschbacher - Fishbeck

fishbeck
Engineers | Architects | Scientists | Constructors

1515 Arboretum Drive, SE
Grand Rapids, Michigan 49546

616.575.3824 | fishbeck.com

Professional Services Agreement

PROJECT NAME	Environmental Due Diligence Services
FISHBECK CONTACT	Roman A. Wilson
CLIENT	City of Hart
CLIENT CONTACT	Nichole Kleiner
ADDRESS	407 South State Street, Hart, MI 49420

Client hereby requests and authorizes Fishbeck to perform the following:

SCOPE OF SERVICES: Provide environmental due diligence services as outlined in the attached Fishbeck proposal letter dated March 8, 2022.

AGREEMENT. The Agreement consists of this page and the documents that are checked:
- ☒ Terms and Conditions for Professional Services, attached.
- ☒ Proposal dated March 8, 2022
- ☐ Other:

METHOD OF COMPENSATION:
- ☒ Lump Sum for Defined Scope of Services
- ☐ Hourly Billing Rates plus Reimbursable Expenses
- ☐ Other:

Budget for Above Scope of Services:
If Site is **not** a facility: Eleven Thousand Four Hundred Dollars ($11,400)
If Site **is** a facility: Fifteen Thousand Two Hundred Dollars ($15,200)

ADDITIONAL PROVISIONS (IF ANY): None.

APPROVED FOR:		ACCEPTED FOR:	
City of Hart		Fishbeck	
BY:	_____	BY:	Michael S Colin
TITLE:	_____	TITLE:	Senior Vice President
DATE:	_____	DATE:	March 8, 2022

Terms and Conditions for Professional Services

1. **METHOD OF AUTHORIZATION.** Client may authorize Fishbeck to proceed with work either by signing a Professional Services Agreement or by issuance of an acknowledgment, confirmation, purchase order, or other communication. Regardless of the method used, these Terms and Conditions shall prevail as the basis of Client's authorization to Fishbeck. Any Client document or communication in addition to or in conflict with these Terms and Conditions is rejected.

2. **CLIENT RESPONSIBILITIES.** Client shall provide all criteria and full information as to requirements for the Project and designate in writing a person with authority to act on Client's behalf on all matters concerning the Project. If Fishbeck's services under this Agreement do not include full-time construction observation or review of Contractor's performance, Client shall assume responsibility for interpretation of contract documents and for construction observation, and shall waive all claims against Fishbeck that may be in any way connected thereto.

3. **HOURLY BILLING RATES.** Unless stipulated otherwise, Client shall compensate Fishbeck at hourly billing rates in effect when services are provided by Fishbeck employees of various classifications.

4. **REIMBURSABLE EXPENSES.** Those costs incurred on or directly for Client's Project. Reimbursement shall be at Fishbeck's current rate for mileage for service vehicles and automobiles, special equipment, and copying, printing, and binding. Reimbursement for commercial transportation, meals, lodging, special fees, licenses, permits, insurances, etc., and outside technical or professional services shall be on the basis of actual charges plus 10 percent.

5. **OPINIONS OF COST.** Any opinions of probable construction cost and/or total project cost provided by Fishbeck will be on a basis of experience and judgment, but since it has no control over market conditions or bidding procedures, Fishbeck cannot warrant that bids or ultimate construction or total project costs will not vary from such estimates.

6. **PROFESSIONAL STANDARDS; WARRANTY.** The standard of care for services performed or furnished by Fishbeck will be the care and skill ordinarily used by members of Fishbeck's profession practicing under similar circumstances at the same time and in the same locality. Fishbeck makes no warranties, express or implied, under this Agreement or otherwise, in connection with Fishbeck's services.

7. **TERMINATION.** Either Client or Fishbeck may terminate this Agreement by giving ten days' written notice to the other party. In such event, Client shall pay Fishbeck in full for all work previously authorized and performed prior to the effective date of termination, plus (at the discretion of Fishbeck) a termination charge to cover finalization work necessary to bring ongoing work to a logical conclusion. Such charge shall not exceed 30 percent of all charges previously incurred. Upon receipt of such payment, Fishbeck will return to Client all documents and information which are the property of Client.

8. **SUBCONTRACTORS.** Fishbeck may engage subcontractors on behalf of Client to perform any portion of the services to be provided by Fishbeck hereunder.

9. **PAYMENT TO FISHBECK.** Invoices will be issued every four weeks, payable upon receipt, unless otherwise agreed. Interest of 1 percent per four-week period will be payable on all amounts not paid within 28 days from date of invoice, payment thereafter to be applied first to accrued interest and then to the principal unpaid amount. Any attorney's fees or other costs incurred in collecting any delinquent amount shall be paid by Client.

   Client agrees to pay on a current basis, in addition to any proposal or contract fee understandings, all taxes including, but not limited to, sales taxes on services or related expenses which may be imposed on Fishbeck by any governmental entity.

   If Client directs Fishbeck to invoice another, Fishbeck will do so, but Client agrees to be ultimately responsible for Fishbeck's compensation until Client provides Fishbeck with that third party's written acceptance of all terms of this Agreement and until Fishbeck agrees to the substitution.

   In addition to any other remedies Fishbeck may have, Fishbeck shall have the absolute right to cease performing any basic or additional services in the event payment has not been made on a current basis.

10. **HAZARDOUS WASTE.** Fishbeck has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at any site, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposure to such substances or conditions. Fishbeck shall not be responsible for any alleged contamination, whether such contamination occurred in the past, is occurring presently, or will occur in the future, and the performance of services hereunder does not imply risk-sharing on the part of Fishbeck.

11. **LIMITATION OF LIABILITY.** To the fullest extent permitted by law, Fishbeck's total liability to Client for any cause or combination of causes, which arise out of claims based upon professional liability errors or omissions, whether based upon contract, warranty, negligence, strict liability, or otherwise is, in the aggregate, limited to the greater of $250,000 or the amount of the fee earned under this Agreement.

    To the fullest extent permitted by law, Fishbeck's total liability to Client for any cause or combination of causes, which arise out of claims for which Fishbeck is covered by insurance other than professional liability errors and omissions, whether based upon contract, warranty, negligence, strict liability, or otherwise is, in the aggregate, limited to the total insurance proceeds paid on behalf of or to Fishbeck by Fishbeck's insurers in settlement or satisfaction of Client's claims under the terms and conditions of Fishbeck's insurance policies applicable thereto.

    Higher limits of liability may be considered upon Client's written request, prior to commencement of services, and agreement to pay an additional fee.

12. **DELEGATED DESIGN.** Client recognizes and holds Fishbeck harmless for the performance of certain components of the Project which are traditionally specified to be designed by the Contractor.

13. **INSURANCE.** Client shall cause Fishbeck and Fishbeck's consultants, employees, and agents to be listed as additional insureds on all commercial general liability and property insurance policies carried by Client which are applicable to the Project. Client shall also provide workers' compensation insurance for Client's employees. Client agrees to have their insurers endorse these insurance policies to reflect that, in the event of payment of any loss or damages, subrogation rights under this Agreement are hereby waived by the insurer with respect to claims against Fishbeck.

    Upon request, Client and Fishbeck shall each deliver to the other certificates of insurance evidencing their coverages.

    Client shall require Contractor to purchase and maintain commercial general liability and other insurance as specified in the contract documents and to cause Fishbeck and Fishbeck's consultants, employees, and agents to be listed as additional insureds with respect to such liability and other insurance purchased and maintained by Contractor for the Project. Contractor must agree to have their insurers endorse these insurance policies to reflect that, in the event of payment of any loss or damages, subrogation rights under this Agreement are hereby waived by the insurer with respect to claims against Fishbeck.

14. **INDEMNIFICATION.** Fishbeck will defend, indemnify, and hold Client harmless from any claim, liability, or defense cost for injury or loss sustained by any party from exposures to the extent caused by Fishbeck's negligence or willful misconduct. Client agrees to defend, indemnify, and hold Fishbeck harmless from any claim, liability, or defense cost for injury or loss sustained by any party from exposures allegedly caused by Fishbeck's performance of services hereunder, except for injury or loss to the extent caused by the negligence or willful misconduct of Fishbeck. These indemnities are subject to specific limitations provided for in this Agreement.

15. **CONSEQUENTIAL DAMAGES.** Client and Fishbeck waive consequential damages for claims, disputes, or other matters in question relating to this Agreement including, but not limited to, loss of business.

16. **LEGAL EXPENSES.** If either Client or Fishbeck makes a claim against the other as to issues arising out of the performance of this Agreement, the prevailing party will be entitled to recover its reasonable expenses of litigation, including reasonable attorney's fees. If Fishbeck brings a lawsuit against Client to collect invoiced fees and expenses, Client agrees to pay Fishbeck's reasonable collection expenses including attorney fees.

17. **OWNERSHIP OF WORK PRODUCT.** Fishbeck shall remain the owner of all drawings, reports, and other material provided to Client, whether in hard copy or electronic media form. Client shall be authorized to use the copies provided by Fishbeck only in connection with the Project. Any other use or reuse by Client or others for any purpose whatsoever shall be at Client's risk and full legal responsibility, without liability to Fishbeck. Client shall defend, indemnify, and hold harmless Fishbeck from all claims, damages, losses, and expenses, including attorney's fees arising out of or resulting therefrom.

18. **ELECTRONIC MEDIA.** Data, reports, drawings, specifications, and other material and deliverables may be transmitted to Client in either hard copy, digital, or both formats. If transmitted electronically, and a discrepancy or conflict with the electronically transmitted version occurs, the hard copy in Fishbeck's files used to create the digital version shall govern. If a hard copy does not exist, the version of the material or document residing on Fishbeck's computer network shall govern. Fishbeck cannot guarantee the longevity of any material transmitted electronically nor can Fishbeck guarantee the ability of the Client to open and use the digital versions of the documents in the future.

19. **GENERAL CONSIDERATIONS.** Client and Fishbeck each are hereby bound and the partners, successors, executors, administrators, and legal representatives of Client and Fishbeck are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

    Neither Client nor Fishbeck shall assign this Agreement without the written consent of the other.

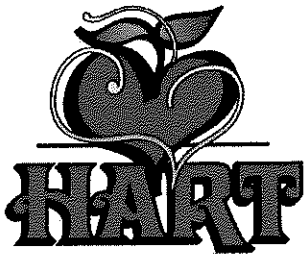
    Neither Client nor Fishbeck will have any liability for nonperformance caused in whole or in part by causes beyond Fishbeck's reasonable control. Such causes include, but are not limited to, Acts of God, civil unrest and war, labor unrest and strikes, acts of authorities, and events that could not be reasonably anticipated.

    This Agreement shall be governed by the law of the principal place of business of Fishbeck.

    This Agreement constitutes the entire agreement between Client and Fishbeck and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

End of Terms and Conditions for Professional Services

Civic Leadership and Notable Community Involvement Award



Recipient Name
Date



Civic Leadership and Notable Community Involvement Award