



CITY OF IONIA

IONIA CITY COUNCIL REGULAR MEETING MINUTES 7:00 PM, May 3, 2023 CITY HALL COUNCIL CHAMBERS

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Deputy Mayor John Milewski called the regular meeting of the Ionia City Council to order at 7:03 PM, and led with the Pledge of Allegiance.

ROLL CALL

Roll call revealed a Quorum with Councilmembers Jeff Winters, Ryan Videtich, Tim Lee, Tom Millard, Janice Gustafson, Troy Waterman, and Deputy Mayor John Milewski present. Councilmember Winters made a motion, seconded by Councilmember Lee, to excuse the absences of Councilmember Rich Starr and Mayor Dan Balice.

Roll Call Vote: AYES: Winters, Videtich, Lee, Millard, Gustafson, Waterman, and Milewski
 NAYS: None

MOTION CARRIED

I. APPROVAL OF AGENDA

The agenda was approved as presented by unanimous voice vote.

II. APPROVAL OF MINUTES – April 12, 2023, Work Session & Regular Meeting

Councilmember Millard made a motion, seconded by Councilmember Winters, to approve the April 12, 2023, Work Session and Regular Meeting Minutes as presented.

Roll Call Vote: AYES: Winters, Videtich, Lee, Millard, Gustafson, Waterman, and Milewski
 NAYS: None

MOTION CARRIED

III. PROCLAMATIONS

None.

IV. PUBLIC COMMENTS

Ionia Housing Commission Executive Director Katie Bennett provided the annual report.

V. PUBLIC HEARINGS & ASSOCIATED ACTION

None.

VI. COMMUNICATIONS

None.

VII. CITY MANAGER'S REPORT

Introduction & 1st Reading—Ordinance 576—Amend Chapter 214—General Fee Schedule (VII-1)
 Chapter 214 – General Fee Schedule of Part Two – Administration Code of the Codified Ordinances of the City of Ionia contains a variety of fees set by ordinance. Included within this fee schedule are water and sewer rates. The following suggested fee revisions were presented for City Council consideration:

214.05 Fees in the Streets, Utilities and Public Services Code –

	<u>From:</u>	<u>To:</u>
(c) Water and Sewer rates and charges		
(1) Water Supply System Rates and Charges		
(A) Facilities maintenance charges – per REU (REU = 22,000 gallons)	\$30/quarter	\$32/quarter
(B) Commodity rate – per 1,000 gallons	\$4.00	\$4.10
(2) Sanitary Sewer system rates and charges		
(B) Commodity rate – per 1,000 gallons	\$4.30	\$4.50
(F) Extra Strength surcharges:		
BOD between 300 mg/L and 490 mg/L	\$0.10/lb	\$0.15/lb
Suspended solids between 300 mg/L and 70 mg/L	\$0.20/lb	\$0.30/lb
Total phosphorus between 5.0 mg/L and 10 mg/L	\$4.40/lb	\$8.20/lb
Ammonia nitrogen between 20 mg/L and 52 mg/L	\$0.20/lb	\$0.30/lb

For the average water customer, the proposed changes will total \$4.20 per quarter, or \$16.80 per year, an increase of 3.4%. The increase is necessary to keep pace with operating costs of the water distribution system, as well as associated debt service related to capital improvements (new water main, valves, wells, etc.).

For the average sanitary sewer customer, the proposed change in the commodity rate is \$4.40 per quarter, or \$17.60 per year. This represents an increase of 4.5% and is necessary to keep pace with the cost of collecting and treating sewerage, as well as providing some funding for future capital improvements.

The extra strength surcharge rates are associated with industrial users of the sanitary sewer system and have not been adjusted since 2011. During that time, chemical costs to treat these extra strength constituents have doubled. Furthermore, operating costs over that same period have increased by approximately 4% per year, or 50% in total.

All rate changes proposed in Ordinance 576 will become effective upon ordinance adoption and publication; however, the water and sewer rates would be implemented with the first available billing cycle, beginning after July 1.

Councilmember Millard made a motion, seconded by Councilmember Gustafson, to introduce and conduct a first reading of Ordinance No. 576, an ordinance to revise the General Fee Schedule contained

in Chapter 214 of the City Code, and to schedule a Public Hearing regarding the proposed ordinance for 7:00 PM, Wednesday, June 7, 2023, at Ionia City Hall.

Roll Call Vote: AYES: Winters, Videtich, Lee, Millard, Gustafson, Waterman, and Milewski
NAYS: None

MOTION CARRIED

**CITY OF IONIA
Ordinance No. 576**

AN ORDINANCE TO AMEND SUBSECTIONS 214.05(C)(1)A., 214.05(C)(1)B., 214.05(C)(2)B., AND 214.05(C)(2)F., ENTITLED “FEES IN THE STREETS, UTILITIES AND PUBLIC SERVICES CODE; WATER AND SEWER RATES AND CHARGES” OF THE CODIFIED ORDINANCES OF THE CITY OF IONIA

THE CITY OF IONIA HEREBY ORDAINS:

Section 1. Amendment of Subsection 214.05(c)(1)A. That Subsection 214.05(c)(1)A. of the Codified Ordinances of the City of Ionia is amended to read as follows:

(c) Water and Sewer Rates and Charges.

(1) Water Supply System Rates and Charges. Rates and charges for services and use of the water supply system shall be as set forth below, provided that such rates and charges may be revised from time to time by ordinance of the City Council:

A. Facilities maintenance charges:

000 to 100,000 gallons	- 1 REU	\$30.00/qtr	<u>\$32.00/qtr</u>
100,000 gal. to 300,000 gallons	- 5 REU	\$150.00/qtr	<u>\$160.00/qtr</u>
300,000 gal. to 1 million gallons	- 13 REU	\$390.00/qtr	<u>\$416.00/qtr</u>
1 million gal. to 2 million gallons	- 45 REU	\$1,350.00/qtr	<u>\$1,440.00/qtr</u>
2 million gal. to 10 million gallons	- 90 REU	\$2,700.00/qtr	<u>\$2,880.00/qtr</u>
10 million gallons +	- usage divided by 22,000 gallons	x \$30.00/qtr/REU	<u>\$32.00/qtr/REU</u>

charge.

Section 2. Amendment of Subsection 214.05(c)(1)B. That Subsection 214.05(c)(1)B. of the Codified Ordinances of the City of Ionia is amended to read as follows:

(c) Water and Sewer Rates and Charges.

(1) Water Supply System Rates and Charges. Rates and charges for services and use of the water supply system shall be as set forth below, provided that such rates and charges may be revised from time to time by ordinance of the City Council:

* * *

B. Commodity rate: All water service shall be charged for on the basis of water consumed as determined by the meter installed by the Department in the premises of water users. The commodity rate shall be ~~four dollars (\$4.00)~~ four dollars and ten cents (\$4.10) per thousand metered gallons.

Section 3. Amendment of Subsection 214.05(c)(2)B and 214.05(c)(2)F. That Subsection 214.05(c)(2)B. and Subsection 214.05(c)(2)F. of the Codified Ordinances of the City of Ionia is amended to read as follows:

(c) Water and Sewer Rates and Charges.

* * *

(2) Sanitary Sewer Supply System Rates and Charges. Rates and charges for services and use of the Sanitary Sewer System shall be as set forth below, provided that such rates and charges may be revised from time to time by ordinance of the City Council:

* * *

B. Commodity rate: All sewage disposal service shall be charged for on the basis of water consumed. The commodity rate shall be ~~four dollars and thirty cents (\$4.30)~~ four dollars and fifty cents (\$4.50) per thousand metered gallons.

* * *

F. Extra strength surcharges.

1. Any discharge of BOD between 300 mg/L and 490 mg/L may be charged at a rate of up to ~~\$0.40~~ \$0.15 per pound.

2. Any discharge of suspended solid between 300 mg/L and 70 mg/L may be charged at a rate of up to ~~\$0.20~~ \$0.30 per pound.

3. Any discharge of total phosphorus between 5.0 mg/L and 10 mg/L may be charged at a rate of up to ~~\$4.40~~ \$8.20 per pound.

4. Any discharge of ammonia nitrogen between 20 mg/L and 52 mg/L may be charged at a rate of up to ~~\$0.20~~ \$0.30 per pound.

Section 4. Effective Date. This Ordinance shall become effective upon its publication in the manner provided by law.

CITY OF IONIA

Dated: _____

BY: Mary Patrick, City Clerk

Resolution #2023-07 to Change the City of Ionia's Regular City Election Dates and Related Filings to Even-Numbered Years (VII-2)

Per Section 6.01 of Article VI of the City Charter, local City elections are currently conducted in November of each odd number year. This often results in the expense of a stand-alone election, rather than one paired with state and/or federal government candidates. To increase efficiencies, citizen participation and reduce expense, research was recently undertaken to determine what is required to change the local election cycle from odd to even years.

State election law (MCL 168.642(a)(4)) authorizes the City Council to change its regular election schedule to even-year elections from odd-year elections by adopting a resolution, first preceded by a public

hearing. This change cannot shorten the terms of current elected officials. Thus, if the resolution is approved, the election scheduled for this November 2023 would still be held according to current schedule. However, the next City election would not occur until November 2026. For those local officials elected in November 2023 (the Mayor plus one council member from each ward), their terms would continue for five years, rather than four years, until the next election in November 2028. Additionally, the Council Members who were last elected in 2021, whose term would otherwise expire at the end of December 2025 would continue to serve an additional year until the election in November 2026. To summarize how this change would affect those currently serving as City of Ionia Mayor and City Council members:

Local Elected Official	Election Date	Resulting Term Expiration
Mayor (currently Balice)	November 7, 2023	December 31, 2028
First Ward 1 (currently Videtich)	November 7, 2023	December 31, 2028
Second Ward 1 (currently Starr)	November 7, 2023	December 31, 2028
Third Ward 1 (currently Milewski)	November 7, 2023	December 31, 2028
Fourth Ward 1 (currently Gustafson)	November 7, 2023	December 31, 2028
First Ward 2 (currently Lee)	November 3, 2026	December 31, 2030
Second Ward 2 (currently Millard)	November 3, 2026	December 31, 2030
Third Ward 2 (currently Winters)	November 3, 2026	December 31, 2030
Fourth Ward 2 (currently Waterman)	November 3, 2026	December 31, 2030
City Clerk	November 3, 2026	December 31, 2030

Councilmember Lee made a motion, seconded by Councilmember Winters, to set a public hearing for **7:00 PM, Wednesday, June 7, 2023, at City Hall**, to receive comments on Resolution 2023-07, which would change local elections from odd to even numbered years, beginning with the election on November 3, 2026, as permitted by MCL 168.642(a)(4).

Roll Call Vote: AYES: Winters, Videtich, Lee, Millard, Gustafson, Waterman, and Milewski
 NAYS: None

MOTION CARRIED

Resolution No. 2023-07



CITY OF IONIA
COUNTY OF IONIA, MICHIGAN

A RESOLUTION TO CHANGE THE CITY OF IONIA’S REGULAR CITY ELECTION DATES AND RELATED FILINGS TO EVEN-NUMBERED YEARS

WHEREAS, the City of Ionia regularly conducts its City elections in November of each odd number year per Section 6.01 of Article VI of the City Charter; and

WHEREAS, at every other regular City odd-year November election the Mayor of the City is elected to a four-year term per Sections 2.02 and 2.03 of Article II of the City Charter; and

WHEREAS, at each regular City odd-year November election four City Council Members are elected to four-year staggered terms per Sections 2.02 of Article II of the City Charter; and

WHEREAS, MCL 168.642(a)(4), authorizes a city governing body which holds elections for city officers at the odd-year November election to change its regular election schedule for future years to even-year city November elections by the adoption of a resolution in compliance with the requirements of MCL 168.642, provided that the terms of the City's elected officers are not shortened and that those terms of elected city officers continue until their successors are elected and qualified at the next regular city election thereafter; and

WHEREAS, members of the Ionia City Council have determined that it is in the best interest of the City to enhance voter participation and to reduce City election expenses to provide for regular City elections in November of each even-number year with corresponding provision for the filing of candidate slates and qualified petitions and for continuing terms of four years for the Mayor and on a staggered basis for the eight City Council Members (four elected in each even-year November election), and

WHEREAS, the City Council has held a public hearing regarding this resolution pursuant to the published notice of the public hearing and in compliance with Michigan law.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Notwithstanding any City Charter provision to the contrary, and as authorized by MCL 168.642 and MCL 168.642a, the date of the regular City election is changed from the first Tuesday after the first Monday in November of each odd-numbered year to the first Tuesday after the first Monday in November of each even-numbered year, commencing with the regular City election in November of 2026, resulting in the last City regular odd-year November election being held on November 7, 2023. Consistent with this change in the election years, and notwithstanding any City Charter provision to the contrary, candidate slates (if any) will be filed on the first Tuesday after the first Monday in August of even-numbered years and qualifying petitions (if any) will be filed in accordance with the Michigan Election Law in even-numbered years for each year in which there is a City regular election.

2. The term of the Mayor duly elected at the odd-year November election this year (2023), which term would otherwise expire in December 2027, shall continue until his or her successor is elected and qualified in November 2028.

3. The term of the four Council Members duly elected at the odd-year November election this year (2023), which term would otherwise expire in December 2027, shall continue until their successors are elected and qualified in November 2028.

4. The terms of the four Council Members who were duly elected at the odd-year November election in 2021, which term would otherwise expire in December 2025, shall continue until their successors are elected and qualified in November 2026.

5. The City Clerk is hereby instructed to file a certified copy of this resolution with the County Clerk of Ionia County and the elections division of the Secretary of State of the State of Michigan and such other office(s) as required by law.

6. All resolutions and parts of resolutions in conflict herewith are repealed.

CITY OF IONIA

Dated: _____

BY: Mary Patrick, City Clerk

Resolution 2023-08 to Call & Refund Water & Sewer Improvement Bonds, Series 2015 (VII-3)

The City has partnered with Ionia County on multiple occasions, through its Board of Public Works, to issues various series of Water & Sewer Improvement Bonds. Given current market conditions, the City's municipal financial advisor, Bendzinski & Co. has alerted the City that it can likely save approximately \$227,460 in net interest expense by calling Series 2015 \$5,500,000 water and sewer improvement bonds. This assumes a true interest cost of 3.25%. If rates drop an additional 25 basis points, as is expected later this year, the City can likely save approximately \$335,100 in net interest expense.

Given the principal already paid to date and depending on exactly when the current bonds are refunded, it will be necessary to sell new bonds for a total refunding of approximately \$4,550,000 to \$4,635,000. It is expected the new bonds will be sold through negotiated placement with a coupon value of 3.93%. The estimated net present value savings as a percentage of the bonds refunded will range between 4.31 to 6.35%. As was the case with the original bond series, the refunding bonds will include the City's pledge of full faith and credit.

Councilmember Lee made a motion, seconded by Councilmember Winters, to postpone action on the issue until the June meeting when all members can be present.

Roll Call Vote: AYES: Winters, Videtich, Lee, Millard, Gustafson, Waterman, and Milewski
NAYS: None

MOTION CARRIED

Resolution 2023-08



**CITY OF IONIA
COUNTY OF IONIA, MICHIGAN**

**RESOLUTION APPROVING CONTRACT FOR WATER
AND SEWER REFUNDING BONDS**

A RESOLUTION TO APPROVE:

- Net Present Value Savings through refunding the County of Ionia Water and Sewer Improvement Bonds (City of Ionia) Series 2015.

WHEREAS, the County of Ionia (the “County”), pursuant to the authority conferred upon it by Act 185, Public Acts of Michigan, 1957, as amended (“Act 185”) has previously established a Board of Public Works (the “Board of Public Works”); and

WHEREAS, the County issued its Water and Sewer Improvement Bonds (City of Ionia), Series 2015 (Limited Tax General Obligation), dated as of June 2, 2015 (the “Prior Bonds”) for the purpose of providing funds to pay the costs of water and sewer system improvements within the City of Ionia (the “City”) as a part of the Ionia County Water Supply and Sewer System (City of Ionia) (the “System”); and

WHEREAS, the Prior Bonds are payable primarily from the proceeds of contractual payments paid by the City to the Board of Public Works, acting for and on behalf of the County, pursuant to a contract between the County and the City dated April 13, 2015 (the “2015 Contract”); and

WHEREAS, Bendzinski & Co., Municipal Finance Advisors (the “Municipal Advisors”) has advised the County and the City that the current conditions in the bond market could permit all or a portion of the Prior Bonds to be refunded at a significant savings; and

WHEREAS, a Refunding Contract to supplement the 2015 Contract (the “Refunding Contract”) has been prepared providing for the issuance by the County of refunding bonds (the “Refunding Bonds”); and

WHEREAS, under the Refunding Contract, in the event any Refunding Bonds are issued, the duties and obligations of the County and the City as expressed and set forth in the 2015 Contract shall be applicable to such Refunding Bonds as well as the Prior Bonds, it being at all times fully recognized and agreed that the payments to be paid by the City shall be based upon the total amount of bonds issued to finance or refinance the costs of the project financed thereby; and

WHEREAS, it is the determination and judgment of the City that the Prior Bonds should be refunded to secure for the City the interest savings anticipated and thereby permit the operation of the System in a more economical fashion for the benefit of the users of the System and the taxpayers of the City.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Refunding Contract attached hereto in full and made a part of this resolution is hereby approved effective as of the date of delivery of the Refunding Bonds. The Mayor and City Clerk are authorized and directed to execute the Refunding Contract for and on behalf of the City with such changes and insertions in consultation with bond counsel as may be necessary or desirable to effectuate the sale and delivery of the Refunding Bonds by the County, permitted by law, and not materially adverse to the City.
2. The Refunding Contract will become effective and binding upon the approval thereof by resolution of the Board of Commissioners of the County and execution thereof for the County by the Board of Public Works and delivery of the Refunding Bonds.

3. If savings result, the City requests the County to sell the Refunding Bonds in the principal amount of not-to-exceed \$5,500,000.
4. The City does hereby ratify and confirm its covenant in the 2015 Contract as supplemented by the Refunding Contract to levy ad valorem taxes against all taxable property in the City to the extent necessary to meet the obligations of the City thereunder and does further indicate its purpose and intent to make such a levy as necessary to meet such obligations, such levy, if necessary, to be within charter, statutory and constitutional limitations. The City hereby requests that the County pledge its full faith and credit as secondary security for Refunding Bonds as provided under the provisions of Act 185, Public Acts of Michigan, 1957, as amended.
5. The City and all agents and employees shall cooperate with the County and the Board of Public Works to the end that the Refunding Bonds may be issued as promptly as possible as described in this resolution.
6. The Mayor, the City Clerk and the City Manager each is hereby severally authorized to execute on behalf of the City any closing document or certificate as may be required by the County or the purchaser of the Refunding Bonds. The City hereby covenants to take all action within its control to the extent permitted by law necessary to maintain the exclusion of the interest on the Refunding Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings and expenditure and investment of proceeds of the Refunding Bonds and moneys deemed to be proceeds of the Refunding Bonds.
7. The Mayor, the City Clerk, the City Manager and the City Finance Director is each individually hereby authorized and directed to approve the circulation of a preliminary official statement and a final official statement describing the Refunding Bonds and to execute a final official statement on behalf of the City.
8. In order to enable underwriters to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City hereby agrees to undertake Continuing Disclosure.
9. The City requests that Bendzinski & Co., Registered Municipal Advisors, continue to serve as Municipal Advisor for the Refunding Bonds.
10. The City requests that Miller, Canfield, Paddock and Stone, P.L.C. continue to serve as bond counsel for the Refunding Bonds. The City acknowledges that Miller, Canfield represents many municipal bond underwriters, banks, and financial institutions in connection with matters unrelated to issuance of the Refunding Bonds.
11. The City hereby designates the Refunding Bonds as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code of 1986, as amended.
12. The Mayor, City Manager, City Clerk, and Finance Director and any other officers, administrators, agents and attorneys of the City are authorized and directed to execute and deliver on behalf of the City all other agreements, documents and certificates and to take all

other actions as may be required by the County or the purchaser of the Refunding Bonds, or as they may deem necessary or appropriate to provide for the issuance, sale, and delivery of the Refunding Bonds, and to pay costs of issuance including but not limited to transfer and escrow agent fees, municipal advisor fees, bond counsel fees, fees of the verification agent, any other costs necessary to accomplish sale and delivery of the Refunding Bonds and payment of the Refunding Bonds to be refunded, and any costs incurred by the County and/or the Board of Public Works related to the Refunding Bonds in accordance with the County's policies for projects funded with County assistance.

13. All resolutions and parts of resolutions insofar as the same conflict with the provisions of this resolution are hereby rescinded.

CITY OF IONIA

Dated: _____

BY: Mary Patrick, City Clerk

REFUNDING CONTRACT TO SUPPLEMENT THE
CONTRACT PROVIDING FOR ISSUANCE OF
IONIA COUNTY WATER AND SEWER IMPROVEMENT BONDS
(CITY OF IONIA) SERIES 2015

THIS REFUNDING CONTRACT is made and entered into as of _____, 2023 by and between the COUNTY OF IONIA, a Michigan county (the "COUNTY"), party of the first part, and the CITY OF IONIA (the "CITY"), a Michigan home rule city located in the COUNTY (the "CITY"), party of the second part, and supplements the CONTRACT PROVIDING FOR ISSUANCE OF IONIA COUNTY WATER AND SEWER IMPROVEMENT BONDS (CITY OF IONIA) (LIMITED TAX GENERAL OBLIGATION) dated April 13, 2015 (the "Contract").

WITNESSETH:

WHEREAS, the COUNTY acting by and through its Board of Public Works (the "BPW"), and the CITY have previously entered into the Contract as permitted under the provisions of Act 185, Public Acts of Michigan, 1957, as amended (the "Act"), and pursuant to the Contract, the COUNTY issued its Water and Sewer Improvement Bonds (City of Ionia) Series 2015 (Limited Tax General Obligation) dated June 2, 2015 (the "2015 Bonds") to provide funds to pay the costs of water supply and sanitary sewer system improvements within the CITY (collectively, the "Project") as a part of the Ionia County Water Supply and Sewer System (City of Ionia) (the "System"); and

WHEREAS, Bendzinski & Co., Registered Municipal Advisors with the Municipal Securities Rulemaking Board, has advised the COUNTY and the CITY that the current conditions in the bond market could permit all or a portion of the outstanding 2015 Bonds to be refunded at a significant savings; and

WHEREAS, the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended, authorizes the COUNTY to refund all or any part of its outstanding bonds by issuing refunding bonds; and

WHEREAS, it is the determination and judgment of the COUNTY and the CITY that the COUNTY should issue refunding Bonds to be designated as the Water and Sewer Refunding Bonds (City of Ionia), Series [year] (Limited Tax General Obligation) (the "Refunding Bonds") in order to

refund all or a portion of the 2015 Bonds and secure for the CITY the interest savings anticipated and thereby permit the operation of the System in a more economical fashion for the benefit of the users of the System and the taxpayers of the CITY; and

NOW, THEREFORE, in consideration of the premises and the covenants of each other, the parties hereto agree to supplement the Contract as follows in order to provide for the issuance of the Refunding Bonds.

1. All terms not defined herein shall have the meanings set forth in the Contract. All provisions of the Contract not inconsistent herewith, and particularly all covenants made by the City therein relative to the payment of and security for the 2015 Bonds shall remain in full force and effect and shall apply with equal effect to the Refunding Bonds authorized hereby, it being understood that upon issuance of the Refunding Bonds, all or a portion of the 2015 Bonds will be redeemed by purchase and the Refunding Bonds shall be substituted therefor and shall be outstanding in their place and stead.

2. In the event that it becomes possible to accomplish a net savings of debt service costs, and consequently the payments payable by the CITY under the Contract, through the issuance of the Refunding Bonds, the COUNTY shall be authorized to issue the Refunding Bonds, and the aggregate payments to be paid by the CITY under the Contract, including but not limited to Section 9 of the Contract, shall automatically be decreased to equal an amount sufficient to pay all principal of and interest on the 2015 Bonds which remain outstanding, if any, and the Refunding Bonds when due. In the event any Refunding Bonds are issued, the duties, obligations of the COUNTY and the CITY as expressed and set forth in the Contract shall be applicable to such Refunding Bonds, it being at all times fully recognized and agreed that the payments to be paid by the CITY, as specified in Section 9 of the Contract, shall be based upon the total amount of Bonds issued to finance or refinance the costs of the Project. Any such Refunding Bonds shall mature on such dates as may be provided by the resolutions authorizing issuance and sale of the Refunding Bonds, and the payments shall be adjusted as necessary to pay the principal of such Refunding Bonds plus the interest thereon. All of the provisions of this Contract shall be applicable to the adjusted amounts. Immediately upon the issuance of such Refunding Bonds, the COUNTY shall furnish and supply to the CITY documentation specifying the new schedule of Bond payments, adjusted as herein authorized, which shall be substituted and take the place of the schedules specified in Section 9 of the Contract.

From time to time as the COUNTY is billed by the registrar/ transfer/ paying agent for the Refunding Bonds for their services, the COUNTY shall notify the CITY of the amount of such fees, costs and expenses, and the CITY shall, within thirty (30) days from such notification, remit to the COUNTY sufficient funds to pay such amounts. Further, the CITY shall pay to the COUNTY (a) additional sums, if any, due and owing on the Refunding Bonds at such times and in such manner as shall be required by the terms of the Refunding Bonds, and (b) amounts to reimburse the COUNTY and/or the BPW related to the Refunding Bonds in accordance with the COUNTY'S policies for projects funded with COUNTY assistance, which amounts shall be paid by the CITY to the COUNTY within thirty (30) days of notification of such costs by the COUNTY or the BPW.

Failure of the COUNTY to notify the CITY of any payment described in the Contract, as amended and supplemented, shall not relieve the CITY of the obligation to make such payment.

If any principal installment or interest is not paid when due, the amount not so paid shall be subject to a penalty, in addition to interest at the rate payable on the Refunding Bonds, which continues to accrue on any unpaid principal installment, of one percent (1%) thereof for each month or fraction thereof that the same remains unpaid after the due date.

3. The CITY hereby affirms its irrevocable pledge made under Section 10 of the Contract, pursuant to authorization of Section 12 of the Act, of its full faith and credit for the prompt and timely payment of its obligations pledged for Bond payments as expressed in the Contract, as amended and supplemented. Pursuant to such pledge, if other funds are not available, the CITY shall be required to pay such amounts from any of its general funds as a first budget obligation and shall each year levy an ad valorem tax on all the taxable property in the CITY in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay such obligations under the Contract, as amended and supplemented, becoming due before the time of the following year's tax collections, such annual levy, however, to be subject to applicable charter, statutory and constitutional tax limitations. The foregoing commitments of the CITY are expressly recognized as being for the purpose of providing funds to meet the contractual obligations of the CITY in anticipation of which the 2015 Bonds and the Refunding Bonds were issued to finance or refinance the costs of the Project. Nothing herein contained shall be construed to prevent the CITY from using any, or any combination of, the means and methods provided in paragraph 2, Section 12 of the Act for the purpose of providing funds to meet its obligations under the Contract, as amended and supplemented, and if at the time of making the annual tax levy there shall be other funds on hand earmarked and set aside for the payment of the contractual obligation due prior to the next tax collection period, then such annual tax levy may be reduced by such amount.

4. The CITY hereby affirms its agreement made in Section 13 of the Contract that, in the event the CITY shall fail for any reason to pay to the COUNTY at the times specified the amounts required to be paid by the provisions of the Contract, as amended and supplemented, the COUNTY shall immediately give notice of such default and the amount thereof, in writing, to the CITY Treasurer, the Treasurer of the COUNTY, the Treasurer of the State of Michigan, and such other officials charged with disbursement to the CITY of funds returned by the State and now or hereafter under the Act available for pledge as provided in this section and in Section 17 of the Act, and if such default is not corrected within ten (10) days after such notification, the State Treasurer, or other appropriate official charged with disbursement to the CITY of the aforesaid funds, is, by these presents, specifically authorized by the CITY, to the extent permitted by law, to withhold from the aforesaid funds of the CITY the maximum amount necessary to cure said deficit and to pay said sums so withheld to the COUNTY, to apply on the obligations of the CITY as herein set forth. Any such moneys so withheld and paid shall be considered to have been paid to the CITY within the meaning of the Michigan Constitution and statutes, the purpose of this provision being to voluntarily pledge and authorize the use of said funds owing to the CITY to meet any past-due obligations of the CITY due under the provisions of the Contract, as amended and supplemented. In addition to the foregoing, the COUNTY shall have all other rights and remedies provided by law to enforce the obligations of the CITY to make its payments in the manner and at the times required by the Contract, as amended and supplemented, including the right of the COUNTY to direct the CITY to make a tax levy or rate increase to reimburse the COUNTY for any funds advanced. The CITY will not take any action to reduce the right of the COUNTY to receive the aforesaid state-returned moneys in the event of default.

It is specifically recognized by the CITY that the debt service payments required to be made by the CITY pursuant to the terms of the Contract, as amended and supplemented, are to be pledged for and used to pay the principal of and interest on the 2015 Bonds and the Refunding Bonds issued by the COUNTY to finance or refinance the Project, and authorized by law, and the CITY covenants and agrees that it will make all required payments to the COUNTY promptly and at the times specified herein without regard to whether the Project is actually completed or placed in operation.

5. All provisions of the Contract shall remain in full force and effect, except as otherwise modified by this Refunding Contract. All terms used in this Refunding Contract shall have the same meaning given thereto in the Contract except as otherwise provided in this Refunding contract.

6. This Refunding Contract shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

7 This Refunding Contract shall become effective upon approval by the City Council of the CITY, by the BOARD OF PUBLIC WORKS of the COUNTY and by the Board of Commissioners of the COUNTY, and when duly executed by the Mayor and Clerk of the CITY, and by the Chairman and Secretary of the BOARD OF PUBLIC WORKS for and on behalf of the COUNTY, and delivery of the Refunding Bonds. This Refunding Contract may be executed in several counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date and year first above written.

COUNTY OF IONIA
By its BOARD OF PUBLIC WORKS

By _____
Its Chairman

By _____
Its Secretary

CITY OF IONIA

By _____
Its Mayor

By _____
Its City Clerk

Hall Street Reconstruction Project Bid Award (VII-4)

Plans and specifications were recently prepared by the City’s engineering firm of record, Fishbeck, to completely reconstruct Hall Street, including all underground utilities. Hall Street is approximately 0.2 miles in length and located between Lincoln Street (M-21) and Forest Street. Bids were publicly opened on Friday, April 28 at 10 AM and yielded the following results:

Bidder	Location	Bid Amount
CL Trucking	Ionia MI	\$929,940.01
Montgomery Excavating	Ionia MI	\$932,603.00

Following the bid opening, a thorough review of the apparent low bid was conducted by Fishbeck and determined to be accurate and complete. The engineer’s estimate for this project was \$934,984.

Councilmember Millard made a motion, seconded by Councilmember Winters, to approve the proposal from CL Trucking of Ionia, MI in the amount of \$929,940.01 for the Hall Street reconstruction project.

Roll Call Vote: AYES: Winters, Videtich, Lee, Millard, Gustafson, Waterman, and Milewski
NAYS: None

MOTION CARRIED

VIII. APPOINTMENTS

None.

IX. CITY DEPARTMENT REPORTS & MINUTES FROM BOARDS & COMMISSIONS

Reports provided to Council.

X. CITY COUNCILMEMBER COMMENTS/GOOD OF THE ORDER

Gustafson: Commended City Manager Garland on completion of the budget and an excellent presentation.

Tom Millard: (1) Also commended Garland on the hard work involved in completing the budget and presentation. (2) The Ionia Theater has achieved 30 years since being saved by the community and many volunteers. Manager Gary Ferguson has done an amazing job while dealing with supply chain issues and locating difficult to find projector parts in order to keep things running. Some things are at the end of their useful life and will need to be replaced so a price increase will be necessary in the near future. (3) The Ionia Free Fair Parade will have a time change this year to begin at 11:30. This will better coincide with the Fair opening time so that parade attendees can go directly there following the parade.

John Milewski: (1) Seeing the senior banners placed throughout downtown is heartwarming. (2) The Community Awards went very well and had great attendance. (3) This week will be the first “Thursday on the Bricks” of 2023.

XI. CLOSED SESSION

None.

XII. ADJOURNMENT

A motion was made by Councilmember Winters, seconded by Councilmember Millard, to adjourn the meeting. MOTION CARRIED BY VOICE VOTE. The meeting was adjourned at 7:38 PM.

Submitted by:

Mary Patrick, Ionia City Clerk