



# CITY OF IONIA

## CITY COUNCIL REGULAR MEETING MINUTES 7:00 PM, August 2, 2022 CITY HALL COUNCIL CHAMBERS

### **CALL TO ORDER**

Mayor Dan Balice called the regular meeting of City Council to order at 7:00 PM and led with the Pledge of Allegiance.

### **ROLL CALL**

Roll call revealed a Quorum with Councilmembers John Milewski, Jeff Winters, Gordon Kelley, Tim Lee, Richard Starr, Janice Gustafson, Troy Waterman, and Mayor Dan Balice present. Mayor Balice noted that Clerk Patrick was at the Primary Election site. Councilmember Gustafson made a motion, seconded by Councilmember Waterman, to excuse Clerk Patrick from the meeting. Motion approved by voice vote. Councilmember Millard arrived to the meeting at 7:03 PM.

### **APPROVAL OF COUNCIL MINUTES – July 5, 2022, Regular Meeting Minutes**

It was moved by Councilmember Starr, seconded by Councilmember Winters, to approve the July 5, 2022, regular meeting minutes as presented.

Roll Call Vote:       Ayes: Milewski, Winters, Kelley, Lee, Starr, Gustafson, Waterman, and Balice  
                              Nays: None

MOTION CARRIED

### **APPROVAL OF AGENDA**

Councilmember Kelley made a motion, seconded by Councilmember Milewski, to approve the agenda. Motion approved by voice vote.

### **PROCLAMATIONS**

Mayor Balice read the “Proclamation Honoring Chris A. Kenyon” for his years of service to the City of Ionia, citing numerous awards Kenyon received during his 43-year career. In his honor, the Ionia Waste Water Treatment Facility currently known as the Wayne F. Kenyon Building has been renamed the Wayne E. and Chris A. Kenyon Building. Kenyon thanked the Ionia City Council for their belief in him, and that it was an honor to serve the Council and the Ionia Community. He also acknowledged the role his mentors played in his life, and the people that work with him and continue to serve the City.

### **PUBLIC HEARINGS & ASSOCIATED ACTIONS**

None.



MOTION CARRIED

**Water System Reliability Study (NB#3)**

The City of Ionia Utilities Department recently underwent a water system sanitary survey, conducted by the Michigan Department of Environment, Great Lakes and Energy. No deficiencies were noted, but three recommendations were made, one of which included updating the City’s Water System Reliability Study. State statute requires this study be updated every five years and ours was last updated in 2014. COVID-19 had a role in delaying this renewal process. The due date for updating the plan is now November 30, 2022.

Fishbeck Engineering is the city’s long-standing engineer of record for Utilities Department projects and it prepared the City’s first Water System Reliability Study in 2006 and updated it in 2014. Given Fishbeck’s extensive knowledge and experience with the department, a proposal was solicited to prepare the required Water System Reliability Study update. The proposed not-to-exceed fee for this project is \$29,800 and includes an estimated 275 hours to complete, roughly broken down as follows, by task:

<b>Task</b>	<b>Fee</b>	<b>Hours</b>
Historical Information Gathering	\$ 1,970	18
Demand Projections	\$ 1,990	18
Model Setup	\$ 6,590	61
Model Calibration	\$ 6,710	62
Modeling Analysis	\$ 4,190	39
Capital Improvement Plan	\$ 3,650	34
Report Writing	\$ 4,700	43
<b>TOTAL</b>	<b>\$29,800</b>	<b>275</b>

Councilmember Kelley made a motion, seconded by Councilmember Millard, to approve the proposal from Fishbeck of Grand Rapids, MI, for \$29,800 to update the City’s Water System Reliability Study.

Roll Call Vote:       Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
                              Nays: None

MOTION CARRIED

**Well #15 Repair (NB#4)**

During recent well maintenance and cleaning of City Well #15, it was discovered that the well casing, where it joins via weld with the screen is cracked and failing. This well is approximately 180 feet deep and was developed in 1997, making it 25 years old and nearing the end of its expected life. There are two options for repairing a well in this condition, depending on the severity of the casing failure. The first option is to insert a liner down to the existing screen; the second is to dig a completely new well nearby the existing one, transferring the pump and other related equipment.

After a more thorough evaluation of well #15, which included viewing the casing damage via a camera inserted into the well and determining the degree of casing verticality, it was determined that a ten-inch liner can be inserted into the well casing. This is somewhat narrower than the existing casing and provides a necessary buffer for the slight, less-than-absolute vertical path of the existing casing. A

new, smaller eight-inch pump will also be necessary to accommodate this repair and the existing pump will be saved for future use at any of the other city wells. The smaller pump will still maintain the wells pumping capacity at 860 GPM. Given the high demand for water at this time of year, it was determined repair of Well #15 constituted an emergency requiring immediate purchase approval, as described in Section 212.07 Emergency Purchases of Part Two, Administrative Code of the Codified Ordinances of the City of Ionia.

Peerless Midwest, the well maintenance contractor, performed the necessary installation work to repair Well #15 in accordance with the pricing stated in the current professional services and maintenance agreement. The actual total cost to conduct this repair is not yet known, but estimated between \$60,000 to \$75,000 and will be paid from the Water Fund.

Councilmember Lee made a motion, seconded by Councilmember Winters, to accept the detailed report provided in this communication, which explains the emergency purchase made to repair City Well #15.

Roll Call Vote:           Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
                                  Nays: None

MOTION CARRIED

**Change Order – Jones/Morse Streets Project (NB#5)**

The City of Ionia approved the low bid from CL Trucking at its February 2022, meeting to completely reconstruct portions of Jones and Morse Streets. The original contract was approved for \$1,772,531.26. Change orders occur often with a project of this scope and reflect price adjustments for changes in materials and labor caused by to over-estimates, under-estimates, unknowns, and/or changes in project scope.

So far with this project, there have been a few minor adjustments (reflected in Change Order #1), which added \$7,303, or 0.4% to the original contract due to repairs and an additional tree removal. A second change order (Change Order #2) is now proposed, with an increased contract value of \$69,891.50 or 3.9%, due to more curb and gutter removal and replacement than was originally anticipated, plus six partial and full valve box replacements. If approved, the new contract value will be \$1,842,422.76.

Original Contract	\$1,772,531.26
Change Order #1	7,303.00
Change Order #2	<u>62,588.50</u>
Current Contract	\$1,842,422.76

At present, there are estimated cost savings around \$46,000, related to smaller quantities than necessary for completed items, but savings will not be figured into the contract value until the project is complete and final payment is tabulated.

Councilmember Millard made a motion, seconded by Councilmember Winters, to approve Change Orders #1 at \$7,303 and #2 at \$62,588.50 to increase the contract with CL Trucking for the Jones/Morse Streets Project to \$1,842,422.76.

Roll Call Vote: Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
Nays: None

MOTION CARRIED

**Resolution 2022-09 to Approve Sale of Orchard View Industrial Park Property (NB#6)**

Recently the City was contacted by David Powell, CEO/Owner of Enwork, which is a manufacturer of worksurface furnishings, including tables, benches, desks, seating, and support furniture. Enwork currently operates a manufacturing facility established in 2004 in Vergennes Township, north of Lowell, MI, and employs 130 people. In 2020, this facility was expanded to 125,000 sq. ft., leaving no more room for future growth. Enwork's revenues currently exceed \$75 million annually, and significant business growth continues, which led Mr. Powell to consider the former Volcor building (22,704 sq. ft.) at 510 Apple Tree Drive (three acres) in Ionia, MI as a potential second Enwork manufacturing location.

In addition to proffering a purchase offer on the former Volcor Building to enable future growth, Mr. Powell presented the City with an offer to purchase the vacant industrial lots located immediately east and west of the building. These lots are commonly known as 500 and 520 Apple Tree Drive and each contain approximately three acres. Assuming he is successful in acquiring all properties, work would immediately ensue to add approximately \$1.5 to \$2 million in new equipment to the existing facility, along with approximately \$150,000 in improvements, targeting occupancy by November 15. Approximately 15 to 25 people would be employed at this site, with pay rates averaging \$18 - \$22 per hour, plus two to three salaried positions. While he cannot guarantee expansion in 2023, he indicated there is a reasonable chance he may add 24,000 sq. ft. of new building space around that timeline or later, which would result in ten additional jobs.

**Purchase Offer:**

The basic financial terms of the Agreement are as follows:

- 500 and 520 Apple Tree Drive (six acres total) – City to sell land to Buyer for \$157,200 (\$26,200 per acre)
- City to reimburse Buyer one-half the cost, up to \$5,000, of a land survey of both lots, deducted from purchase offer at time of closing
- City to reimburse Buyer one-half the cost, up to \$6,000, of a Phase I Environmental Site Assessment of both lots, deducted at time of closing
- City to transfer license agreement for encroaching access drive on 500 Apple Tree Drive caused by the neighboring parcel, 480 Apple Tree Drive and credit the \$1,000 license charge, deducted at time of closing
- City shall provide the Buyer standard title insurance at City's expense
- City and Buyer shall share equally in any closing fee charged by the title company
- City shall consider Buyer's submission of an Industrial Facilities Tax (IFT) exemption application at a later date, in accordance with applicable City ordinances and policy.

The proposed Buy/Sell Agreement with Addendum have been reviewed by the City Attorney and found to be in order. The City Attorney has prepared the following resolution #2022-09, for adoption by the City Council, should it wish to approve sale of 500 and 520 Apple Tree Drive to David Powell of the Anney Group, LLC for the terms and conditions as described therein.

Councilmember Kelley made a motion, seconded by Councilmember Starr, to adopt Resolution #2022-09, which would approve the sale of 500 and 520 Apple Tree Drive to the Annecy Group, LLC, for the terms and conditions described in the respective Buy/Sell Agreement with Addendum.

Roll Call Vote: Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
Nays: None  
MOTION CARRIED

**IONIA CITY COUNCIL  
RESOLUTION**

**A RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY KNOWN AS 500 AND 520  
APPLE TREE DRIVE, IONIA, MI 48846**

WHEREAS, the City of Ionia holds title to two parcels of real property known by the postal addresses of 500 and 520 Apple Tree Drive, Ionia, MI 48846 with the Parcel ID#s: 34-204-600-000-050-07 and 34-204-600-000-050-05 (the “Apple Tree Parcels”). An aerial map depicting the Apple Tree Parcels is attached hereto as Exhibit A; and

WHEREAS, the City has received an offer to purchase the Apple Tree Parcels, which is attached to this resolution as Exhibit B (the “Purchase Agreement”) along with accompanying addenda; and

WHEREAS, the City wishes to accept the offer to purchase and enter into a binding agreement to sell the Apple Tree Parcels on the terms and conditions of the Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED:

1. The Mayor and City Clerk are authorized and directed, on behalf of the City, in accordance with the terms of this Resolution, to enter into the Purchase Agreement and accompanying addenda.
2. The Mayor and City Clerk are authorized and directed, on behalf of the City, and in consultation with the City Attorney, to enter into any agreements and execute any other documents necessary to effectuate the sale of the Apple Tree Parcels.
3. The execution of the Purchase Agreement, the execution of any amendments to the Agreement, and any other action taken pursuant to this Resolution, must be consistent substantively and procedurally with all parts of this Resolution.
4. The execution of the Agreement, amendments to the Agreement, and any related documents intended to legally bind the City must be done jointly by the Mayor and the City Clerk.
5. The City Manager and City Attorney are authorized to expend sums and take all actions reasonably necessary to effectuate the Agreement including undertaking due diligence, and acquiring on behalf of the City the necessary title work, surveys, and similar matters.



Councilmember Starr made a motion, seconded by Councilmember Millard, to allow Joe Lafler to retain his current MERS B-4 Defined Benefit Plan with 55/25 rider while continuing his employment with the City of Ionia as Director of Utilities.

Roll Call Vote: Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
Nays: None

MOTION CARRIED

**Resolution 2022-10 to Approve Michigan Natural Resources Trust Fund (MNRTF) Development Project Agreement #TF21-0038, Regarding Fred Thwaites Grand River Trail Reconstruction Project (NB#9)**

Recently the City was notified its grant application to the MNRTF for the Fred Thwaites Grand River Trail Reconstruction Project was approved for funding. The total expected project cost is \$540,000, using \$300,000 in grant funds and \$240,000 of City local matching funds. The project will renovate 3.2 miles of the Fred Thwaites Grand River Trail, which generally follows the river from the Ionia Free Fair Grounds to Quarry Road. In addition to repaving the existing trail, the project will improve the Cleveland Street trailhead, to include parking lot paving, benches, picnic tables, a trailhead kiosk, and portable restroom enclosure.

In order to proceed with the project, it is necessary for the Ionia City Council to officially approve the proposed grant agreement, by adopting Resolution #2022-10. Once approved, project design and engineering would ensue, enabling bid solicitation this fall and the start of construction next spring.

Councilmember Gustafson made a motion, seconded by Councilmember Milewski, to adopt Resolution #2022-10, which would approve the MNRTF Development Project Agreement #TF21-0038 for the Fred Thwaites Grand River Trail Reconstruction Project. Mayor Balice acknowledged Representative Julie Calley for her help in obtaining the project funding.

Roll Call Vote: Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
Nays: None

MOTION CARRIED

Resolution No. 2022-10

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

At a regular meeting of the City Council of the City of Ionia, held at the Ionia City Hall, 114 North Kidd Street, Ionia, Michigan, on the 2nd day of August, 2022, at 7:00 p.m.

**RESOLUTION TO APPROVE MICHIGAN NATURAL RESOURCES TRUST FUND  
DEVELOPMENT PROJECT AGREEMENT #TF21-0038, REGARDING THE FRED  
THWAITES GRAND RIVER TRAIL RECONSTRUCTION PROJECT**



City Council has rezoned a significant group of parcels over the past few years. The official City Zoning Map is dated 2017 and does not reflect the most recent changes adopted by City Council. As parcels have been rezoned, ordinance language was included to amend the official zoning map.

Below is list of all rezoning actions approved via ordinance by City Council since 2017.

<b>Year</b>	<b>Property Address</b>	<b>Previous Zoning</b>	<b>New Zoning</b>
2017	703 W. Lincoln Ave.	R-1, One Family Residential	B-3, General Business District
2017	471 & 475 N. State St.	R-1, One Family Residential	B-3, General Business District
2021	PPN: 204-600-000-050-07	Ionia Springs PUD	L-1, Light Industrial District
2021	533 E. Washington St.	R-1, One Family Residential	PUD 3 – AC Development
2021	500 Skyview Dr.	B-1, Neighborhood Business District	R-2, One Family Residential
2022	715 W. Lincoln Ave.	R-1, One Family Residential	B-3, General Business District
2022	77 Parcels Near E. Main St.	R-1, One Family Residential	R-2, One Family Residential

Councilmember Winters made a motion, seconded by Councilmember Millard, to accept the revised zoning map which incorporates the previously approved zoning actions. The Mayor and City Clerk will sign and date the new map based on the last Council approved zoning map amendment from July 5, 2022.

Roll Call Vote:       Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson, Waterman, and Balice  
                               Nays: None

**MOTION CARRIED**

**CLOSED SESSION**

None

**MAYOR AND COUNCILMEMBER COMMENTS**

**Mayor Balice:** (1) While the final numbers are not in, the 2022 Ionia Free Fair had great crowds. Repairs and deferred maintenance of the grounds and buildings are in process and will continue as revenues allow. Fundraisers are being held to repair the Floral Building, and Linda Curtis has done an exceptional job of identifying sponsors for fair activities. The Fair wasn't held in 2020 and has survived many adverse circumstances due to community effort and the many ways the Fair Board pitched in. (2) COVID-19 proved to be challenging to the Sparrow Hospital system, particularly economically. However, Sparrow made the decision early on to take care of people that needed it, and worry about the economics later. While that time has arrived, Sparrow Ionia's metrics and patient satisfaction continue to be outstanding.

**Troy Waterman:** (1) Glad to see the Ionia Free Fair do so well, and noticed the large number of people attending Free Stage events. Very appreciative of the presence and amount of time spent by Public Safety at the Fair. (2) Happy to see that El Mariachi Restaurant seems to be doing very well at its new downtown location on Main Street.

**Janice Gustafson:** The Fair Parade was good and attended by a great crowd.

**Tom Millard:** (1) Echoed everything good already said about the Fair, and that he especially enjoyed the extra-large tent put up for the Free Stage events. (2) The Three Jokers Car Show will be held Saturday, August 13, at the fairgrounds followed by a downtown cruise. (3) Turnout at today's election has been steady all day with many absentee ballots. The City Clerk and Assistant to the City Manager have worked very hard.

**Richard Starr:** A big thank you to all the election workers.

**Tim Lee:** Welcomed Joe Lafler to the team and congratulated him on his promotion. Thanked Public Safety for their work at the Fair, the department directors for keeping Ionia running well, and Precia Garland for her leadership.

**John Milewski:** Thanks to Public Safety for their work at the Fair.

### **ADJOURNMENT**

A motion was made by Councilmember Lee, seconded by Councilmember Starr, to adjourn the meeting. MOTION CARRIED BY VOICE VOTE. The meeting was adjourned at 8:26 PM.

Submitted by:

Mary Patrick, Ionia City Clerk