



**CITY OF IONIA**  
CITY COUNCIL  
REGULAR MEETING MINUTES  
7:00 PM, JUNE 1, 2021  
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 Councilmembers John Milewski, Jeff Winters, Gordon Kelley, Tim Lee, Richard Starr, Tom Millard, Troy Waterman and Mayor Dan Balice present. Councilmember Janice Gustafson was absent.

**PUBLIC HEARINGS**

Mayor Balice opened the public hearing to receive comments on Ordinance No. 550, which codifies ordinances adopted since December 31, 2019 into the City Code; Ordinance No. 551 which amends Section 214.05 Subsection (C) (2) (A) pertaining to Sanitary Sewer System Rates and Charges; and to receive comments on the proposed Fiscal Year 2021-22 City of Ionia Budget to approve or reject Resolution 2021-04; a Resolution adopting the FY2021-22 budget for all City Funds and setting millage rates to support said budget.

**APPROVAL OF MINUTES**

It was moved by Councilmember Winters, seconded by Councilmember Waterman to approve the May 4, 2021 regular meeting minutes and the May 25, 2021 special meeting minutes.

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

**NEW BUSINESS**

**Approve- Public Hearing and Second Reading Ordinance No. 550- Codification**

As reported by the City Manager, annually, staff has the City's codifier codify the ordinances enacted by City Council covering approximately the previous year's period. Ordinances enacted by Council since December 31, 2019 need to be codified.

It was moved by Councilmember Milewski, seconded by Councilmember Millard to consider an introduction and first reading of Ordinance No. 550, which will codify the ordinances adopted by

the City Council since December 31, 2019 and to schedule a Public Hearing regarding the proposed ordinance for 7:00 PM, Tuesday, June 1, 2021 at Ionia City Hall.

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

**Approve – Public Hearing & Second Reading – Ordinance No. 551 – Sanitary Sewer System Rates and Charges**

As stated by the City Manager, the FY22 budget proposes an increase in the sanitary sewer system facilities maintenance charge and the commodity charge. The facilities maintenance charge is intended to offset a portion of the cost of retiring outstanding debt issued to complete improvements to the sanitary sewer system, while the commodity charge is intended to cover the cost of collecting and treating sewerage from customers and a portion of debt.

The current quarterly sanitary sewer facilities maintenance charge is \$44.00 per residential equivalent unit (REU) per quarter. The charge is proposed to be increased by \$2.00 per REU per quarter for a new charge of \$46.00. The increase will assist in offsetting the increase in capital projects related to maintaining the system. The current water commodity charge is \$4.00 per 1,000 metered gallons. This charge is proposed to be increased by \$0.20 per 1,000 gallons for a new charge of \$4.20 per 1,000 metered gallons. Traditionally utility rate increases have taken effect with the July 1<sup>st</sup> utility billing.

Considering the proposed water system fee increases and also considering that the cash reserves in the water fund are currently adequate, no changes are proposed to the water facilities maintenance charge or commodity charge to support the FY22 budget.

It was moved by Councilmember Winters, seconded by Councilmember Starr to consider an introduction and first reading of Ordinance No. 551, an ordinance to revise certain sanitary sewer utility system rates and charges contained in Chapter 214 of the City Code and to schedule a Public Hearing regarding the proposed ordinance for 7:00 PM, Tuesday, June 1, 2021 at Ionia City Hall.

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

**Approve – Public Hearing & Resolution 2021-04; Adopting FY 2022 Budget for all City Funds and setting millage rates to support all Budgets**

A proposed budget for Fiscal Year 2022 for the General Fund and all Special Funds of the City of Ionia has been prepared and reviewed by the Ionia City Council during its recent budget work session meeting on May 4, 2021. A public hearing notice has been provided to solicit comments regarding this budget today. The budget includes \$5,643,481 in expenditures for the General Fund and \$17,245,690 for all Special Funds, for a grand total of \$22,889,171. Millage rates to be levied to support these budgets include:

FUND	PURPOSE	MILLAGE
General Fund	Operating	3.00 mills*
General Fund	Public Safety Apparatus	1.15 mills*
General Fund	Theatre Improvements	1.00 mills*
General Fund	Parks System Improvements	1.00 mills*
Solid Waste Fund	Solid Waste Disposal	2.00 mills**
Environmental Response	Operating	0.1008 mills***
Dial-A-Ride	Public Transportation	0.7347 mills*
TOTAL		8.9855 mills

\*Authorized by City Charter \*\*Authorized by Ord. No. 437; \*\*\*Authorized by Ord No. 530

Millage to be levied in the DDA District to support DDA operations includes 2.00 mills.

It was moved by Councilmember Kelley, seconded by Councilmember Lee to approve Budget Appropriation Resolution 2021-04, which will adopt the FY 2022 budget for all City Funds and set the millage rates to support these budgets.

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

### **Approve – FY20-21 Budget Amendment #3**

Per the City Manager, the 2020-2021 fiscal year ends on June 30<sup>th</sup>. In preparation for the end of the fiscal year it is necessary for the current budget to be amended one last time so that anticipated revenues and expenditures are reflected on the City’s financial statements. The current fiscal year budget has been amended twice previously by Council, on October 6 and January 5.

The following are the major highlights:

General Fund: Revenues are increasing by \$242,800 to \$6,408,400, primarily due slightly better than expected income tax revenues. Expenditures are increasing by \$85,127 to \$6,511,137 due to adjustments in several departments’ wages, payroll taxes and fringe benefits, which are necessary because of 27 pay periods in this fiscal year and accruals due back (10 days) that will be paid in next fiscal year. The other notable increase is in Planning & Zoning for professional services fees, increasing from \$50,000 to \$90,000 because of work associated with marijuana special land use and site plan reviews, plus the transition in city managers. General Fund fund balance is expected to end the fiscal year at approximately \$1,174,910, which is 18% of projected FY20-21 General Fund expenditures.

Major Street Fund: No changes in revenues are proposed. Expenditures are decreasing by \$37,250 to \$1,029,950 due to slightly decreased maintenance activities and engineering services. Fund balance remains more than adequate to cover cash flow and future activities at \$250,349 by year end.

Local Street Fund: Revenues are proposed to decrease by \$50,000 to \$634,200 due to a reduced transfer in from the Major Street Fund. Expenditures are also decreasing by \$386,000 to \$428,000 due to reduced engineering expense this year. Fund balance is increasing by \$206,200 to \$487,806.

Solid Waste Fund: Revenues increasing by \$15,000 to \$502,150. Expenditures are increasing by \$26,000 to \$536,200 to reflect actual costs incurred for leaf and brush removal programs, tree trimming, and street sweeping.

Parks – Facilities Improvement Fund: Revenues are proposed to increase by \$56,000 to \$370,300 to reflect actual property tax revenue collected and an additional transfer in from the General Fund of \$50,000 to assist with future capital projects. Due to the project timing, expenses were reduced by \$110,500 to \$202,700. Fund balance is expected to end the year at \$332,320, up from the previous year at \$167,600.

Recreation Department (Operating Fund): Revenues were increased by \$5,000 to \$289,900 to reflect modest increases in user fees. Expenses were adjusted to reflect the 27 payrolls and to eliminate the Armory capital outlay for a net increase of just \$1,000, increasing total expenditures to \$369,350. Fund balance is expected to end the year at \$21,928, approximately \$79,450 less than the prior fiscal year.

Theatre Fund – Challenges continue for the theatre. Revenues were reduced by \$7,125 to \$161,700. Expenses were adjusted slightly by \$3,500 to \$191,900. The gap between revenues and expenses is \$30,200 and fund balance is expected to decrease to \$320,464 by fiscal year end.

Dial-A-Ride Fund: Revenues are decreasing by \$96,412 to \$815,747 due to a reduction in federal capital projects grant funding. Expenditures are decreasing as well by \$182,712 because of reduced funding. Fund balance is expected to end the year at approximately \$979,494 (this includes non-cash assets).

Sewer Fund: Revenues are decreasing by \$5,000 to \$3,729,000. Expenditures were also decreased by \$386,500 to \$4,563,500 due to timing associated with capital projects.

Water Fund: Revenues were decreased by \$46,500 to \$2,869,500 due to reduced usage and completion of a small fluoride grant. Expenditures were reduced modestly by \$1,110,500 to \$4,656,717 due to timing regarding the M-21 watermain project, which will mostly be incurred in this fiscal year.

It was moved by Councilmember Winters, seconded by Councilmember Millard to approve Budget Amendment #3 to the FY20-21 budget, which includes the General Fund and multiple special funds as detailed on the following spreadsheet.

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

**Approve – Resolution No. 2021-06: Short-Term Rentals**

Currently, the Michigan House of Representatives and Senate are considering two bills in their respective chambers. House Bill 4277 and Senate Bill 446 aim to amend the Michigan Zoning Enabling Act (MZEA), which regulates how local municipalities are allowed to handle zoning. These bills

specifically target how municipalities approach short-term rentals. The proposed legislation mandates all short-term rentals be a use by-right permitted in all residential zones. This prohibits local governing bodies from deciding areas best suited for short-term rentals in accordance with their own community input, Master Plans, or future land use documents.

Another key aspect of the legislation is that it would eliminate the ability of municipal governments to inspect short-term rentals unless all owner-occupied dwellings in the same zone are inspected as well. Grouping these types of properties together would remove the City's authority to conduct its Rental Registration and Inspection Program. This notion is concerning because it removes the ability of local municipalities to ensure rental units comply with basic health and safety standards, which create quality housing options for the community. Such action by the Legislature should also be considered as a potential violation of the Home Rule Cities Act (PA 279 of 1909, as amended).

It was moved by Councilmember Milewski, seconded by Councilmember Winters to approve Resolution 2021-06 to oppose Michigan House Bill 4722 and Senate Bill 446 and direct City staff to communicate and lobby this position of opposition to the Michigan Municipal League, State Representative Albert, and State Senator Bizon.

Roll Call Vote           Ayes: Millard, Waterman, Milewski, Winters and Mayor Balice  
                              Nays: Kelley, Lee and Starr  
                              MOTION CARRIED

**Accept – Resolution 2021-07 – Establishing Rules of Order and Conduct for City Council Meetings**

According to the City Manager, an administrative review of the “Rules of Order and Conduct for City Council Meetings” was recently undertaken. These Rules have not been modified since December 30, 2008. Minor adjustments were suggested as follows, by section:

Section 1.03 – Modify Order of Business to combine Public Hearings and New Business, so that action regarding an item subject to public hearing can occur immediately following the Public Hearing.

Sections 2.01 and 2.03 – Grammatical/phrasing consistency changes.

Sections 3.02, 3.03, 3.07, 3.09, and 3.10 – Grammatical changes.

As suggested by Councilmember Milewski, Section 3.03 is updated to reflect “the most current” edition of Robert’s Rules of Order and “9<sup>th</sup> Edition” will be stricken.

Certificate – Show new date of adoption.

It was moved by Councilmember Kelley, seconded by Councilmember Starr to approve, in accordance with Section 2.11(b) of the City of Ionia City Charter, the revised Rules of Order and Conduct for City Council Meetings.

Roll Call Vote:           Ayes: Waterman, Milewski, Winters, Kelley, Lee, Starr, Millard and Mayor Balice

Nays: None  
MOTION CARRIED

**Accept- Police Protection Agreement Between City of Ionia and Ionia Township**

An agreement for police protection services has existed between the City of Ionia and Ionia Township since at least 2014, in accordance with the Urban Cooperation Act of 1967, which authorizes local units of government to enter into agreements concerning the joint exercise of authorized power, in this case, the provision of additional police services. The current agreement is set to expire August 31 of this year. In response, a new agreement for another three years, from September 1, 2021 through August 31, 2024 was prepared. The terms of this agreement are the same as in past agreements, except for the specific reference to times during the day/evening when police service hours was removed and listed simply as 20 hours per week and additionally, the payment schedule was updated for each of the three years, increasing by \$2,500 per year, which is consistent with past practice. The agreement was approved by Ionia Township on May 11, 2021.

It was moved by Councilmember Millard, seconded by Councilmember Waterman to approve the Police Protection Agreement between the City of Ionia and Ionia Township as presented for the period September 1, 2021 through August 31, 2024.

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

**Approve- Letter of Engagement for Labor and Employment Law Services**

During his interim term as city manager, Gregg Guetschow engaged the services of Michael R. Kluck & Associates related to an urgent employment law matter. This decision was based on Chapter 212, Purchases, Contracts and Sales of the City Code, Section 212.03, which permits the employment of professional services without competitive bidding and Section 212.07, which permits emergency purchases with reporting to City Council at the next regular meeting of the Council. Given the firm's excellent performance and our need for labor and employment law legal services from time to time, it is requested we continue this engagement of Michael R. Kluck & Associates in accordance with the following agreement, which includes a preferred client rate of \$190 per hour.

It was moved by Councilmember Winters, seconded by Councilmember Lee to approve, in accordance with the city's "Bid Process and Management" policy, Policy #1-006 and Chapter 212, Purchases, Contracts and Sales of the City Code as detailed above, the Letter of Engagement with Michael R. Kluck & Associates for labor and employment law legal services as needed.

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

**Consider - MERS Service Credit Purchase Request – Keegan Teitsma**

Per the City Manager, the city of Ionia utilizes the Michigan Employees' Retirement System (MERS) to provide defined benefit (DB) and hybrid retirement programs to its employees. An employee from the Public Safety Department, Keegan Teitsma, has requested permission to purchase MERS service credit in accordance with the attached estimate. The requested service credit purchase is 4 years 6 months at a cost to the employee of \$53,415 (\$51,435 for 4 years 4 months + \$990 per month x 2). As detailed on the second page of the estimate, assumptions used by MERS in preparing this estimate include 1) assuming the employee will retire at the earliest date for unreduced retirement benefits and 2) an investment return rate of 6.35%. For all other retirement calculations, some provision is made to assume not all employees will retire at their earliest eligible date and an investment return rate of 7.35% is assumed. Thus, the assumptions used in calculating service credit purchase are favorable to the city of Ionia.

It was moved by Councilmember Milewski, seconded by Councilmember Starr to approve the request from Keegan Teitsma to purchase 54 months of MERS Service Credit for \$53,415 at his expense.

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

**Approve- Schedule Public Hearing for Obsolete Property Rehabilitation Exemption Certificate**

The City of Ionia previously approved creation of an Obsolete Property Rehabilitation Exemption District on April 3, 2002, in accordance with PA 146 of 2000, as amended. The City of Ionia OPRE District #1 encompasses the entire DDA District. Eligible properties within the district that have been certified as obsolete by the city assessor, and for which major rehabilitation activities are planned, may apply for an Obsolete Property Rehabilitation Exemption Certificate. If approved, the certificate will abate local property taxes derived from the value of real property improvements for up to 12 years. Before an OPRE Certificate application can be considered, a public hearing must be scheduled and appropriate notice sent to the affected taxing jurisdictions.

An application for an OPRE Certificate has been received from WB Vacation Properties, LLC to completely renovate the building at 340 W. Main Street. Renovation plans include creating three apartments on the second floor and rehabilitation/historic restoration of commercial space on the first floor. The total estimated investment is \$779,583.

It was moved by Councilmember Starr, seconded by Councilmember Winters to schedule, as required by PA 146 of 2000, a public hearing to receive comments on the OPRE Certificate application for 340 W. Main Street and also approve notice be sent to the potentially affected taxing jurisdictions.

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

### **Approve- Schedule Public Hearing for Brownfield Plan**

As stated by the City Manager, the City Council established the City of Ionia Brownfield Redevelopment Authority (BRA) and designated the entire city limits of the City of Ionia as its Brownfield Redevelopment Zone on April 8, 1997, in accordance with PA 381 of 1996, as amended. Eligible properties within the district can be included in a Brownfield Plan to permit the use of tax increment financing (TIF) to fund eligible activities to promote property redevelopment. Eligible activities can include environmental (i.e., lead and asbestos abatements) and non-environmental (i.e., demolition and site preparation) activities. Before a Brownfield Redevelopment Plan is considered for adoption, it must first be approved and recommended by the BRA Board and a public hearing must be scheduled by City Council, with appropriate notice also sent to the potentially affected taxing jurisdictions.

WB Vacation Properties, LLC has proposed a brownfield plan to include the property at 340 W. Main Street. Renovation plans include creating three apartments on the second floor and rehabilitation/historic restoration of commercial space on the first floor. The total estimated investment is \$779,583. The estimated TIF capture and reimbursement to the developer is not to exceed \$104,384 (13% of total estimated project costs). The plan is proposed to run for 24 years, from 2022 to 2045 to capture sufficient TIF revenues to reimburse the developer, plus an additional five years, as permitted by PA 381, to deposit funds in the City of Ionia BRA's Local Brownfield Revolving Fund. The plan was reviewed by the Ionia Brownfield Redevelopment Authority on May 19; it was approved and recommended for approval by the City Council.

It was moved by Councilmember Waterman, seconded by Councilmember Winters to, As required by PA 381 of 1996, as amended, schedule a public hearing to receive comments on the proposed Brownfield Redevelopment Plan for 340 W. Main Street and also approve notice be sent to the potentially affected taxing jurisdictions.

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

### **Approve- Introduction and First Reading – Ordinance No. 552 – Austin Pines PUD**

According to the City Manager, it was recently discovered that while the Austin Pines PUD area was rezoned to PUD, the actual ordinance establishing this PUD and its various terms and conditions associated with it was never formally adopted, following discussions 2004 – 2006. In response, the Planning Commission recently reviewed the draft PUD ordinance and following a public hearing, finalized the draft and is now recommending it to the City Council for adoption.

It was moved by Councilmember Winters, seconded by Councilmember Kelley to approve an introduction and first reading of Ordinance No. 552, an ordinance to add the new Chapter 1292 – Austin Pines Planned Unit Development District of Title Six – Zoning of Part Twelve – Planning and Zoning Code of the City of Ionia, and to schedule a Public Hearing regarding the proposed ordinance for 7:00 PM, Tuesday, July 6, 2021 at Ionia City Hall.

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

**Approve- Introduction and First Reading – Ordinance No. 553 – Attached Urban Housing PUD**

According to the City Manager, this ordinance was prepared to provide a minor clarification to Chapter 1266 – PUD Planned Unit Development District and to add a new chapter, Chapter 1291 Attached Urban Housing Planned Unit Development District. The minor clarification would amend 1266.05 (i) to indicate a public hearing will be held by the City Council prior to making a final decision regarding any PUD district.

The proposed Chapter 1291 creates a new Attached Urban Housing PUD District as envisioned in the 2019 *City of Ionia Master Plan*. The AUH-PUD District is intended to help satisfy the “Missing Middle” housing style, which typically appeals to Millennials and those in their later years. This housing type is one that consists of attached housing such as duplexes, fourplexes, multiplexes of a small scale, bungalow courts, townhouses, and carriage houses. Missing Middle housing types are intended to be compatible with single family neighborhoods, and can provide opportunities for infill development that otherwise is not suitable for high density apartments and also may not be attractive for new single family detached dwellings. Missing Middle housing may also provide a transition from a single-family neighborhood to a commercial corridor.

It was moved by Councilmember Starr, seconded by Councilmember Winters to approve an introduction and first reading of Ordinance No. 553, an ordinance to amend section 1266.05 Application and Processing Procedures of Chapter 1266 PUD Districts and to add the new Chapter 1291 – AUH-PUD Attached Urban Housing Planned Unit Development District of Title Six – Zoning of Part Twelve – Planning and Zoning Code of the City of Ionia, and to schedule a Public Hearing regarding the proposed ordinance for 7:00 PM, Tuesday, July 6, 2021 at Ionia City Hall.

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

**MAYOR AND COUNCILMEMBER COMMENT:**

Balice: Stated that plans for the 2021 Ionia Free Fair are moving ahead with the current board members heading the charge.

Millard: Commented that he was pleased by the nice turnout for the Memorial Day program downtown despite there being such little advertising.

Milewski: Asked Council about participation in the Ionia Free Fair parade in July. Commented on having a social district in downtown Ionia.

**ADJOURNMENT**

It was moved by Councilmember Lee, seconded by Councilmember Winters to adjourn the regular meeting at 8:43 PM

By Voice Vote: MOTION CARRIED

Respectfully Submitted:

Ally H. Cook, Clerk