



CITY OF IONIA
CITY COUNCIL
REGULAR MEETING MINUTES
7:00 PM, TUESDAY – May 4, 2021
CITY COUNCIL CHAMBERS

CALL TO ORDER

Mayor Daniel Balice called the regular meeting of City Council to order at 7 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, Janice Gustafson, Troy Waterman and Mayor Balice present.

PUBLIC HEARINGS

Mayor Balice opened the Public Hearing to receive comments on establishing an IFT District in the Orchard View Industrial Park. There were no public comments.

APPROVAL OF MINUTES

It was moved by Councilmember Winters, seconded by Councilmember Kelley to approve the April 13, 2021 regular meeting minutes.

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

NEW BUSINESS

Approve- Establishing IFT District 2021-01

According to the City Manager, in order to grant an Industrial Facilities Tax (IFT) Exemption Certificate, it is first necessary to create an IFT district. While IFT districts were created previously to encompass a few parcels now developed within the Orchard View Industrial Park, a district has never been established that encompasses the entire industrial park (Lots 1-13). Given interest currently being expressed in the possible acquisition and development of industrial park land, it makes sense for the city to consider establishing such a district. Once the district is in place, an eligible manufacturer may apply for an IFT exemption certificate within six months of commencing project activities. An IFT provides an abatement of 50% of real and personal property taxes for up to 12 years.

It was moved by Councilmember Millard, seconded by Councilmember Gustafson to approve the resolution establishing IFT District 2021-01.

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

Approve- Ionia Planning Commission Bylaws

According to the City Manager, the Ionia Planning Commission recently undertook a review of its bylaws and made a number of revisions to comply with current state statute and other adjustments it felt necessary to provide clarification. The Bylaws had not been updated since 2008. The most significant change was related to rewriting and reordering the section regarding Conflict of Interest. The Planning Commission voted to approve these revised bylaws at its April 14, 2021 meeting.

It was moved by Councilmember Starr, seconded by Councilmember Winters to approve the revised bylaws of the Ionia Planning Commission in accordance with Section 1202.04.

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

Approve- Resolution #2021-03 to Call and Refund Water & Sewer Improvement Bonds, Series 2008, 2009, 2010, and 2011

According to the City Manager, 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 present economic conditions and reduced interest rates, our municipal financial advisor, Bendzinski & Co. has advised the City can likely save approximately \$1.5 million in interest expense by calling the following series of water and sewer improvement bonds:

Series 2008	\$1,500,000
Series 2009	\$2,250,000
Series 2010	\$2,250,000
Series 2011	\$3,000,000

Given the principal already paid to date, which have reduced the original principal amount of \$9,000,000 plus refinancing expenses, it will be necessary to sell new bonds for a total refunding of approximately \$7,200,000. It is expected the new bonds will be sold through negotiated placement at a net interest cost to the City of 1.77%. The estimated net present value interest rate savings is 1.93%. As was the case with the original bond series, the refunding bonds will include the City's pledge of full faith and credit.

It was moved by Councilmember Gustafson, seconded by Councilmember Kelley to approve the following Resolution 2021-03, which would permit net present value savings through refunding the County of Ionia Water and Sewer Improvement Bonds, Series 2008, 2009, 2010 and 2011.

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

Approve- Bid for Annual Audit of Financial Statements

As stated by the City Manager, following completion of the City’s 2020 Annual Financial Report (audit), the contract for auditing services expired. As a result, a request was solicited from our current auditing firm, Vredeveld Haefner LLC of Grand Rapids, to extend its services for an additional one to two years. Vredeveld Haefner LLC has proposed the following rates to audit City records for FY2021 and FY2022:

Service	FY 2021	FY 2022
Audit of Financial Statements	\$16,450	\$16,700
Single Audit (when required)	3,600	3,750
Ionia Regional Utilities Authority	2,450	2,500

The rate of increase proposed between FY20 (complete) and FY21 for basic audit services is 1.2%; the rate of increase proposed between FY21 and FY22 is 1.5%. Vredeveld Haefner LLC has performed audit services for the City of Ionia since 2008 and has implemented an effective and efficient system for conducting our audits. Given this long-standing and effective relationship, along with the transition in administrative leadership at the city, competitive bidding was not solicited for audit services this round but will be at the end of the next auditing services agreement.

It was moved by Councilmember Winters, seconded by Councilmember Lee to approve the bid proposed by Vredeveld Haefner LLC for Annual Financial Report services for FY21 and FY22, in accordance with the city’s “Bid Process and Management” policy, Policy #1-006 and Section 212.03 General Purchasing Policy of the City Code.

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

Approve- Professional Services Agreement for Legal Services

Per the City Manager, the City of Ionia was recently approached by the Michigan Economic Development Corporation to assemble a package of incentives for a manufacturer interested in possible location to the City’s Orchard View Industrial Park. Time was of the essence regarding preparation of a development agreement and other documents related to this opportunity. To meet the required timeline, Garland elected to engage the legal services of McCurdy, Wotila & Porteous, PC of Cadillac, MI, which she has utilized in the past for similar projects and is known to be capable of expedited response. 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.

It was moved by Councilmember Milewski, seconded by Councilmember Millard to approve the Legal Services Agreement with McCurdy, Wotila, & Porteous PC, 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.

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

Approve- Bid award for Baldie and High Street Resurfacing

As stated by City Manager Garland, on April 27, 2021 bids were opened for the Baldie and High Street Resurfacing Project. The engineer’s estimate for this project was \$450,000. Three bids were received as follows:

Youngstrom Contracting, Ionia MI	\$307,000
CL Trucking & Excavating, Ionia MI	\$352,350
Montgomery Excavating LLC, Ionia MI	\$426,265

Please note the underground infrastructure in this area was replaced in 2006 but unfortunately, the asphalt mix used at that time did not prove to hold up well, which is why resurfacing is necessary at this time.

It was moved by Councilmember Kelley, seconded by Councilmember Starr to approve the bid of Youngstrom Contracting of Ionia MI in the amount of \$307,000 for the Baldie and High Street Resurfacing Project. Funds are available for this purchase in 203-463.000-801.00.

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

Approve- Introduction and First Reading – Ordinance No. 550 – Codification

According to City Manager Garland, 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. Ordinances are codified through a codification ordinance.

It was moved by Councilmember Milewski, seconded by Councilmember Winters to set the introduction and first reading of Ordinance No. 550, an ordinance to 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: Gustafson, Waterman, Milewski, Winters, Kelley, Lee, Starr, Millard and Mayor Balice
Nays: None
MOTION CARRIED

Introduction and First Reading – Ordinance No. 551 – Sanitary Sewer System Rates and Charges

Per 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, if approved, utility rate increases have taken effect with the July 1st 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 Lee to approve 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: Waterman, Milewski, Winters, Kelley, Lee, Starr, Millard, Gustafson and Mayor Balice
 Nays: None
 MOTION CARRIED

Approve- Set Special Meeting and Public Hearing to Consider Michigan Economic Development Corporation’s (MEDC) Water-Related Infrastructure Community Development Block Grant (CDBG) Application

The City recently received notice of a grant available to it through the MEDC’s CDBG Water-Related Infrastructure Program. This grant program is extremely competitive, but staff believes the City has identified a project that may score well and is worth preparing an application to receive consideration. The grant application will request \$1.2 million toward the \$1.6 million cost to replace the media in the waste water treatment plant oxidation towers. There are two towers in need of upgrade at an estimated cost of \$800,000 each. More details regarding this project will be presented for council consideration at the upcoming special meeting, which is required to approve the application, pledge matching funds, and receive public comments regarding the project. This meeting must be conducted prior to the grant application deadline of May 31.

It was moved by Councilmember Starr, seconded by Councilmember Winters to schedule a special meeting and public hearing on May 25 at 5 PM for the purpose of submission of an MEDC CDBG grant application.

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

Approve- Appointment IRUA Board

Dan Balice asked for Council's approval in appointing Precia Garland to the IRUA Board in place of Jason Eppler.

It was moved by Councilmember Millard, seconded by Councilmember Winters to appoint Precia Garland to the IRUA Board.

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

Approve- Adjourn Regular Meeting into Executive Closed Session

It was moved by Councilmember Lee, seconded by Councilmember Winters to adjourn the regular meeting to go into a closed meeting session in order to consult with the city attorney regarding a settlement strategy in connection with pending litigation (2/3 majority roll call vote).

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

The regular meeting of Council reconvened.

Approve- Proposed Settlement Between the City and Mr. Dankenbring

Motion made by Councilmember Winters, seconded by Starr for the City to approve the proposed settlement agreement and release and agreement to redeem liability between the City and Randy Dankenbring and authorize Precia Garland to sign the agreements on behalf of City to take steps as necessary to implement once the 7-day revocation period following Mr. Dankenbring's signature and required by law has expired.

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

MAYOR AND COUNCILMEMBER COMMENTS

Millard: Reminded everyone of the upcoming car show which is planned for the first weekend in June.

Milewski: Reminded everyone about downtown's First Thursday on the Bricks event on May 6.

ADJOURNMENT

It was moved by Councilmember Gustafson, seconded by Councilmember Lee to adjourn the regular meeting at 7:58 PM.

Respectfully Submitted:

Ally H. Cook, Clerk