



CITY OF IONIA
CITY COUNCIL
REGULAR MEETING MINUTES
7:00 PM, NOVEMBER 2, 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.

PROCLAMATIONS

Mayor Balice read proclamations for retirees Dianne Cochrun and John Odette.

PUBLIC HEARINGS

Mayor Balice opened the public hearing to receive comments on Ordinance No. 559- an ordinance to amend the zoning map of Title Six- Zoning of Part Twelve- Planning and Zoning Code of the City of Ionia to rezone 500 Skyview Drive from B-1 Neighborhood Business District to R-2 One-Family Residential District. No comments were received.

It was moved by Councilmember Millard, seconded by Councilmember Waterman to approve Mayor Balice's request to abstain from the vote due to a personal relationship conflict.

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

It was moved by Councilmember Millard, seconded by Councilmember Lee to adopt Ordinance No. 559, an ordinance to rezone 500 Skyview drive, also known as parcel 34-204-017-000-009-52 into the R-2 One Family Residential Zoning District as identified in section 1246.01, Districts Established of Chapter 1246; and inclusion of parcel 34-204-017-000-009-52 into the Zoning Map identified in section 1246.02, Districts Generally and Zoning Map District Boundaries of Chapter 1246 – Title Six – Zoning of Part Twelve – Planning and Zoning Code of said Codified Ordinances of the City of Ionia.

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

APPROVAL OF MINUTES

It was moved by Councilmember Starr, seconded by Councilmember Winters to approve the October 5, 2021 regular meeting minutes.

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

NEW BUSINESS

Accept- FY21 Comprehensive Annual Financial Report

It was moved by Councilmember Winters, seconded by Councilmember Starr to receive the FY21 Comprehensive Annual Financial Report Audit.

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

Proposed MML Property and Liability Insurance Renewal - November 3, 2021 - October 31, 2022

Per the City Manager, the City of Ionia has obtained its property and liability insurance from the Michigan Municipal League Liability and Property Pool as a pool member since 1983. In addition to insurance designed specifically for municipalities, the Pool provides loss control educational programs, claims administration, legal defense and other membership services.

A few coverage highlights are as follows:

Coverages	Limit of Liability	Agg Limit	Per Occur Deductible
Muni Gen Liability	\$5,000,000	None	\$2,500
Law Enforcement Liability	\$5,000,000	None	\$2,500
Employee Benefit Liability	\$1,000,000	\$1,000,000	\$2,500
Auto Liability	\$5,000,000	None	Comp - \$250 Collision - \$1,000
Sewer Backup Sublimit	\$100,000	\$100,000	\$0
Property – Blanket Basis	\$31,690,654	None	\$250

This year's renewal premium is offered at \$141,257, an increase of \$7,573 (5.7%) over last year's rate of \$133,684. Several reasons for this increase include increased payroll value, three additional automobiles and a \$240,488 increase in total agreed insured property value. MML is also offering a

post-renewal dividend for renewing Pool members. The City of Ionia's dividend is \$8,920, for a net premium cost of \$132,337.

In addition to property and liability insurance, the City of Ionia has added Cyber Insurance coverage in recent years, which provides protection in the event of a security breach, cyber extortion, or similar hacking event. MML offers such insurance, but also obtained quotes on our behalf from Cowbell Cyber, which specializes in such coverage and can offer more competitive rates. Last year the City purchased cyber insurance from MML with \$500,000 aggregate limits for \$6,374. This year's MML premium offer for the same coverage is \$9,651. Cowbell Cyber has offered \$500,000 aggregate limit coverage for \$6,490 and \$1,000,000 aggregate limit coverage for \$9,340.

It was moved by Councilmember Winters, seconded by Councilmember Millard to approve the MML Property and Liability Insurance renewal proposal for \$141,257 for November 3, 2021 -October 31, 2022, which will net to \$132,337 following renewal and receipt of the membership dividend of \$8,920. It is also requested the Council consider approving the proposal from Cowbell Cyber for \$1,000,000 in cyber aggregate limit coverage for \$9,340. Monies have been budgeted for this expense in various city funds on a pro-rata basis commensurate with associated property and liability risk.

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

John Hancock Deferred Compensation Plan

The City of Ionia provides employees with three different 457 Plan options to save for retirement. Plans are currently available through Empower Retirement (formerly Mass Mutual), Nationwide, and Mission Square (formerly ICMA-RC). Recently, Empower Retirement requested the City review and sign a new service agreement, following its buyout of Mass Mutual. Review of that proposed agreement revealed total plan fees that were above average and led to a search for a more competitive alternative. Local financial advisor Paul Lentz of Edward Jones was consulted and his work resulted in a proposal from John Hancock.

John Hancock is able to offer a robust line-up of investment options that will mirror those currently available through Empower Retirement. Per the attached plan comparison sheet, John Hancock will offer its plan at an annual average total fee of 0.51%, as compared to Empower Retirement at 1.91% + TPA fees. Additionally, with the election of Wilshire as a 3(21) Adviser, the City will gain a co-fiduciary to manage the plan and share fiduciary responsibility.

Employees who participate in the current Empower Retirement plan have been advised as to the proposed change to John Hancock and given the significant savings in fees, have raised no objections. A review of the Empower Retirement Plan agreement was also performed to determine if there would be any surrender fees involved in making the proposed move to John Hancock – no surrender fees or other penalties will be incurred. The normal transition process from one plan to another typically takes 60-90 days and involves approximately one week of “black out,” during which time participants cannot withdraw or change investment options. John Hancock will also provide on-site assistance to help employees complete the enrollment process and select new investment options that are right for them.

It was moved by Councilmember Starr, seconded by Councilmember Milewski to approve the proposed change and transfer of funds from Empower Retirement to John Hancock as a 457 Plan option for City of Ionia employees and grant authority to the City Manager to execute all related agreements.

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

WWTP Trickling Filter Media Replacement Project

Two towers exist on the WWTP grounds that are essential to the secondary treatment of waste water. The towers were originally constructed in 1991 and each contain trickling filter media. Waste water is pumped to the top of the towers and passes over the trickling filter media, which contain bio-organisms that digest waste from the waste water. The arms that distribute the waste water, along with the trickling filter media and the interior tower wall liners are now all beyond their normal useful life and must be replaced in a phased approach.

Bids were recently solicited for this project. One bid was received, from Davis Construction of Kentwood, MI, in the amount of \$2,711,508. This bid was reviewed by project engineer, Fishbeck, and found to be complete. It should be noted that given the volatility in materials pricing, a “cost escalation clause” was included in the bid language, which allows adjustment in materials costs to occur at the time of actual construction. The city’s plan is to complete the western tower in the Fall of 2022 and the eastern tower in the Fall of 2023. Therefore, in all likelihood, a bid addendum will be presented to Council after the first tower is completed to adjust for materials costs in 2023. Presently, it appears the filter material is pricing \$52,000 higher than the current market rate. Fishbeck is currently investigating liner option alternatives, which may also impact future pricing.

It was moved by Councilmember Kelley, seconded by Councilmember Lee to accept the bid from Davis Construction in the amount of \$2,711,508 for the WWTP Trickling Filter Media Replacement project. Funds will be budgeted from the IRUA Fund, 598-558.000-980.00 for this purpose, during the current and next two fiscal years to cover this expenditure. Sufficient cash exists today to fund the first tower; the second tower may require an internal loan or other short-term financing to complete, depending on final pricing.

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

2021 Strategic Plan for Fire Apparatus Replacement

Council was given an updated 2021 Strategic Plan for Fire Apparatus Replacement. Ionia Department of Public Safety Director Troy Thomas gave a presentation to review highlights of the updated plan.

It was moved by Councilmember Milewski, seconded by Councilmember Millard to approve the 2021 Strategic Plan for Fire Apparatus Replacement.

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

Purchase of Tender/Tanker Fire Apparatus via Sourcewell

Given the significant lead time for constructing fire trucks and current rising costs (1% - 1.5% increases per month), research was recently started regarding what steps would be taken to purchase a new Tender/Tanker fire apparatus, which is due for replacement in FY2023-24, per the *2021 Strategic Plan for Fire Apparatus Replacement*.

The City has found using cooperative bidding programs such as MiDEAL advantageous for equipment purchases convenient and efficient, because of the professional, competitive and cost-effective bid solicitation performed through such programs. When it comes to fire apparatus and other specialized equipment, Sourcewell has been identified as an excellent option.

Sourcewell was previously utilized by the City of Ionia in 2014 to purchase a \$380,000 Vactor truck for the Public Works Department. It was most recently used in 2021 to purchase a video security system for the Public Safety Department. Going through Sourcewell resulted in a price several hundred dollars lower than the prior lowest-quoted price. Sourcewell is based in Staples, Minnesota (www.sourcewell-mn.gov) and has procured a wide range of contracts by soliciting proposals and bids on a national, competitive basis with specifications that meet or exceed local requirements.

Sourcewell possesses a competitive purchasing contract with Rosenbauer, the City's preferred fire apparatus provider. Our last two large fire apparatus purchases were manufactured by Rosenbauer and their reliability, customer service and competitive pricing over other companies make them our preferred provider. When the Aerial Platform Truck was purchased two years ago, Rosenbauer was the low bidder at \$1,001,000, which was \$200,000 less than the only other bid received.

It was moved by Councilmember Millard, seconded by Councilmember Winters to approve Sourcewell, a cooperative purchasing program to access the Rosenbauer contract. This would permit the City to explore purchase options, including the possibility of an early build to create a demonstrator Tender/Tanker fire truck, which would likely result in a demonstrator discount. Once a final purchase price and purchase timing is determined via this method, it will be presented to City Council for approval as a sole source purchase. Funds will be available for this purchase in the future, in the Public Safety Vehicle Fund, 205-558.000.981.10.

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

Memorandum of Understanding regarding DDA Director Services

The Ionia Free Fair Association (IFFA) recently expressed interest in establishing an agreement whereby the services of the City's DDA Director would be shared to assist the IFF in securing event sponsorships. A Memorandum of Understanding (MOU) was prepared to define the terms of the proposed agreement. It is proposed that 10 hours per week, on average, of the DDA Director's time be spent providing professional sponsorship solicitation services to the IFF. In exchange, the IFFA will pay the City \$20,000 for this time, as well as reimburse any costs directly related to the sponsorship

services. The term of the proposed agreement is for one year, with automatic one-year extensions if not otherwise cancelled by either party providing written notice to the other. The DDA would continue to spend the remaining 30 hours of her work week, on average, regarding downtown development activities.

It was moved by Councilmember Kelley, seconded by Councilmember Winters to approve the proposed MOU Related to City of Ionia Downtown Development Authority (DDA) Director with the Ionia Free Fair Association.

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

Resolution 2021-12 to confirm and ratify delayed implementation of water rate increase during first quarter, FY2020

A recent record review determined the water rate increase approved by City Council in Ordinance No. 541 for FY2020 was not implemented during the first quarter of FY20 due to a glitch with the city's billing software. The problem was corrected for the balance of the billing that fiscal year, but the underbilled amount was not collected.

Resolution 2021-12

The following preamble and resolution were offered by Council Member Starr and seconded by Council Member Waterman.

A RESOLUTION TO CONFIRM AND RATIFY THE DELAYED IMPLEMENTATION OF A WATER RATE INCREASE FOR THE FIRST QUARTER, FY2020

WHEREAS, the City Council of the City of Ionia approved Ordinance No. 541 on June 14, 2019, which included an increase in water rates from \$3.00 per 1,000 gallons to \$3.40 per 1,000 gallons, and

WHEREAS, it was recently discovered that while the new rates were input into the City's billing software, they were not effectuated for the first quarter billing in FY2020, and

WHEREAS, this error resulted in a revenue loss that was not subsequently collected during FY2020, due to the delay in implementing the new water rates, and

WHEREAS, the City Council concludes that for reasons of equity it would no longer be in the City's best interest to seek to collect the deficiency from users of the system; now

THEREFORE, BE IT RESOLVED:

1. The City Council of the City of Ionia hereby ratifies and confirms the administration of the billing as described in this Resolution with the result that the FY2020 water rate change was authorized to be implemented on October 1, 2019, rather than July 1, 2019.

2. This Resolution shall take immediate effect.

3. All resolutions and parts of resolutions in conflict herewith are, to the extent of such conflict, are hereby repealed.

Upon a call of the roll, the vote was as follows:

Ayes: Milewski, Winters, Kelley, Lee, Starr, Millard, Waterman, Balice

Nays: None

RESOLUTION 2021-12 DECLARED ADOPTED.

Proposed Americans with Disabilities Act Policy

Under Title II of the Americans with Disabilities Act (ADA), all state and local governments are required to take steps to ensure no discrimination occurs on the basis of disability when providing government services. To that end, the following draft “Americans with Disabilities Act Policy” has been prepared. This policy is proposed to apply to all City of Ionia services, except those provided by the Ionia Dial-A-Ride transit system, which has a separate ADA policy.

The proposed ADA policy contains several sections, including:

- Defining covered individuals and what is a disability
- Describing reasonable modifications
- Identifying an ADA Coordinator
- Describing the ADA grievance procedure

Also included are required public notices for posting in City facilities and a grievance form.

It was moved by Councilmember Lee, seconded by Councilmember Winters to approve the proposed Americans with Disabilities Act Policy, and include it as Policy 5-013 in the City of Ionia General Policy Manual.

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

Nays: None

MOTION APPROVED

2022 Combined Meeting Schedule

In accordance with the Ionia City Council’s, *Rules of Order and Conduct for City Council Meetings*, Section 1.04 states, “No later than the December meeting of each year, City Council shall adopt and publish a meeting schedule for the following year. The regular meetings shall not be moved unless a majority of City Council approves the change and public notice is given with at least 15 days-notice.” Following is a proposed 2022 combined meeting schedule, which includes one proposed change from the normal meeting date in April to adjust for spring break week. The other noted public bodies will also confirm their meeting schedules in accordance with their bylaws. The DDA has already confirmed its 2022 meeting schedule as presented.

It was moved by Councilmember Milewski, seconded by Councilmember Kelley to approve the following 2022 Combined Meeting Schedule and authorize its publication.

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

Nays: None
MOTION CARRIED

PA 152 – Annual Election

Michigan Public Act 152, the “Publicly Funded Health Insurance Contribution Act” was passed in 2011. The Act establishes limitations to public employers’ contributions to employee healthcare. The City is required to annually determine how it will comply with the Act. Choices include:

1. Abiding by the hard cap spending limit (per section 3 of the act)
2. Implementing the 80% employer; 20% employee cost share (per section 4 of the act)
3. Alternately, by a 2/3 vote of the Council, the City of Ionia can exempt itself from PA 152 compliance for the next plan year.

The City has consistently implemented the 80/20 cost share with all employee groups since passage of PA 152, as reflected by its inclusion in all collective bargaining agreements and the City of Ionia Personnel Policy Manual.

It was moved by Councilmember Millard, seconded by Councilmember Waterman to approve the resolution, which would implement the 80/20 cost share for the healthcare plan year beginning January 1, 2022.

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

MAYOR AND COUNCILMEMBER COMMENT:

Balice: Sparrow announced that its investing \$800,000,000 in capital improvements and continues to invest in mid-Michigan

Waterman: The Autumn Celebration downtown was well attended and the weather was nice

Millard: Reminded everyone of the theater’s murder mystery fundraiser event on Saturday, November 6th

Kelley: Requested that the staff reports reflect the appropriate motion for any given action item.

ADJOURNMENT

It was moved by Councilmember Starr, seconded by Councilmember Millard to adjourn the regular meeting at 7:45 PM

By Voice Vote: MOTION CARRIED

Respectfully Submitted:

Ally H. Cook, Clerk