

Council Meeting  
Common Council  
Electronic Meeting  
January 4, 2021

The regular meeting (electronic) of the Common Council was held at the Zeeland City Hall, 21 S. Elm Street, Zeeland MI on Monday, January 4, 2021. Mayor Klynstra called the meeting to order at 7:00 p.m.

A roll call of members was made.

PRESENT: Council members – Mayor Klynstra – (City Hall, Zeeland)  
PRESENT ELECTRONICALLY - Gruppen (Zeeland), VanDorp (Zeeland), Broersma (Zeeland), Kass (Zeeland), Timmer (Zeeland), Lam (Zeeland)  
ABSENT: Council members – None

Staff present: City Attorney Donkersloot, City Manager Klunder, Finance Director/ACM Plockmeyer (electronically-Holland), BPW General Manager Boatright (electronically-Zeeland) and City Clerk Holmes.

The invocation was offered by Councilmember Mary Beth Timmer.

#### 21.001 Approve Consent Agenda

Motion was made by Councilmember Timmer and seconded by Councilmember Van Dorp to approve the consent agenda as presented.

1. Approve minutes of the regular meeting of December 21, 2020.
2. Approve minutes of the Work Study meeting of December 21, 2020

AYES: Broersma, Gruppen, Kass, Timmer, VanDorp, Lam, and Mayor Klynstra

No Votes: None

Absent: None

#### ***Public Comment***

There was no public comment.

#### ***City Manager's Report***

##### Maple Street Traffic Analysis

At the November 23, 2020 City Council meeting, City Council supported the idea of studying the possible closure (or alternatives) of Maple Street between Main and Washington. The closure of Maple, if appropriate, may assist plans to redevelop the Old Sligh Building and long-term space needs by the BPW. To help with this analysis, City Council referred the matter to the Planning Commission and requested that our traffic consultant perform a traffic analysis as part of this process.

##### 541 E. Washington Avenue Rezoning Request

At their meeting on January 7th, the Planning Commission will hold a public hearing on an application from Kevin Viening of Upward Bound Ministries to rezone the Zeeland Lanes property at 541 E

Washington Ave from C-2, Central Business District to either PF, Public Facilities District or C-3, Highway Commercial District for use as a youth ministry center.

Mead Johnson/RB IFT Certificate

Staff recently received the issued Act 198 certificate for Mead Johnson/RB at 725 E Main Ave. At their meeting on December 15th, the State Tax Commission approved the Act 198 abatement in the amount of \$67,700,000 for capital projects at the MJN Zeeland Site to allow the facility to be the Mead Johnson Global Supply and Technical Center for Hypoallergenic Infant Formulas.

**7:10 P.M. Public Hearing for GL Rentals, LLC Amended Act 210 Application**

Present electronically this evening were David Wilson of GL Rentals, LLC and Attorney Jared Belk of Warner Norcross Jud, LLP, who explained the reason for the amendment of the Act 210 application at 238 E. Main. The amended application is for a 2-story construction instead of 3-story. It will be a slightly smaller investment with a new lender. The first floor will be commercial and the second floor will have six apartment units. There were no questions or comments from the public. City Council thanked Mr. Wilson for investing in downtown Zeeland.

21.002 Close Public Hearing

Motion was made by Councilmember Broersma and seconded by Councilmember Gruppen to close the Public Hearing at 7:30 p.m.

Roll call.

AYES: Gruppen, Kass, Timmer, VanDorp, Lam, Broersma and Mayor Klynstra

No Votes: None

Absent: None

21.003 Amended Act 210 Commercial Rehabilitation Certificate – GL Rentals, LLC

Motion was made by Councilmember Gruppen and seconded by Councilmember Timmer to approve the Amended Act 210 Commercial Rehabilitation Certificate for GL Rentals, LLC as presented.

Roll call.

AYES: Kass, Timmer, VanDorp, Lam, Broersma, Gruppen and Mayor Klynstra

No Votes: None

Absent: None

21.004 Electronic Meeting Resolution Amendment

Motion was made by Councilmember Broersma and seconded by Councilmember Gruppen to approve the Resolution to Authorize Electronic Meetings as presented.

Roll call.

AYES: Timmer, VanDorp, Lam, Broersma, Gruppen, Kass and Mayor Klynstra

No Votes: None

Absent: None

21.005 Alcohol Ordinance Amendment to License Review

Motion was made by Councilmember VanDorp and seconded by Councilmember Gruppen to approve the Ordinance Amendment to waive the 2020 Alcohol License Operations Reviews subject to a wording change to be completed by Attorney Donkersloot.

AYES: VanDorp, Lam, Broersma, Gruppen, Kass, Timmer and Mayor Klynstra

No Votes: None

Absent: None

21.006 Huizenga Park Bathroom Bid Award

Motion was made by Councilmember Kass and seconded by Councilmember Gruppen to approve the bid from JKB Construction in the amount of \$57,418.00 for the remodeling of the Huizenga Park Restrooms and set a project budget in the amount of \$70,159.00.

AYES: Lam, Broersma, Gruppen, Kass, Timmer, VanDorp and Mayor Klynstra

No Votes: None

Absent: None

21.007 Pension Investment Policy

Motion was made by Councilmember Timmer and seconded by Councilmember Broersma to approve the Investment Policy Statement for the City of Zeeland's pension plan as presented by CAPTRUST Financial Advisors.

AYES: Broersma, Gruppen, Kass, Timmer, VanDorp, Lam and Mayor Klynstra

No Votes: None

Absent: None

***Public Comment***

There was no public comment.

There being no further items to discuss, motion was made by Broersma and seconded by Timmer to adjourn the meeting at 7:27 p.m. Motion carried. All voting aye.

  
Kevin Klynstra, Mayor

  
Pamela Holmes, City Clerk

MEMORANDUM OF WORK-STUDY SESSION

Electronic Meeting  
Zeeland City Hall – Council Chambers  
Monday, January 4, 2021  
6:00 P.M.

PRESENT: Councilmembers – Mayor Klynstra (City Hall, Zeeland)

PRESENT ELECTRONICALLY: Councilmembers – Gruppen (Zeeland), VanDorp (Zeeland), Broersma (Zeeland), Kass (Zeeland), Timmer (Zeeland), Lam (Zeeland)

ABSENT: Councilmembers – None

Staff Present: City Attorney Donkersloot, City Manager Klunder, Finance Director/ACM Plockmeyer (electronically), BPW General Manager Boatright (electronically) and City Clerk Holmes

Mayor Klynstra called the meeting to order at 6:00 p.m.

A roll call was conducted.

***Electronic Meeting Resolution Amendment***

At the November 9, 2020 meeting City Council approved a resolution *to Authorize Electronic Meetings and to Ratify Prior Actions*. This resolution followed an amendment to the Michigan Open Meetings Act via the adoption of Public Act 228 of 2020 which enabled public bodies to hold electronic meetings. Originally, the public act allowed public bodies to meet electronically through December 31, 2020 for “no reason” other than the pandemic. After that date, electronic meetings were restricted to accommodate an absent member of the governing body due to a medical issue or military absence, or a state/local state of emergency declaration.

The State of Michigan recently amended the law to allow for electronic meetings to continue for “no reason” other than the pandemic through March 31, 2021. The other restrictions noted above will then go into effect on April 1, 2021. Additionally, the updated law provides for safety measures (social distance, enhanced cleaning, etc.) should a governing body decide to meet in-person prior to April 1, 2021. Those measures will not be a problem for us, should we return to in-person meetings, as we have previously utilized them when we met in-person during the pandemic.

***Alcohol Ordinance Amendment to Forgo 2020 License Review***

At the last City Council meeting, City Council discussed the idea of waiving the annual Alcohol License Review (Section 4-29) given the difficult year many restaurants have encountered in 2020. During that discussion, staff offered several alternatives City Council could consider with the annual license review. Those alternatives included:

- The review could be eliminated just for the year of 2021;
- The review could be eliminated for any year in which bars or restaurants were closed for business for more than "X" months;

- The review could be eliminated for bars and restaurants, but the review could be continued for off premises license holders since they were not closed for business this year;
- Unless a complaint had been filed with the Liquor Control Commission during the year, we could have a review every three years much as we do with our rental registrations; or
- The review could be permanently eliminated.

Councilmember VanDorp brought to attention the fact that the Ordinance did not state the pandemic being the cause of why the restaurants had a difficult year in 2020. He also said it needs to be consistently worded for all applicants, both on-premise and off-premise alcohol establishments. He does not recommend eliminating the reviews as that was something that was promised to the citizens. After discussing the various alternatives, there appeared to be a consensus amongst City Council members to eliminate the annual review that would be conducted in early 2021 for the 2020 Alcohol License Review and have the Community Development Director do spot-checks on the off-premise establishments. City Attorney Donkersloot will change the wording on Ordinance 998 to reflect this.

### ***Huizenga Park Bathroom Bid Award***

Included in the Fiscal Year 2021 budget were funds to update the restrooms adjacent to the Softball Fields at Huizenga Park. These bathrooms were identified to be upgraded in the Huizenga Park Master Plan, and as a City, we thought we should update these restrooms sooner as opposed to later in order to compliment the recently renovated softball fields for Zeeland Recreation. The remodeling includes new bathroom fixtures, new lighting, interior upgrades, painting, and new doors. As part of the design phase of the project, we did evaluate the installation of heat for the building, but decided to forgo this option because it would be far more expensive to include this as part of the project scope. Instead, we will make changes to our operations in order to open these restrooms soon after the winter weather subsides.

This past fall, staff worked with representatives from MC Smith to produce plans and specifications, and on December 23, we accepted bids for the project. We are happy to report that we received 7 bids for the project ranging from \$57,418 to \$81,400. The low bid on the project was from JKB Construction from Jenison in the amount of \$57,418. While the City has never worked with JKB Construction, representatives from MC Smith have worked with them and have been pleased with their work. MC Smith did also check several references of JKB Construction and ultimately recommends the acceptance of their bid, and as staff, we support MC Smith's recommendation. The project budget was set at \$70,159 and the project is scheduled to completed by April 23, 2021.

### ***Pension Investment Policy Update***

As City Council is aware, our Pension Plan is currently overfunded and is in excellent financial health. Since our last update to City Council, the plan has continued to perform very well, and has grown from being approximately \$1.1 Million overfunded to over \$2 Million overfunded. Due to this financial performance and funding status, at our last Pension Committee meeting, staff had a discussion with our Investment Advisors, CAPTRUST Financial Advisors, about ways to mitigate the risk of losing significant plan asset value and returning to an unfunded status. If Council will recall, in 2007 the Pension Plan was roughly 100% funded, but due to the Great Recession, over 30% of the value of the assets was lost, and it took around 10 years and significant resources to return to a 100% funded status. As a committee, we wanted to take steps to prevent this from happening again.

Generally speaking, undertaking less risk does result in less income or otherwise known as investment returns. Because we are dealing with a pension plan that has a 40, 50, or even 60-year horizon, we cannot simply eliminate all risk because then our plan becomes underfunded again. At this point in time, our plan expects a 5.76% investment return each year in order to maintain our overfunded status. The question then becomes what is the correct balance between risk and return for our Pension Plan. At our last Pension Committee meeting, CAPTRUST presented several investment strategy options for the committee to consider in order to strike a balance between risk and return. Each of these options considered shifting our asset allocation from more equities to bonds. By making this asset allocation switch, we are eliminating some risk as represented by the standard deviation percentage, but does come at the expense of returns as represented by the return percentage. As a committee, we discussed each of these options, and ultimately recommended shifting our asset allocation strategy to Hypothetical Option No. 1. Under this strategy, our Pension Plan will move from being invested in 60% Equities and 40% Bonds to being invested in 50% Equities and 50% Bonds. The committee felt that this option provides the greatest balance between risk and reward, and should allow the plan to remain 100% funded based on the 4.68% rate of return.

In order to implement this new investment strategy, City Council needs to formally adopt an updated Investment Policy Statement for our Pension Plan. This statement not only outlines the responsibilities of the Pension Committee, Investment Advisor, and Plan Custodian, but also the outlines investment allocation strategies and Investment Manager selection criteria. While the wording has changed since the last policy update which was approved in February of 2020 (please see attachment 2), the overall content of the document has not changed except for the asset allocation strategy which now aligns with that of Hypothetical Option No. 1 presented above. As a reminder to Council, this statement is not a legal document and serves more as a roadmap for the plan in order to accomplish its objectives, which according to the Investment Policy Statement is as follows:

*“The fundamental mission of the plan is to provide the capital assets necessary to meet the financial obligations made to participants of the Plan. Investment Assets are intended to provide a level of return generating sufficient capital to meet these obligations to avoid future catastrophically burdensome capital needs.”*

As a Pension Committee, we feel making these asset allocation strategy changes and adopting this new Investment Policy Statement will allow the City of Zeeland’s Pension plan to continue to meet its fundamental mission in a way that involves less risk to the existing plan assets, and can help preserve our funding status in the event of an economic downturn. In any event, City Council can be pleased that we are able to have these conversations because of the choices that have been made that allow us to maintain this level of assets and our overfunded status.

### ***IT Department Implementation Plan***

At the December 17, 2020 Personnel Committee meeting, staff presented the “final” details of the plan to implement an IT “Department” within the City of Zeeland. The details included the development of job descriptions and pay grades for the two proposed positions. These job descriptions and pay grades recommendations are part of the plan to implement an IT strategy outlined in the Information and Technology Services Report recommendation presented to City Council on November 9, 2020.

The Personnel Committee approved the job descriptions and pay grades at their December 17th meeting. They now await approval of the Board of Public Works and City Council. BPW General Manager Boatright included in the Council Package the job descriptions and wage grades and will seek City Council approval of such at the Council's January 18th meeting. The BPW Board will consider them at their January 19th meeting.

In addition to a review of the job descriptions and pay grades, we can also discuss some of the other logistics of the positions such as the conceptual idea on where we will locate the staff members and the reporting structure. As you will see, it is envisioned that the Information Technology Director will report to the City Manager/Assistant City Manager. We also envision the position will become an important part of the city management team.

***GL Rentals Amended Commercial Rehabilitation Certificate***

GL Rentals filed an amended Commercial Rehabilitation Certificate application with the estimated cost being \$1,801,583.00. A Public Hearing is scheduled for tonight's regular City Council Meeting.

*Being no further information to discuss, Mayor Klynstra adjourned the meeting at 6:43 p.m.*

Pamela Holmes  
City Clerk