

Council Meeting  
Common Council  
May 16, 2022

The regular meeting of the Common Council was held at the Zeeland City Hall, 21 S. Elm Street, Zeeland MI on Monday, May 16, 2022. Mayor Klynstra called the meeting to order at 7:05 p.m.

PRESENT: Council members – Mayor Klynstra, Mayor ProTem Gruppen, VanDorp, Broersma, Kass, Timmer and Lam

ABSENT: Council member: – None

Staff present: City Attorney Donkersloot, City Manager Klunder, Asst. City Manager/Finance Director Plockmeyer, Fire-Rescue Chief Tibbets, BPW General Manager Boatright and City Clerk Holmes.

The invocation was offered by Pastor Jeremy Cobb, First Baptist Church.

The Pledge of Allegiance was recited.

22.088 Approve Consent Agenda

Motion was made by Councilmember Broersma and seconded by Councilmember Kass to approve the Consent Agenda as presented:

1. Approve minutes of the regular meeting of May 2, 2022.
2. Approve minutes of the Work Study meeting of May 2, 2022.
3. Receive for information the minutes of the April 14, 2022 Planning Commission.
4. Receive for information the minutes of the May 10, 2022 Board of Public Works Commission.
5. Ratify BPW Action #22.036, Server and Backup Infrastructure Replacement.
6. Ratify BPW Action #22.037, Approve Cash Disbursements and Regular Monthly Transfers.
7. Ratify BPW Action #22.038, 48 Galvanized Water Service Replacement Project #1 Bid Recommendation.
8. Ratify BPW Action #22.039, Water Warehouse Office Addition General Contractor Services Bid Recommendation.
9. Ratify BPW Action #22.040, FY2023 Budget Amendment & Bid Award for 7 Single-Phase and 11 Three-Phase Transformers.
10. Ratify BPW Action #22.041, Remote Generation Facility Engineering Services for Flame, Natural Gas and Smoke Detection.
11. Ratify BPW Action #22.042, Energy Risk Management Policy Statement Revisions.
12. Ratify BPW Action #22.044, North Warehouse Landscape Design & Installation Services Bid Recommendation.
13. Ratify BPW Action #22.045, Approval of GDP Sligh Building Development Agreement.

Roll call.

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

No Votes: None

Absent: None

***Communications/Visitors***

There were no visitors present.

## *City Manager's Report*

Library/Community Center Director - Our hiring team continues to work through the process of finding a new director for the Library/Community Center. We are in the process of performing reference/background checks. We are hopeful to have an individual for City Council's confirmation consideration at the June 6 meeting.

135/137 E. Main Proposals – Staff continues to review the redevelopment proposals for 135/137 E. Main. We conducted one follow-up interview this week. We plan to conduct another review next week.

Brownfield Redevelopment Authority – The authority is scheduled to meet at 4:30 p.m. on Monday, May 16 prior to the City Council meeting. The primary objective of the meeting is to review their Tax Increment Financing (TIF) Policy. The TIF Policy will also be on City Council's agenda Monday evening. We do expect to receive a brownfield plan for a redevelopment project shortly, so the Brownfield Authority will likely be meeting several more times in the coming weeks.

Wage and Benefit Study – Staff continues to work with Sage Solutions on the Wage and Benefit Study. As with any study of this nature, it is a long process. We have some preliminary wage information that we are currently reviewing with the various department heads. When we have some more refined data we will start working with the Personnel Committee on this matter.

### 22.089 BPW Union Contract Approval

Motion was made by Councilmember Gruppen and seconded by Councilmember Timmer to approve the Utility Workers Union of America, AFL-CIO and its Local Union 556, July 1, 2022 – June 30, 2025 collective bargaining agreement provision as presented and to authorize the Zeeland BPW General Manager to sign the agreement mechanics and language.

Roll call.

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

No Votes: None

Absent: None

### 22.090 Server Infrastructure Replacement Bid Award

Motion was made by Councilmember Broersma and seconded by Councilmember Timmer to award a contract in the amount of \$216,878.67 to Trace 3 for server and backup infrastructure replacement and set a project budget in the amount of \$223,385.00.

Roll call.

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

No Votes: None

Absent: None

### 22.091 FY 21/22 Server Infrastructure Project Budget Amendment

Motion was made by Councilmember VanDorp and seconded by Councilmember Broersma to approve a budget amendment in the amount of \$27,500.00 as presented for the Server and Backup Project.

Roll call.

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

No Votes: None

Absent: None

22.092 GDP Development Agreement

Motion was made by Councilmember Kass and seconded by Councilmember Timmer to approve the Development Agreement with GDP Zeeland, LLC as presented.

Roll call.

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

No Votes: None

Absent: None

22.093 First CRC Parking Lot Lease Agreement

Motion was made by Councilmember Timmer and seconded by Councilmember Gruppen to approve the Parking Lot Lease Agreement with 1<sup>st</sup> CRC as presented subject to possible modification approved by the City Manager and City Attorney.

Roll call.

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

No Votes: None

Absent: None

22.094 FY 21/22 Parking Lot Lease Budget Amendment

Motion was made by Councilmember Lam and seconded by Councilmember VanDorp to approve a budget amendment in the amount of \$70,000.00 for the parking lot improvements at 1<sup>st</sup> CRC as presented.

Roll call.

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

No Votes: None

Absent: None

22.095 Brownfield TIF Policy Amendment

Motion was made by Councilmember Gruppen and seconded by Councilmember Timmer to approve the amendments to the Brownfield Tax Increment Financing Policy as presented.

Roll call.

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

No Votes: None

Absent: None

Mayor ProTem Gruppen met with the Dutch Ambassador last week. She stated he was overwhelmed with the Holland/Zeeland including businesses/industries and cleanliness.

Mayor Klynstra attended the Chamber Breakfast which was a farewell to Fred Upton. Klynstra said Upton will definitely be missed and he was truly about doing what was right.

Attorney Donkersloot reminded Council about the Memorial Day Parade on May 30 at 9:00 a.m

Gruppen reported a citizen approached her about the City taking a look at changing our precinct structure is and that Council should run for a precinct and not at-large. Gruppen feels the way it is currently is working by Council representing everyone. Donkersloot thought if we changed it, it would have to have a Charter amendment and there would be a lot of factors to consider. This has not been brought up before but Council

feels the way it is now is working well. VanDorp felt being precinct-specific would create division. As of now, Council does not feel a need to change this.

There being no further business, motion was made by Councilmember Timmer and seconded by Councilmember Kass to adjourn the meeting at 7:37 p.m. Motion carried. All voting aye.

  
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Kevin Klynstra, Mayor

  
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Pamela Holmes, City Clerk

MEMORANDUM OF WORK-STUDY SESSION  
Zeeland City Hall Council Chambers  
Monday, May 16, 2022  
5:45 P.M.

PRESENT: Councilmembers – Mayor Klynstra, Gruppen, VanDorp, Broersma,  
Kass, Timmer and Lam

ABSENT: Councilmembers – None

Staff Present: City Attorney Donkersloot, City Manager Klunder, Asst. City Manager/Finance Director Plockmeyer, Fire Chief Tibbets, BPW General Manager Boatright, IT Director Maloney and City Clerk Holmes

Mayor Klynstra called the meeting to order at 5:45 p.m.

***BPW Union Contract Approval***

BPW General Manager Boatright reported a tentative agreement has been reached regarding the Utility Workers Union of America, AFL-CIO and its Local Union 556 collective bargaining agreement which is set to expire on June 30, 2022. On May 9, 2022, the union voted in the affirmative to ratify the proposed contract changes for a three-year agreement commencing July 1, 2022. On May 10, 2022, at their regular board meeting, the Zeeland BPW Board of Commissioners also approved the tentative agreement recommending referral to City Council for consideration. Boatright reviewed the agreement changes with City Council and commended the union leadership on their willingness to negotiate agreement terms freely and transparently and in the true spirit of cooperation and also recognized the significant contributions on the part of Bob Mulder throughout the negotiations process in working through various aspects of the proposed agreement mechanics and language.

***Server Infrastructure Replacement Bid Award***

Throughout 2020 and 2021, the City of Zeeland and Zeeland BPW were in discussions with Egltech, Inc. to replace the aging server and backup infrastructure. A decision was made not to implement any major upgrades or changes until additional Information Technology staff were hired. This delay would give new staff an opportunity to help determine the selection of equipment and course of implementation.

There are seven physical servers which need to be replaced. Five of those servers are dedicated to the production server environment. Two are dedicated to the backup infrastructure. These servers are all between five and nine years old.

In December of 2021, a Business Continuity Evaluation was conducted by Sentinel Technologies. The evaluation included a review of the current server and backup infrastructure. The evaluation noted a server environment “suffering from some much-needed update of the physical and logical infrastructure”. In addition, it was noted that the storage infrastructure had “fallen way behind the modern deployment standards”.

The evaluation recommended immediate replacement of physical production servers and the addition of a Storage Area Network (SAN) device to replace local server storage. It was also recommended that the environment be configured with software to centrally manage and control physical hosts and virtual servers.

Sentinel noted that no Disaster Recovery (DR) infrastructure existed. Infrastructure for DR is critical in the event production servers are destroyed or otherwise become non-functional. The evaluation recommended adding DR hardware including a server and SAN that may be used in the event of a disaster. The DR equipment should be factored into the infrastructure “ideally including SAN replication and more robust backup and replication infrastructure”. The two existing backup servers are 6 and 9 years old respectively. It was

recommended that “the current solution be replaced with a product like VEEAM to conduct the backup operations and a new backup appliance set be obtained to facilitate encryption and immutability of the backups themselves”.

In March of 2021, The City of Zeeland published an RFP requesting bids to replace the aging infrastructure and four responses were received. The bids ranged in price from \$216,000 to \$428,000. The two highest bids were removed from selection and the two remaining bids evaluated. After a presentation from each vendor, several conference calls and further evaluation of the existing network environment, it was determined that the lowest cost solution would meet the criteria set forth in the original proposal request. The proposal included hardware for production, disaster recovery and backup infrastructure as recommended by the Business Continuity Evaluation.

In response to the Business Continuity Evaluation recommendations and as a result of the aging server and backup hardware, it is recommended that Council and BPW Board move to replace the current server and backup infrastructure and award the project to Trace 3 with a set budget amount of \$223,385.00.

### ***FY 21/22 Server Infrastructure Project Budget Amendment***

For both, the City and BPW, \$150,000.00 in total was allocated for server infrastructure replacements in Fiscal Year 2021-2022. Because the project came in over budget, we are also seeking a budget amendment for the City’s portion of the additional cost for the project. The proposed budget amendment for the City is to increase the available budget in account 101-228-814.103 (Computer Service – Capital Outlay) by \$11,500.

### ***GDP Development Agreement***

Klunder presented a proposed development agreement between GDP Zeeland, LLC, the Zeeland Board of Public Works and the City of Zeeland regarding provisions for the redevelopment of the Sligh Building at 349 E. Main. This agreement covers some of the remaining provisions for the project that have not already been addressed. As City Council is aware, some of the typical provisions in a development agreement, such as zoning approval, issuance of a building permit, etc., have already been approved. Klunder provided a brief summary of some of the construction provisions in the agreement:

1. The City will complete the vacating of a portion of Maple.
2. GDP will remove the vacated portion of Maple at their cost.
3. The restoration of Maple (cul-de-sac) will be done to City specifications and plans approved by the Planning Commission on 1/20/2022. GDP will be responsible for this cost.
4. The City will incorporate proposed gateway improvements at the intersection of Maple and Main into our E. Main resurfacing project.
5. The City will explore the addition of angled parking on the north side of Main in the block from Centennial to Maple.
6. GDP will act as the City’s construction manager to install snowmelt lines under the disturbed E. Main sidewalk adjacent to the Sligh Building. Cost of installing these snowmelt lines will be credited to GDP for any construction special assessment for snowmelt installation that may occur.
7. Stormwater plan will be accepted as project calculations indicate the project will not be detrimental to the stormwater system in that area.
8. GDP will work with the BPW to modify the access easement they have with the BPW to GDP’s proposed north parking lot of the Sligh Building.

There are a number of other legal provisions to the agreement that Jim Donkersloot drafted for us. This is another exciting piece of this large-scale project that will be a catalytic project for our eastern gateway to

downtown. The Board of Public Works did approve the agreement at their meeting on May 10, 2022 and GDP has informed Klunder that they are acceptable to the agreement.

### ***First CRC Parking Lot Lease Agreement***

Plockemeyer explained this past fall we were approached by representatives from 1<sup>st</sup> CRC to discuss the renewal of our existing parking lot lease. Our current lease agreement has been in place since 2003 and has been operating on automatic 3-year renewals since 2006. While this lease has worked well for the past 19 years, it was time for an updated lease agreement as 1<sup>st</sup> CRC considered items such as the need to make improvements to their parking lot. As we worked with representatives from 1<sup>st</sup> CRC, several items were considered in regards to the updated lease agreement including:

- Cost share for parking lot improvements
- Access to spaces and overnight parking
- Lease term
- Maintenance of the parking lots
- Snow removal

The updated lease agreement includes the following considerations:

#### Parking Lot Improvement Costs

1<sup>st</sup> CRC indicated they had received quotes in the amount of \$110,000.00 for parking lot improvements due to deterioration of the asphalt. Because the City regularly uses these spots, we agreed that we should share in the costs of these improvements. After doing some calculations, staff felt it was appropriate for the City to pay up to a maximum of 63.29% or \$69,620.00 of the proposed improvements.

#### Parking Lot Access

This agreement maintains the City's ability to utilize all of the spaces in the parking lot.

#### Overnight Parking

As part of the conversations with 1<sup>st</sup> CRC, we proposed to allow for overnight parking in 25 parking spots. Ultimately it was determined that this was not in the best interest of the Church and we agreed, so this was not included as part of the agreement.

#### Lease Term

Due to the fact the City is expending funds for the replacement of the parking lot, the term of the lease agreement is 20 years with automatic one-year renewals thereafter. This is consistent with our agreement with Second Reformed Church.

#### Parking Lot Maintenance

Under our current lease agreement, the church is responsible for all parking lot maintenance. The proposed lease agreement includes a provision that the church is responsible for all maintenance in years 1 – 10 and the costs are split 50/50 between the City and the Church in years 11 – 20. This also is consistent with our lease agreement with Second Reformed Church.

#### Snow Removal

The terms of the snow removal have not changed. The lease indicates that the snow removal costs will be split equally, the church will provide snow storage and the City will haul away the snow. Donkersloot suggested adding possible modification approved by the City Attorney and City Manager regarding the snow removal portion which adds the snow that is plowed from the streets.

### ***FY 21/22 Parking Lot Lease Budget Amendment***

1<sup>st</sup> CRC is hoping to complete the parking lot improvements project before the end of our fiscal year and this was something we had not planned on this during our current fiscal year. As part of this recommendation, we are proposing to amend the City's budget to accommodate this project.

### ***Brownfield TIF Policy Amendment***

At the April 18, 2022 Council meeting, staff shared proposed amendments to the Brownfield Redevelopment Authority's Tax Increment Financing (TIF) Policy. We discussed that the City of Zeeland established a Brownfield TIF Policy in 2004 and while the city had three brownfield projects, only one took advantage of the TIF Policy. That was done in 2004. It appears that we will now have a redevelopment(s) project that may seek the use of TIF for their project in order to offset the Brownfield Redevelopment costs and thus, staff felt we should reevaluate our policy given it has been almost 20 years since our last TIF.

The proposed amended policy was updated with the assistance of Pat McGow of Miller Canfield, the attorney that originally assisted us to establish our Brownfield Redevelopment Authority and TIF Policy. We also consulted with other local Brownfield professionals. As a reminder, the primary drivers of amending our policy are to provide the authority with more flexibility by enabling additional decision-making authority when reviewing Brownfield plans in order to assist with redevelopment of Brownfield projects, and to remain competitive with other Brownfield authorities. We believe the amended policy brings us more in-line with other Brownfield authorities and certainly with provisions allowed by state law.

In our case, there are two primary items we recommend amending as they are more restrictive than state law. One, we require a developer to submit a TIF Plan that would seek both the collection of school taxes and non-school taxes for eligible Brownfield expenses. The practical difficulty with this requirement is that in order to qualify for the collection of school taxes, no project can start prior to submitting a plan to the state. What this may do is hinder a project from getting started if they only want to collect non-school taxes. It is important to note, that the state does not always allow the collection of school taxes. Furthermore, our policy states that we will only allow the proportional share of local taxes to be collected should the state deny the collection of school taxes. This is our "safeguard" that we will not automatically allow additional non-school taxes to be captured to make-up for the denied school taxes. This provision would also apply if we were to amend our policy to encourage, not require, a TIF Plan to seek the collection of school taxes. Thus, encouraging, rather than requiring, a plan to seek the collection of school taxes is our first primary suggested amendment.

While we do have the policy safeguard of not automatically making up denied school taxes, to provide further flexibility, our existing policy does allow an applicant to seek approval to make-up the denied school taxes with non-school taxes if there is a compelling local interest. The policy outlines what those local interest may be such as number of jobs created, community impact, impact on tax base, etc. Again, this provision is in the interest of staying competitive and providing flexibility to deal with impactful projects.

The other recommended primary amendment to the policy is the length of time we allow a developer to be reimbursed through a TIF. Currently, our policy limits a TIF to 15 years. Under state law, a TIF may extend for 30 years. The example above does a nice job of outlining a potential limitation of our policy. In that example, if the city did want to consider allowing the extension of TIF collection on non-school taxes in order to make-up the non-collection of school taxes, our existing policy limits TIF collection to 15 years. Thus, we would not even be able to consider an extension. We feel this again limits the flexibility of the authority to consider a project that may be a worthy project of consideration and it is more restrictive than state law. We thus recommend an amendment to allow the collection of TIF to the maximum extent allowed by state law (30 years currently) in order for us to remain competitive with other communities.



The only other recommended amendment in the policy is the removal of the provision that attorney and consulting fees are not reimbursable with TIF revenues. That provision is now contrary to state law.

Klunder reported the Brownfield Redevelopment Authority met this afternoon to review the TIF Policy amendments and accepted the recommendations of staff.

### ***Alcohol Ordinance Review***

At Council's March 21st meeting, we engaged City Council in a discussion around making modifications to the Alcohol Ordinance in response to recommendations made by the Alcohol License Review Committee. The Committee recommended that the Alcohol Ordinance be modified to add language that would require a license holder to have representation at the Annual License Review Committee meeting and also allow for a license holder to be charged a fee in the event that a special meeting of the Committee needed to be held because an applicant failed to provide representation at the annual meeting. Because making this change would require us to reopen the Alcohol Ordinance, staff did recommend that City Council make one more evaluation of the ordinance prior to making any changes. In particular, staff asked Council if modifications to the alcohol review process could be made to make this a function of staff instead of a separate review committee. While Council was receptive of the idea, Council indicated that they felt that holding our alcohol license holders responsible was still very important.

Plockmeyer provided a red-line version of the Alcohol Ordinance, which includes proposed language regarding the annual license review process which reflects the sentiments of City Council. Updates to the language include:

- Removal of all references to an Alcohol Review Committee and instead insert the term City Manager
- Update the language to read that the City Manager will only bring to City Council recommendations of objection to an alcohol license renewal. Recommendations not to object to renewal will not be brought to City Council for formal action.
- Added the word confidential in regards to the sales report on alcohol and food.

As proposed, the language adjustments do not eliminate an annual review of our license holders, it simply moves this as a function of staff and will only bring recommendations to object to a renewal of a license to City Council's attention. These proposed language adjustments do not mean staff will only evaluate our license holders once a year. Throughout the year staff will continue to make inspections, handle complaints, and enforce compliance. As staff, we feel that these proposed language updates strike a healthy balance of maintaining the community's desire to hold our alcohol license holders accountable while making it an easier process for both staff and the license holders.

### ***State Street Traffic Signal Optimization***

The 2021 Strategic Action Plan included an action item to perform a traffic study on the State Street Corridor from BL-196 to Riley Street in order to evaluate the flow of traffic through the corridor and to see if any traffic signal timing modifications could be made in order to improve traffic flow. Our traffic engineers, Progressive A/E, performed this traffic study in the fall of 2021 and provided us a report on their findings earlier this year.

As stated in the report, "In the past there hasn't been significant desire to provide smoother progression through the corridor, in part due to concerns that doing so would induce higher traffic volume from outside of the City." Also, it was indicated that years ago the city wanted to slow traffic through this corridor in order to encourage visitors to visit the downtown district. Because of several complaints of traffic congestion especially during peak hours and the establishment of our downtown district, we felt it was time to evaluate the timing of these signals to determine if greater travel efficiencies could be achieved.

As outlined in the report, besides the movement of State Street traffic through the BL-196 intersection, no traffic movement through an intersection is experiencing a poor level of service. (In regards to the BL-196 intersection, the timing of this signal is the responsibility of MDOT. MDOT has been provided a copy of this report and it has been requested they implement the changes referenced in it.) Even though no intersection is experiencing a poor level of service, the report does suggest that some modifications can be made to enhance not only the efficiency but also safety of travel through the corridor and the timing sequences to achieve this are suggested in the report. Unless City Council objects, staff intends to implement the timing sequences outlined in the report. We see value in both the efficiency of travel and safety in the recommendations of Progressive A/E, but wanted to present the information to City Council prior to making any changes.

The Work Study adjourned to the regular Council Meeting at 7:04 p.m.



Pamela Holmes, City Clerk