1. Council Goal Setting Meeting Agenda

   Documents: 1-26-16 GOAL SETTING AGENDA.PDF

2. City Council Goal Setting Packet

   Documents: REVISED CITY COUNCIL PACKET 1-26-16.PDF

City of Ypsilanti
City Council Goal Setting Agenda
Tuesday, January 26, 2016
7:00 p.m.
Spark East – 215 W. Michigan Avenue
Ypsilanti, Michigan 48197

I. CALL TO ORDER –

II. ROLL CALL –

III. INVOCATION –

IV. PLEDGE OF ALLEGIANCE –

V. AGENDA APPROVAL -

VI. INTRODUCTIONS –

VII. AUDIENCE PARTICIPATION –

VIII. REMARKS FROM THE MAYOR –

IX. PRESENTATIONS –

1. Eastern Washtenaw Economic Development – Beth Ernat
2. Traffic Standards

X. MOTIONS/RESOLUTIONS:

Resolution No. 2016-020, supporting Flint City Council

XI. DISCUSSION ITEMS –

1. Recap of Desired Outcome – Peter Letzmann
2. Alternate Budget Recovery Plan – Ralph Lange

XII. AUDIENCE PARTICIPATION –

XIII. REMARKS FROM THE MAYOR –

XIV. ADJOURNMENT –

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XIV. ADJOURNMENT –

Nan Schuette

From: Ralph Lange
Sent: Thursday, January 07, 2016 9:52 AM
To: Daniel Vogt
Cc: Tony DeGiusti; Stan Kirton; Nan Schuette
Subject: Douglas Street
Attachments: Douglas Study 2015.pdf

Mr. Vogt,

Please see attached e-mail and attachment.
If you have any additional questions please let me know.

Ralph A. Lange
City Manager
One South Huron Street
Ypsilanti, MI. 48197-4250
(734) 483-1810 (Main)
(734) 483-1555 (Office/Voice Mail)
rlange@cityofypsilanti.com
www.cityofypsilanti.com

From: Tony DeGiusti
Sent: Wednesday, January 06, 2016 2:24 PM
To: Ralph Lange
Subject: FW: Douglas Street

Sir,

This issue has not been on hold since September 2014. In fact a speed study was done from September 10-16, 2014; November 9-16, 2014 and again from November 14-20, 2015 (which is attached to this email). Each of the speed studies showed similar results. The traffic for a residential street is heavy, but the location of the street between two main roads makes it a convenient short cut . When you look at the speeds you will see that the average speed is 16.73 mph which is well below the speed limit. Also the number of violators per hour is very low and in some hours zero. It should be noted that vehicles travelling even one mile per hour over the posted speed limit are considered violators.

Each time the Traffic Review Committee looked at the results they decided unanimously that the results did not give rise to placing a speed bump. I do believe that in this situation, if the residents do not agree with the Traffic Review Committee results they can have a speed bump installed by DPS at the residents expense.

Tony DeGiusti
Chief of Police
City of Ypsilanti Police Department
505 W. Michigan Avenue
Ypsilanti , MI 48197
734-483-8590
tdegiusti@cityofypsilanti.com

TRAFFIC REVIEW COMMITTEE:

The Traffic Committee includes: City Planner, Department of Public Services Director, Police Chief, DDA Director, Fire Chief (when necessary) and secretary.

When a resident has a request to speed bumps, etc. they must make a written request, including a petition signed by 60% of residents on street for traffic speed control, to the Traffic Review Committee. A petition is not necessary for street sign requests. After receipt of same, a meeting will be scheduled with the committee. An agenda is written, copies of the request and other information as needed is distributed to the committee members.

The meeting is held, at which time, the item is discussed in full, taking into account city policies, reports completed by Police Department or Department of Public Services. After which, a decision is made as to whether the request is feasible or if none, the reason it cannot be completed.

A Traffic Review Form is completed for work to be completed, and signed off by all committee members and the City Manager.

Policy & process for resident requested speed control devices – June 2, 2015

City Council has requested a policy for managing both resident requests and appropriate road treatments to address speed control requests in residential neighborhoods in Ypsilanti. Controls under consideration include speed humps, bumpouts, traffic circles and street trees. This is separate from signage, whether informational or traffic control signage. Below is a summary of the main considerations in the policy followed by a proposed process for receiving, reviewing, and acting on citizens' requests for permanent measures.

Recommended process for requesting, reviewing, and implementing speed controls

- Resident request - petition by 60% or more of the residents of a minimal contiguous area of two block faces, or equivalent area or distance (similar to RPP process)
  - ☐ To the extent possible, residents should provide as much information as possible about:
    - Segments of street where speeding usually occurs
    - If speeding is issue on other nearby/parallel streets
    - Where conflicts between vehicles and pedestrians are likely, but not necessarily easily discernible by a non-resident
    - Other concerns whether it be issues around timing of speeding, other potential hazards, options to be considered

- Traffic Review Committee (TRC) determines if the roadway is eligible for speed controls:
  - ☐ Under local control
  - ☐ Speed limit of 45 mph or less
  - ☐ Traffic count of less than 15,000 (may require counts conducted by DPS)
  - ☐ Traffic study performed by Police Department and presented to TRC
    - ☐ Eligible if 10% or more of the motorists are travelling at least 5 mph above speed limit.
    - ☐ Crash history review conducted by staff
  - ☐ Note: if warrants for speed and crash history noted above are not met, if it can be determined that the perception of speeding and danger on the street is a detriment to the neighborhood and that the neighborhood is wholly in favor of the recommended treatment, then treatments can be sought.

- Traffic review committee analyzes potential contributing factors:
  - ☐ Traffic generation: if a new business or other trip generator is causing an increase in traffic flow or speed, work with the traffic generator to educate motorists & reduce overall traffic (Bus route improvement, nonmotorized/sidewalk improvements, etc), in addition to road treatments.
  - ☐ If street is on a bus route or school bus route, request input prior to making a final recommendation.

- ☐ If the street is on an emergency snow removal route, special consideration must be given to snow removal issues, including snow storage.
- ☐ Persistency: if the cause of speeding is cut-through traffic due to nearby construction, or a similar temporary cause then temporary speed humps may be appropriate. If expected to persist longer than a year and the street is not in the Capital Improvements Plan in the coming five years, then permanent treatments should be used.

- Determine most appropriate treatment
  - ☐ Review available treatments, success rates, and budget requirements to determine most appropriate treatment for a site. Examples of treatment types and considerations below:
    - Speed humps: if ADT of less than 5,000, not on a Major Street, speed limit of 25mph or less. Preferred 2 per block to ensure consistent speeds. Note that concrete speed humps have a lifespan similar to that of a concrete road; temporary/removable rubber speed humps are only warranted for approximately 3 years.
    - Bumpouts: if road width and turning radii allow. Generally located at crosswalks/intersections; may also be located in no-parking zones.
    - Sidewalks: Sidewalks can increase pedestrian safety, but do not directly address speed issues.
    - Street Trees: Street trees reduce the visual "clear space" for drivers, and are best in combination with other treatments, and aligned with the City's forestry plan.
    - Striping and signage: Striping of pedestrian crosswalks with "piano keys" or "continental" style markings, along with "pedestrian crossing" signs can be useful in high-traffic (pedestrian &/or vehicle) areas.
    - On-street parking &/or bike lanes: when road widths permit, the addition of a bike lane or on-street parking can be beneficial. On-street parking and bike lanes are most beneficial when they are used, so bumpouts for parking and appropriate signage/network for bicyclists are important.
    - Complete Streets: If the street is scheduled for reconstruction or other work in the coming five years, then it should undergo Complete Streets review.

- Funding source recommendation. Potential sources of funding include general fund dollars, Act 51 dollars; neighborhood associations, special assessment, or a combination of these funding sources. Construction and maintenance costs considered. For example, temporary speed humps require budgeting for removal and reinstallation annually, plus replacement every three years.

- Formulation of recommendation by municipality
  - ☐ TRC representative to stay in contact with applicants' representative during process
  - ☐ TRC provides recommendation to City Manager – City Manager may present decision and/or funding recommendation to City Council if necessary.
  - ☐ If treatments to be installed, DPS follows their standard notification policy (neighborhood groups, fliering) if construction to follow.

- Execute the work to be done, if any.

Speed Summary Report

For Ypsilanti Police Department on 12/9/2015 at 7:20 AM

Generated by Lieutenant Brent Yuchasz
Location: Douglas, 478 Douglas, N

Time of Day: 0:00 to 23:59
Dates: 11/14/2015 to 11/20/2015 (Su, M, T, W, Th, F, Sa)

Notes:

Hours	Mode	Speed Limit	Total # Vehicles	Total # Violations	% Violations	Average # Vehicles per day	Average # of Violations per day	Minimum Speed Recorded	Maximum Speed Recorded	Average Speed	50% Speed	85% Speed	Sign Effectiveness
0:00	Single Message	25	10	3	30.0 %	5.0	1.5	7	27	19	17.8	23.2	29.5 %
1:00	Single Message	25	4	2	50.0 %	4.0	2.0	13	27	23	25.5	27.0	50.0 %
3:00	Single Message	25	3	3	100.0 %	3.0	3.0	27	28	28	27.0	27.7	0.0 %
4:00	Single Message	25	5	2	40.0 %	5.0	2.0	13	27	19	21.6	21.6	20.0 %
5:00	Single Message	25	2	0	0.0 %	2.0	0.0	6	6	6	6.0	6.0	50.0 %
7:00	Single Message	25	68	16	23.5 %	22.7	5.3	5	28	15	12.8	23.3	28.9 %
8:00	Single Message	25	62	19	30.6 %	20.7	6.3	6	32	19	19.7	23.4	17.2 %
9:00	Single Message	25	144	7	4.9 %	36.0	1.8	5	34	12	11.0	14.8	42.9 %
10:00	Single Message	25	45	6	13.3 %	11.3	1.5	5	35	18	17.5	21.7	33.1 %
11:00	Single Message	25	96	24	25.0 %	24.0	6.0	5	31	17	15.2	23.0	27.4 %
12:00	Single Message	25	107	18	16.8 %	26.8	4.5	6	32	16	14.6	22.0	27.1 %
13:00	Single Message	25	118	10	8.5 %	23.6	2.0	5	29	15	14.0	18.4	24.0 %

ALL TRAFFIC SOLUTIONS

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Hours	Mode	Speed Limit	Total # Vehicles	Total # Violations	% Violations	Average # Vehicles per day	Average # of Violations per day	Minimum Speed Recorded	Maximum Speed Recorded	Average Speed	50% Speed	85% Speed	Sign Effectiveness
14:00	Single Message	25	73	9	12.3 %	14.6	1.8	5	62	18	17.6	22.0	25.5 %
15:00	Single Message	25	116	18	15.5 %	23.2	3.6	5	35	18	16.0	22.5	29.5 %
16:00	Single Message	25	72	4	5.6 %	14.4	0.8	5	36	16	14.7	20.5	42.8 %
17:00	Single Message	25	93	13	14.0 %	18.6	2.6	6	36	17	17.4	22.9	16.9 %
18:00	Single Message	25	98	15	15.3 %	19.6	3.0	5	38	17	16.2	22.1	34.4 %
19:00	Single Message	25	66	5	7.6 %	16.5	1.3	5	29	15	13.5	19.9	28.4 %
20:00	Single Message	25	49	0	0.0 %	12.3	0.0	5	24	14	13.3	18.0	28.6 %
21:00	Single Message	25	40	5	12.5 %	13.3	1.7	5	33	15	13.1	19.1	42.1 %
22:00	Single Message	25	5	0	0.0 %	5.0	0.0	5	16	8	7.2	9.6	80.0 %
23:00	Single Message	25	6	3	50.0 %	3.0	1.5	14	27	22	21.2	23.2	16.5 %
Total Volumes / Avg Speeds	Single Message	25	1282	182	14.2 %	324.4	52.1	5	62	17	16.0	20.5	32.0 %
Total/Avg w/o Feedback			1282	182	14.2 %	324.4	52.1	5	62	17	16.0	20.5	32.0 %

ALL TRAFFIC SOLUTIONS

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Total/Avg w/Feedback			0	0	0.0 %	0.0	0.0	0	0	0	0.0	0.0	0.0 %

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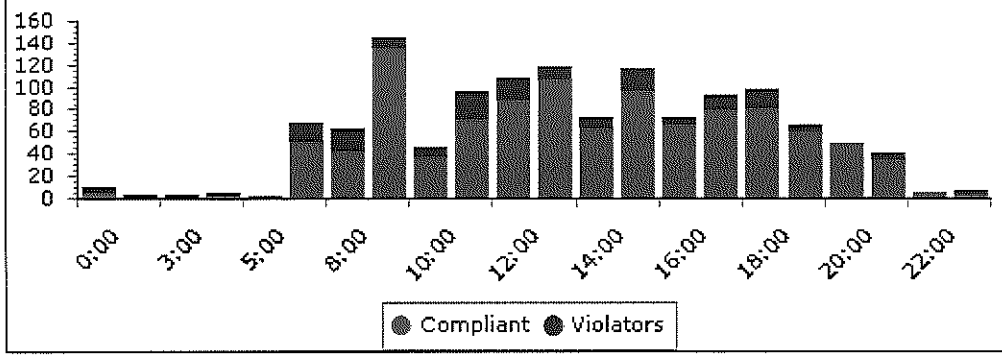
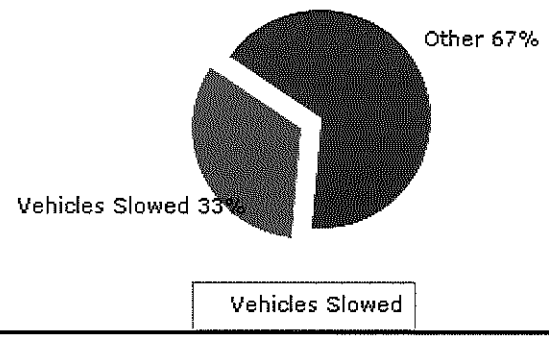
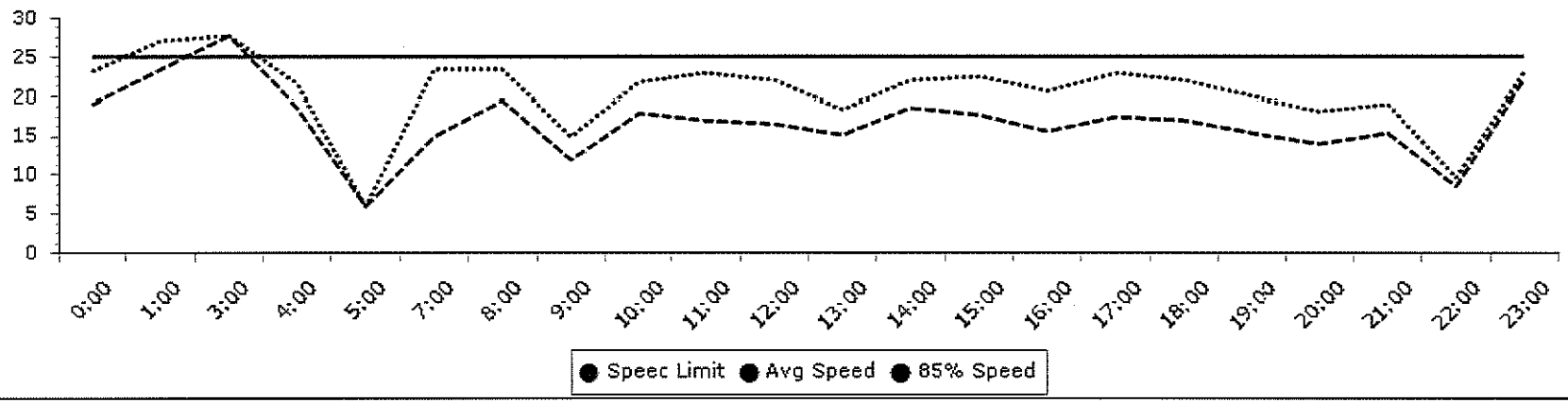
Volumes by Compliance



Sign Effectiveness



Speeds



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Overall Summary

Total Days of Data	5
Speed Limit	25
Average Speed	16.73
50th Percentile Speed	16.03
85th Percentile Speed	20.53
Pace speed range	17 to 26
Maximum Speed	62
Minimum Speed	5
Display Status?	Displaying Speed Feedback
Average Volume per Day	324.42
Total Volume	1,282

Over view of:

Alternative Budget Recovery Plan

For Fourth Goal Setting Meeting 1-26-2016

In addition to the attached documents, I would like to offer the following information that I hope will add some value to City Council's decision making process.

If the City Council moves forward with the plan presented and the city spends a million dollars of the General Fund, fund balance in FY 2015-16, the city will have $3,625,481 as of 7-1-2016, in uncommitted fund balance available to use. The amount can be further broken down as follows: $1,400,000 to be kept aside for the 10% reserve, $1,095,027 to cover the FY 1016-17 Water Street debt and $1,130,454 in uncommitted General Fund dollars. In my professional view, this would be a worst case situation because I do not believe the city will spend a million dollars in General Fund, fund balance in FY 2015-16. The city staff will make a strong effort to update this projection over the next three weeks.

Another major issue that has been questioned is how much money the city will "save" by following the refinancing and pay down on the Water Street debt called for in the most current plan being offered to City Council for adoption. How much we are saving is a bit of a misnomer. A better way to explain the value to the city's General Fund bottom line would be as follows:

If the city does nothing to the Water Street debt for the next 15 years, it would pay $20,684,975 in P and I. If the City Council adopts the proposed plan, the city's next 15 years of P and I payments would be $15,735,242 a reduction in payments of $4,949,733. In addition, for every year after the full amount of the non-refunded bonds is paid off, the city's annual P and I payment will decrease by approximately $337,000. As an example, if the city is able to pay off the non-refunded bonds after the first five years then its annual P and I payment would be reduced by $3,373,178 over the next ten years. This, in turn, would reduce the city's total P and I payments over the 15 year period by $8,322,911 versus doing nothing with the Water Street debt.

I want to take this opportunity to thank everyone on the city staff who worked so hard on this new proposal.

Please see Alternative Budget Recovery Plan with attachments and attachment K

Alternative Budget Recovery Plan

For Fourth Goal Setting Meeting 1-26-2016

Introduction to this Plan(s):

Recap of current process to date:

The City Council is required to conduct goal setting meetings with the city staff prior to the start of each year's budget process. The purpose of these goal setting meetings is for a majority of the members of City Council to come to a consensus as to what they believe are the most important goals that the city needs to accomplish over the next one or two years.

Armed with this information, the City Manager is expected to propose a budget that reflects these Council goals and assigns limited staff and financial resources accordingly. City Council would then review the City Manager's proposed budget, and vote on desired additions and deletions to his proposed budget. The City Manager and staff then amends this budget to reflect these changes and re-present this budget to City Council for final changes and approval/adoption.

Currently, city staff is expected to amend the FY 15/16 and create FY's 2016/17 and 2017/18 budgets. These three budget years are extremely critical to the long term survival of the city for several reasons; getting control of the Water Street debt is a top priority for the city. The City Manager has proposed a plan that will give the city a realistic chance to accomplish this goal. That being said, there is no guarantee that any plan will solve this problem unless the city can sell a substantial number of its excess land holdings (its Water Street property being the most critical land to be sold and developed) over the next three years.

While the city has done an exceptional job of providing quality city services over the last ten (10) years without drawing down its General Fund, fund balance, this situation cannot continue into the future. The amount of the city's debt is scheduled to increase again next year and the city's cost of doing business has been reduced significantly. There is a limit on what more can be done to reduce these costs further and still deliver quality city services. (Please see attachments A, B, C).

City Council has conducted three goal setting sessions over the last two months. Although some decisions have been made by City Council that will provide the City Manager and staff some direction going into our next budget process, there remains several key decisions to be made by the majority of City Council before the City Manager and staff can efficiently move forward to: 1) move to execute some of the primary features of the Manager's proposed balanced budget/recovery plan and 2) assemble the FY's 2016/17 and 2017/18 city budget.

Current deadlock and proposed compromise way forward from here:

The City Council seems seriously undecided as to how much of the projected General Fund, fund balance should be used to pay down the current Water Street debt principal in May of 2016. In addition, while City Council clearly agrees that the city's current budget problems can only be solved through a combination of budget cuts, debt restructuring and raising additional revenues, the idea of imposing a multiyear substantial Street Light special assessment ($350,000 +/-) is not very popular.

Still time is growing very short; we need to make decisions on these issues during our next goal setting meeting, which is now scheduled for Tuesday January 26, 2016, so we can proceed to do the work we need to do to move forward in a timely manner.

In order to help this process along, I would propose an alternative budget recovery plan(s) that I believe would have more support from the members of City Council than what I have currently put on the table.

Major features of Plan (A):

1) Refinance $7,745,000 in Water Street Debt which would save the city interest costs for this part of the debt. (Old interest rate 6.1% versus new rate 4%)
2) The refinance period would be for 14 years. (Please see attachments D,E)
3) The amount of millage to pay off the amount of debt would be 2.3mills; the revenue from this millage is scheduled to increase by 1% per year.
4) This would match the amount of millage that would roll off for the 2001 road bond issue to make this millage neutral. (Please see attachment F)
5) This would require a vote of the people; Election to be held in August of 2016. (Please see attachments G1,G2 and H)
6) The best estimate of the value of 1 city mill during the first year is $289,000 x 2.3 Mills = $665,000.

7) This would leave the city with $5,500,000 in bonds that were not refinanced; on March 2016 the city would pay down $2,255,000 on this part of the Water Street debt. This money would come from non-General fund $418,000 and General Fund $1,837,000, which equal $2,255,000, leaving the city with $3,245,000 of bonds that were not refinanced to pay on until the money to pay down the principal is found. The sale of surplus city assets (mostly land) is where the city expects to gain this money. (Please see attachment I)
8) This would leave the city with a projected spendable General Fund balance of $4,953,000 as 6-30-2016; if we use up $1M in General fund, Fund balance in FY 2015-16.
9) Allocation of full time employees in several key areas are as follows; 17 fulltime Officers in the Fire Department including the Fire Chief (reduction to occur through attrition), 32 sworn officers in the Police Department including the Police Chief, three in the Economic and Community Development Department or four if a new revenue source can be secured. The rest of the city staff will remain largely at status quo levels and will be adjusted to reflect budget and service demands as time progresses.
10) Annually, around the first week in September of each year, the city would know how much the General fund, Fund Balance was actually reduced versus how much it was projected to be reduced for the previous FY budget year. If the administration and City Council felt that there were surplus funds in the General fund balance, that money would be spent to pay down part of the bonds that were not refinanced.

Major features of Plan (B):

1) This plan would only go into effect if plan **A** does not get the support of the votes in Ypsilanti.
2) To make up, in part, for the lost projected millage revenue in August of 2016 the City Council would have to take action immediately to generate additional revenues. Likely this would take the form of an operating Street Light special assessment. If action is taken quickly enough, the first collection date for the money would be in December of 2016.(see attachment J)

Plan **A,** by far, is the city's preferred option but if this is not successful, the money generated by plan **B** would be absolutely essential to giving the city staff enough time to succeed in its Economic Development efforts without having to lay off a number of city staff in order to balance the General fund during this period of time.

3) The rest of plan **B** follow the same course as plan **A.**
4) The rest of the city staff will remain largely at status quo levels and will be adjusted to reflect budget and service demands as time progresses.

Summary and conclusions:

The goal of the city administration over the last four years has been to formulate a plan/budget that would allow the city to provide quality services and still work within its financial resources.

Plan **A**

I) Debt restructuring; The actions proposed (debt refinancing and pay down in 2016) in this plan should save the city approximately $370,000 in the early years with the savings decreasing to $275,000 in the last debt repayment year. While holding on to $3,245,000 in old bonds now will not save the city anything immediately, it has the potential to save the city up to about $337,000 a year when these bonds are paid down or completely paid off.

II) Raising additional revenues; If the voters approve the August Water Street debt millage, this will generate approximately $666,557 in year 1 and $762,120 in year 14.

III) Budget cuts; Even if I and II are completely successful, the city administration with the support of City Council will have to find ways to cut costs and raise revenues that in combination would improve the annual bottom line of the General fund budget by approximately $300,000 per year as compared to its current General Fund budget.

Plan B

I) Debt restructuring; The actions proposed (debt refinancing and pay down in 2016) in this plan should save the city approximately $370,000 in the early years with the savings decreasing to $275,000 in the last debt repayment year. While holding on to $3,245,000 in old bonds now will not save the city anything immediately, it has the potential to save the city up to about $337,000 a year when these bonds are paid down or completely paid off.

II) Raising additional revenues; If the voters do not approve the August Water Street debt millage, the city will lose approximately $666,557 in year 1 and $762,120 in year 14 in hoped for General fund revenues. The Street light operating special assessment revenue stream is limited to a maximum of about $390,000 per year for the number of years City Council is willing to vote for it. Even of this option is used to its maximum for 15 years, it will still fall short of the 2.3 mill revenue option by about $300,000 a year in every year but the first year. *The main point to understand is that with no additional revenue stream, it is going to be almost impossible to provide quality city services and not over time use up the city's entire General Fund, fund balance.*

III) Budget cuts; Even if II is completely successful, the city administration with the support of City Council, will have to find ways to cut costs and raise revenues that in combination would improve the annual bottom line of the General fund budget by approximately $600,000 per year as compared to its current General Fund budget.

Other things to note and take into consideration;

All this planning also depends on the fact that the city will be able to either get the State of Michigan to completely forgive the CDBG debt it owes it, or have the repayment schedule delayed again with no additional penalty to the city prior to its first scheduled payment to the state in FY 2016-17.

The amounts of money noted in this presentation are not exact and represent best estimates. The long time General Fund operating work plan has been in order to balance the General Fund the city would have to come up with budget cuts and new revenues that equal the annual payment on the Water Street debt. Please see attachment C. This has turned out not to be the case over the last 6 years. This a goal to be strived for but not necessary obtained. Every year, the city administration and City Council, will have to see how all our projections are actually panning out and in light of this information, adjust accordingly as they have had to do since 2008.

Going forward with this plan will ensure that we gain some advantage from the differential interest rates on what our saved money earns and the amount interest we pay on our Water Street debt.

It also ensures that we will have enough fund balance in reserve to pay our share of the realistic cost for the construction of a rail platform, shelter facility and all associated improvements necessary to support rail service in the Depot Town part of the city.

It will take a team of city staff and expert consultants months to come up with this cost and we cannot reasonable wait that long to make this decision.

Another component of this plan is that we review the status of our General Fund, fund balance in September of 2016 when we should have a very good idea of what our June 30, 2016 General Fund, fund balance actually is.

Also, by that time, we should have a much more realistic cost for the rail platform and shelter work than we can put together in only a couple of months.

With this information in hand, City Council can vote to pay down more on the Water Street debt in increments of $5,000.00 knowing how much they need to hold back for the potential rail project.

The additional interest money paid between May and September of 2016 should not be that great and the information available to City Council on all fronts concerning the issues that they are most concerned about should be a lot more accurate.

Given the situation the city now finds itself in, there is no plan that guarantees success, but I believe this plan gives us the best chance to succeed. Thank you.

ATTACHMENT 'A'

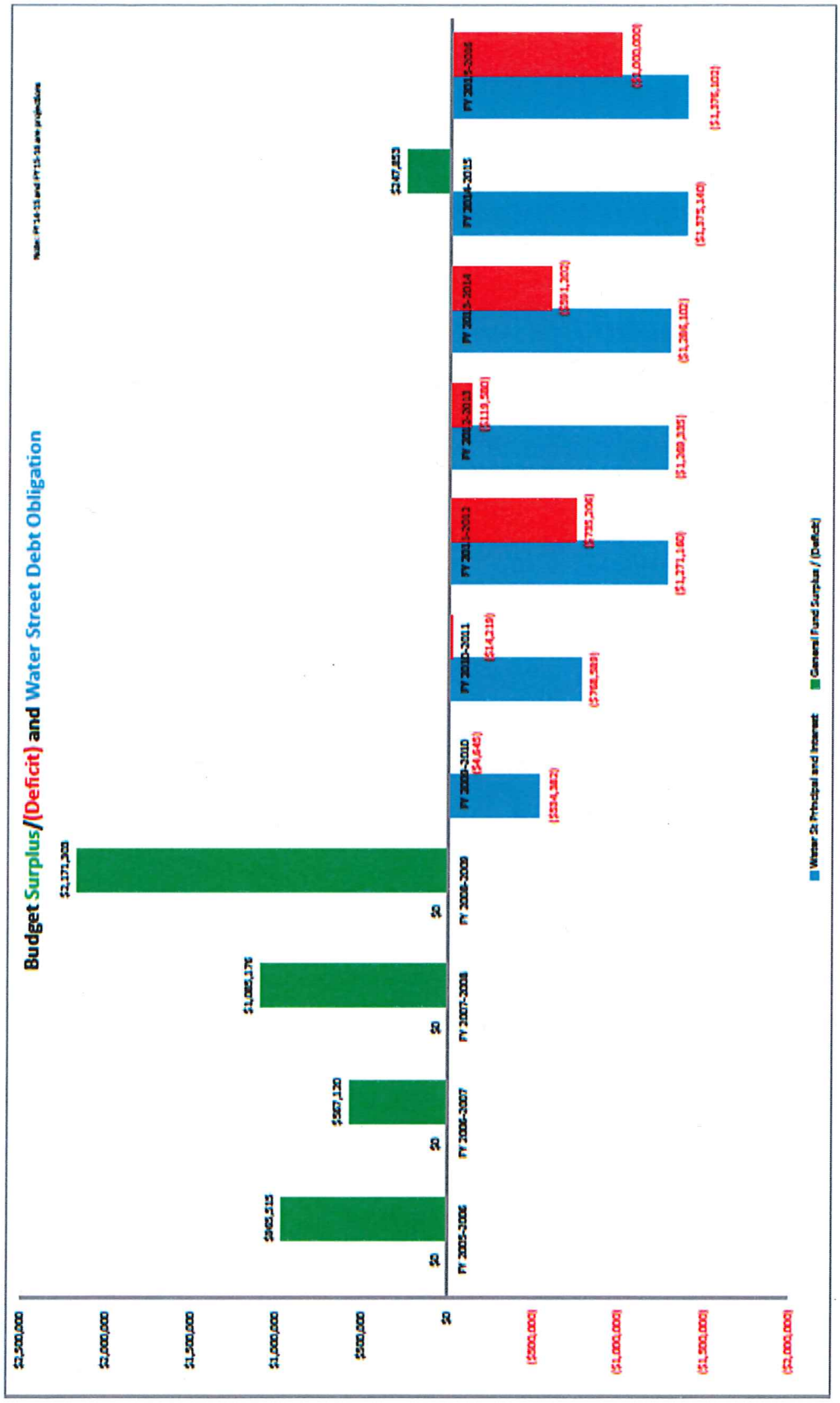
Payment Schedule	2006 WATER ST DEBT - 477		
	Principal	Int.	P&I
FY 2006-07			
FY 2007-08		250,000	250,000
FY 2008-09		300,000	300,000
FY 2009-10		534,382	534,382
FY 2010-11	285,000	483,589	768,589
FY 2011-12	335,000	936,160	1,271,160
FY 2012-13	390,000	879,335	1,269,335
FY 2013-14	445,000	841,102	1,286,102
FY 2014-15	505,000	841,102	1,346,102
FY 2015-16	535,000	841,102	1,376,102
FY 2016-17	565,000	810,340	1,375,340
FY 2017-18	600,000	777,570	1,377,570
FY 2018-19	635,000	742,770	1,377,770
FY 2019-20	675,000	704,670	1,379,670
FY 2020-21	715,000	664,170	1,379,170
FY 2021-22	755,000	621,270	1,376,270
FY 2022-23	805,000	574,838	1,379,838
FY 2023-24	855,000	525,330	1,380,330
FY 2024-25	905,000	472,748	1,377,748
FY 2025-26	960,000	417,090	1,377,090
FY 2026-27	1,020,000	358,050	1,378,050
FY 2027-28	1,085,000	294,810	1,379,810
FY 2028-29	1,150,000	227,540	1,377,540
FY 2029-30	1,225,000	156,240	1,381,240
FY 2030-31	1,295,000	80,290	1,375,290
Totals	15,740,000	13,334,498	29,074,498

ATTACHMENT 'B'

CDBG LOAN - APPROXIMATE
ASSUMES NONE OF THE LOAN IS FORGIVEN
Net Interest Cost: 2.000%
INTEREST COMPUTED FROM JAN 1, 2017

	Fiscal	Current Interest Loan Dated			5/1/02
Tax Year	Year Ended 6-30,	Interest Due (APPROX) Annual	Interest Rate	Principal Due (APPROX) Annual	Total P&I
2015	2016	$0	0.000%	$0	$0
2016	2017	27,192	2.000%	124,878	152,070
2017	2018	50,616	2.000%	253,523	304,139
2018	2019	45,507	2.000%	258,632	304,139
2019	2020	40,296	2.000%	263,844	304,139
2020	2021	34,979	2.000%	269,160	304,139
2021	2022	29,555	2.000%	274,584	304,139
2022	2023	24,022	2.000%	280,117	304,139
2023	2024	18,378	2.000%	285,761	304,139
2024	2025	12,620	2.000%	291,520	304,139
2025	2026	6,745	2.000%	297,394	304,139
2026	2027	1,133	2.000%	150,937	152,070
2027	2028	0	2.000%	0	0
2028	2029	0	2.000%	0	0
2029	2030	0	2.000%	0	0
2030	2031	0	2.000%	0	0
2031	2032	0	2.000%	0	0
2032	2033	0	2.000%	0	0
2033	2034	0	2.000%	0	0
		$291,044		$2,750,350	$3,041,394

ATTACHMENT 'C'



ATTACHMENT 'D'

PUBLIC FINANCIAL MANAGEMENT, INC.

2016 REFUNDING BONDS
Original Amount: $7,900,000
Net Interest Cost: 3.978%
Maturities >= 2026 Callable 5/1/25 @ 100

	Fiscal	$7,900,000	Current Interest Bonds Dated			3/1/16
Tax Year	Year Ended 6-30,	Interest Due Nov 1	Interest Due May 1	Interest Rate	Principal Due May 1	Total P&I
2015	2016	$0	$0	0.000%		$0
2016	2017	183,747	137,810	1.450%	345,000	666,557
2017	2018	135,309	135,309	1.950%	400,000	670,618
2018	2019	131,409	131,409	2.300%	415,000	677,818
2019	2020	126,636	126,636	2.550%	430,000	683,273
2020	2021	121,154	121,154	2.800%	445,000	687,308
2021	2022	114,924	114,924	3.100%	470,000	699,848
2022	2023	107,639	107,639	3.300%	490,000	705,278
2023	2024	99,554	99,554	3.500%	510,000	709,108
2024	2025	90,629	90,629	3.700%	535,000	716,258
2025	2026	80,731	80,731	3.850%	565,000	726,463
2026	2027	69,855	69,855	4.000%	595,000	734,710
2027	2028	57,955	57,955	4.150%	625,000	740,910
2028	2029	44,986	44,986	4.250%	655,000	744,973
2029	2030	31,068	31,068	4.350%	690,000	752,135
2030	2031	16,060	16,060	4.400%	730,000	762,120
2031	2032	0	0	0.000%	0	0
2032	2033	0	0	0.000%	0	0
2033	2034	0	0	0.000%	0	0
		$1,411,654	$1,365,718		$7,900,000	$10,677,372

ATTACHMENT 'E'

From: McGow, Patrick F. <mcgow@millercanfield.com>
Sent: Monday, January 11, 2016 6:47 PM
To: Paul Stauder; Ralph Lange; Marilou Uy
Cc: Michael Gormely
Subject: RE: Bond Refi Option [MCPS-ACTIVE.FID1560434]
Attachments: Ypsilanti 2016 - Resolution Authorizing Parameters(25819765_1).DOCX

Based on our call this afternoon, here is the draft Resolution Authorizing Parameters for the Sale of the Bonds. I want to try to simplify matters at pricing and provide clear direction to the finance team on the parameters in stating it as a maximum annual debt service. Based on the assumptions we discussed today, assuming a cap of $665,000 adjusted each year by 1% for property value growth, that means the annual cap increases each year by 1% as follows:

Tax Year	
2016	665,000
2017	671,650
2018	678,367
2019	685,150
2020	692,002
2021	698,922
2022	705,911
2023	712,970
2024	720,100
2025	727,301
2026	734,574
2027	741,919
2028	749,339
2029	756,832
2030	764,400

ROAD BONDS MILLAGE

	2001 Road Bonds			2003 Road Bonds			
FYE	Bond P & I	Millage	Increase (Decrease)	Bond P & I	Millage	Increase (Decrease)	Total 2001 & 2003 Bond Millage
2016		2.3236			2.2551		4.5787
2017	678,375	2.2613	(0.0623)	670,643	2.2355	(0.0196)	4.4967
2018				831,080	2.7703	0.5348	2.7703
2019				825,371	2.7512	(0.0190)	2.7512

1 Mill = $300,000

S:\BUDGET 2016-2017\[Millage road bond.xlsx]st light millage

ATTACHMENT 'F'

ATTACHMENT 'G-1'

E-mail to Pat McGow from Ralph A. Lange re; Proposed Millage Language January 2016

In order to maintain the maximum credibility with the votes on this issue the way we need to state the millage would be to the best of my understanding that:

The Debt payment would be figured out each year say $665,000 for the first year then the calculation would be made as to how much 2.3 mills will generate for that year say $660,000 then that would be all that would be collected from the millage that year and the last $5,000 would have to come out of the general fund to cover that bond obligation. If the 2.3 mills for that year would generate $675,000 then the extra money ($10,000) would go into a reserve that could only be used to pay down a future year debt payment. If there was a surplus of funds in this account on the last year of the debt payment (year 14) Then all that surplus funds would be used to pay part of the last debt payment and the last millage levy would be reduced below 2.3 to make up the difference and end this account with a 0 balance.

With this arrangement we can guarantee voters that they would never have to pay more than 2.3 mills to cover this debt obligation which would be a big selling point in the millage campaign to get the voters to approve this debt millage.
Pat can this be done? ; And if so can you draw up the language that if approved would make this the law for this debt millage if it gets passed.
Please call me on my cell phone this morning if possible and let me know what you think.
Thank you.

Ralph A. Lange
City Manager
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(734) 483-1810 (Main)
(737) 787-4844 cell
(734) 483-1555 (Office/Voice Mail)
rlange@cityofypsilanti.com
www.cityofypsilanti.com

Mr. McGow's response:

The millage doesn't work exactly as described. The approval of the ballot question does not authorize the City to levy 2.3 mills each year – it authorizes the City to levy a debt millage necessary to pay the debt service. That is why it is described as an unlimited tax as you get to levy whatever is needed to pay the debt.

So you are not automatically entitled to levy 2.3 mills every year. If taxable values increase greater than expected, you can only levy what is needed to cover the debt service (with a reasonable excess to take into account delinquencies, tax appeals, etc.). Likewise, if taxable values do not increase as much as expected, the City has the legal ability to levy more than 2.3 mills. The City would not be obligated to levy more than 2.3 mills, but the approval of the ballot question gives them that ability as that is how the unlimited tax pledge works.

I don't think you can guarantee to the voters that the City will never levy more than 2.3 mills. Just like the existing road millage was a moving target based on the debt service and taxable values, so is the new unlimited tax levy that it replaces. What you can say is that the estimated millage is 2.3 mills each year.

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ATTACHMENT 'H'

Here is a draft of what the proposed ballot language would look like. It is similar to the ballot language we wrote back in 2012 as it is the same statute and process for authorization:

> *Shall the City of Ypsilanti, Michigan, be authorized to pledge its unlimited tax full faith and credit for payment of its Limited Tax General Obligation Refunding Bonds, Series 2016 (Taxable), which are outstanding in the principal amount of $_____, which are currently payable through 2031, which were issued for the purpose of paying the cost of refinancing certain capital improvement costs relating to the Water Street Redevelopment Project? The estimated millage to be levied in 2017 is 2.3 mills ($2.30 per $1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 2.3 mills ($2.30 per $1,000 of taxable value).*

The dollar amount would be filled in with the principal amount of the 2016 Refunding Bonds after issuance and would only include the approximately $7,900,000 2016 Refunding Bonds, not the remaining outstanding 2006 Bonds.

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ATTACHMENT 'I'

3,240,000 UNREFUNDED BONDS

2006 CAPITAL IMPROVEMENT REFUNDING BONDS
Original Amount: $15,740,000
Net Interest Cost: 6.155%
Maturities >= 2017 Escrowed to Call 5/1/16 @ 100

	Fiscal	$3,775,000	Current Interest Bonds Dated			6/8/06
Tax Year	Year Ended 6-30,	Interest Due Nov 1	Interest Due May 1	Interest Rate	Principal Due May 1	Total P&I
2015	2016	$420,551	$114,495	5.750%	$535,000	$1,070,046
2016	2017	99,114	99,114	5.800%	140,000	338,228
2017	2018	95,054	95,054	5.800%	145,000	335,108
2018	2019	90,849	90,849	6.000%	155,000	336,698
2019	2020	86,199	86,199	6.000%	165,000	337,398
2020	2021	81,249	81,249	6.000%	175,000	337,498
2021	2022	75,999	75,999	6.150%	185,000	336,998
2022	2023	70,310	70,310	6.150%	195,000	335,620
2023	2024	64,314	64,314	6.150%	210,000	338,628
2024	2025	57,856	57,856	6.150%	220,000	335,713
2025	2026	51,091	51,091	6.150%	235,000	337,183
2026	2027	43,865	43,865	6.200%	250,000	337,730
2027	2028	36,115	36,115	6.200%	265,000	337,230
2028	2029	27,900	27,900	6.200%	280,000	335,800
2029	2030	19,220	19,220	6.200%	300,000	338,440
2030	2031	9,920	9,920	6.200%	320,000	339,840
2031	2032	0	0	0.000%	0	0
2032	2033	0	0	0.000%	0	0
2033	2034	0	0	0.000%	0	0
		$1,329,605	$1,023,549		$3,775,000	$6,128,154

Street Lighting Special Assessment Billing Structures

	Structure A		
	Parcels Weighted		
		Price Per Year	Total
Residential	4148	$63.07	$261,605.96
Com/Ind/Non	677	$126.14	$85,394.04
Total # of Parcels	4825		
Residential	$5.26	$63.12	
Other/Month/Year	$10.51	$126.12	
Total Revenue Generated			$347,000

		Structure B			
			Price		Total
Total # of Parcels		4825	$71.92		$347,000
Price per Year			$71.92		
Price Per Month			$5.99		
Total Revenue Generated					$347,000

Total Revenue Per Mill										
					Residential		Non Residential		All Properties	
Property Amount Assessed *		Taxable Value		Value Per Mill	Divide into Cost $63	Millage	Divide into Cost $126	Millage	Divide into Cost $72	Millage
$200,000.00	/2	100000	/1000	$100	$63	0.63	$126	1.26	$72	0.72
$100,000	/2	50000	/1000	$50	$63	**1.26**	$126	**2.52**	$72	**1.44**
$50,000	/2	25000	/1000	$25	$63	2.25	$126	5.04	$72	2.88

* Presuming $300,000 equal 1 mil

Prepared by City Manager's Officer, last updated 12/9/15

ATTACHMENT 'J'

ATTACHMENT 'K'

General Fund (101)

	Fund Balance FY 2014-15	FY 2015-16 Deficit & Paydown	Projected 2015-16 fund balance	
Fund balance				
Nonspendable fund balance				
Prepaid Items	139,897		139,897	
Inventory	214,836		214,836	
Land held for resale-Foreclosed property	38,644		38,644	
Restricted fund balance				
None				
Committed fund balance				
Active Employee Cumulative Benefits	935,702		935,702	
Water Street project bond payments	3,932,027	(2,837,000)	1,095,027	2,225,481
Commit the excess of 10% of expenses fer water st bonds		1,130,454	1,130,454	
Water St Redevelopment Professional Fees	50,000		50,000	
Energy Efficiency and Conservation Project-see below details	235,064		235,064	
Peninsular Dam Inspection Study & Repair	80,300		80,300	
MDNR 2011 Recreation Passport Grant Res # 2011-092	10,000		10,000	
PARK CAPITAL IMPROVEMENTS	17,259		17,259	
Unassigned fund balance (Undesignated)	2,530,454	(1,130,454)		
10% Reserve			1,400,000	
Total Fund Balance	8,184,183		5,347,183	

Goal Setting Presentation (4th Meeting)
Ralph A. Lange, City Manager

January 26, 2016

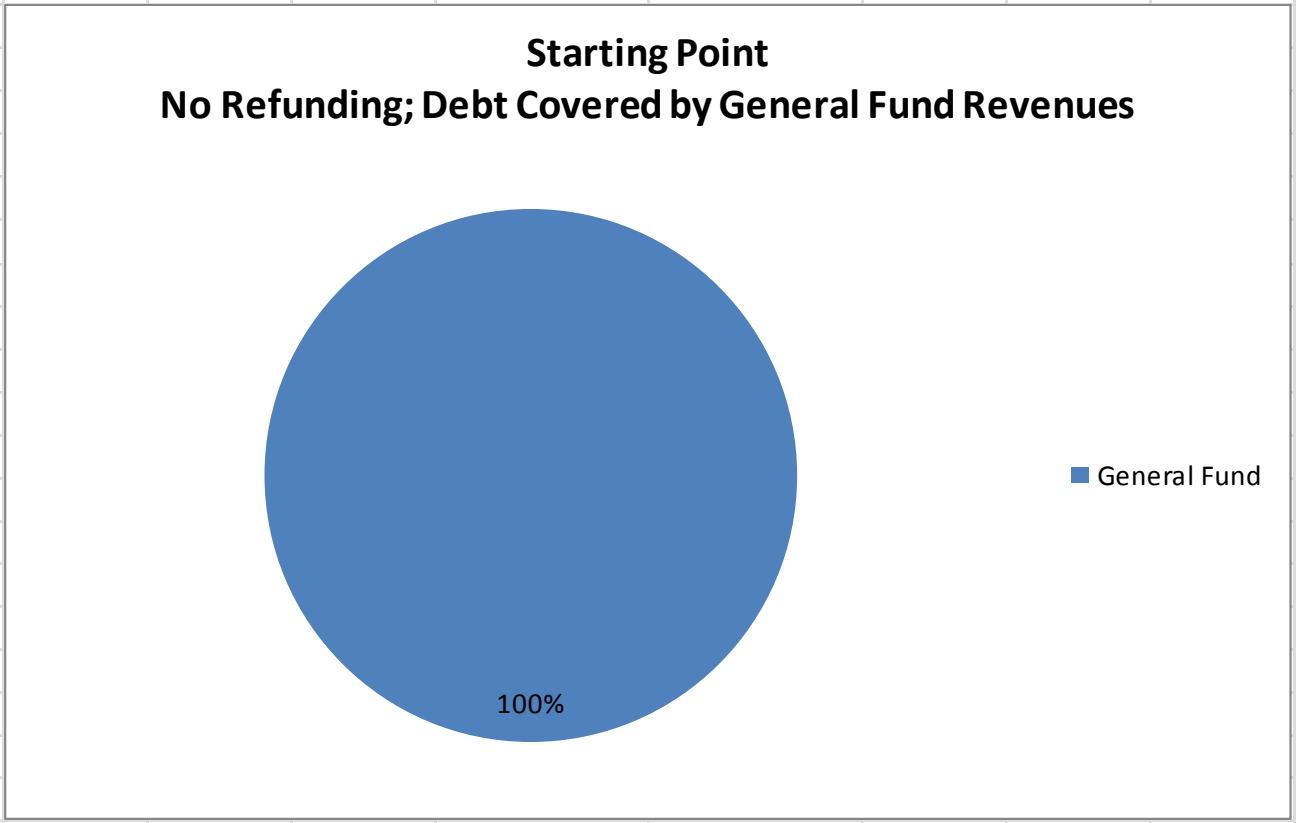
Overview: Alternative Budget Recovery Plan

- If the City Council moves forward with the plan presented and the City spends a million dollars in General Funds, the City will have $3,625,481 as of 7-1-2016, in uncommitted fund balance.
- The amount can be further broken down as follows:
  - $1,400,000 to be kept aside for the 10% reserve
  - $1,095,027 to cover the FY 1016-17 Water Street debt; and $1,130,454 in uncommitted General Fund dollars.
- This would be worst case scenario because I do not believe the City will spend a million dollars of the general fund balance in FY 2015-16. City staff will make a strong effort to update this projection over the next three weeks.

Overview: Alternative Budget Recovery Plan

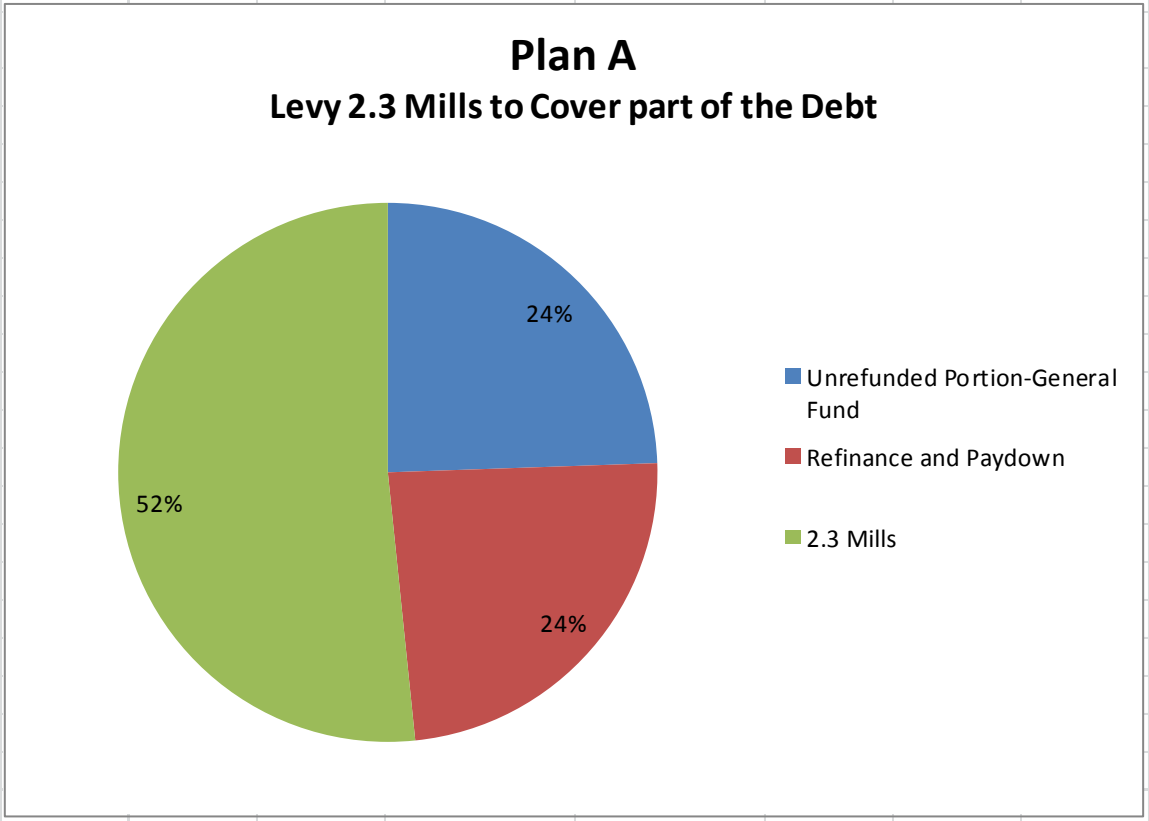
- If the city does nothing to the Water Street debt for the next 15 years, it would pay $20,684,975 in P & I.
- If City Council adopts the proposed plan, the City's next 15 years of P and I payments would be $15,735,242 a reduction in payments of $4,949,733.
- For every year after the full amount of the non-refunded bonds is paid off, the City's annual P & I payment will decrease by approximately $337,000.
  - As an example, if the city is able to pay off the non-refunded bonds after the first five years then its annual P & I payment would be reduced by $3,373,178 over the next ten years.
  - This would reduce P & I payments over the 15 year period by $8,322,911 versus doing nothing with the Water Street debt.

OVERALL EFFECT ON THE CITY'S GENERAL FUND IF NO ACTION IS TAKEN FOR THE NEXT 15 YEARS



Source	Amount	Percentage
General Fund	$20,684,975	100%

OVERALL EFFECT ON THE CITY'S GENERAL FUND IF PLAN "A" PASSES FOR THE NEXT 15 YEARS



Source	Amount	Percentage
Refinance and Paydown	$4,949,733.00	24%
Unrefunded Portion-General Fund	$5,058,108.00	24%
2.3 Mill	$10,677,372.00	52%
Total	$20,685,213.00	100%

Alternative Budget Recovery Plan

Major features of Plan (A): Levy 2.3 Mills

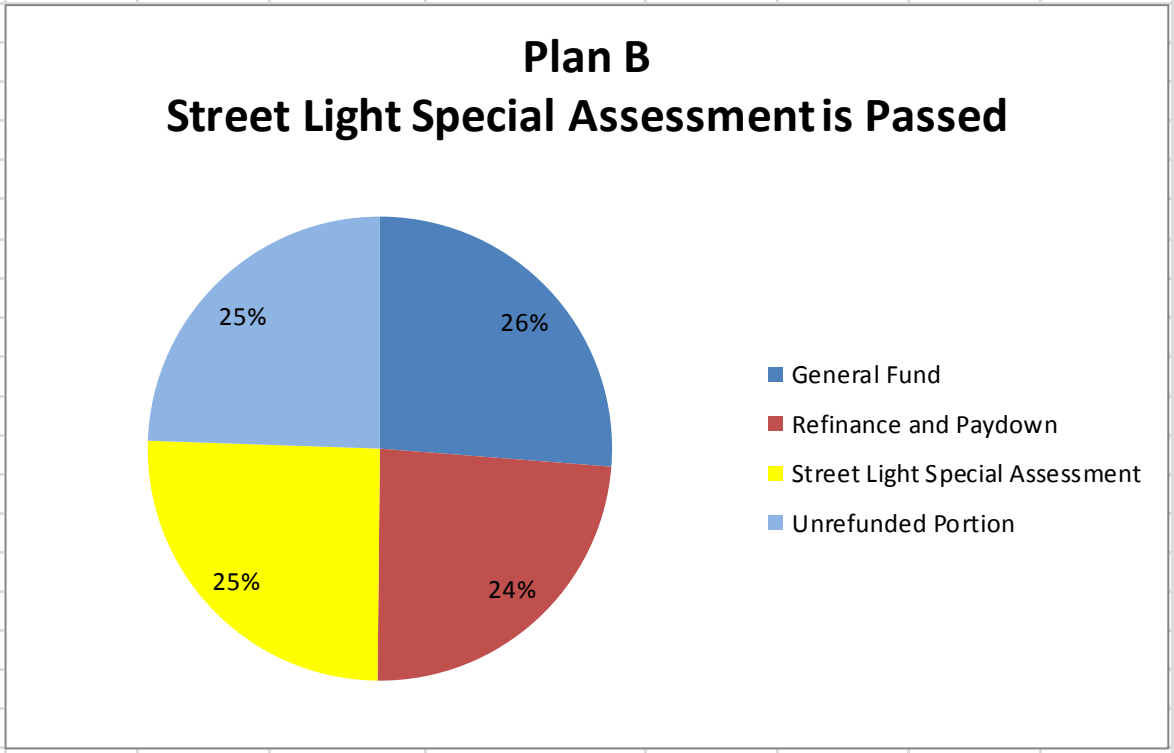
1. Refinance $7,745,000 in Water Street Debt which would save the City interest costs. (Old interest rate 6.1% versus new rate 4%)
2. The refinance period would be for 14 years. (Please see attachments D,E)
3. 2.3 mills would pay off the amount of debt; the revenue from this millage is scheduled to increase by 1% per year.
4. The same amount of mills will roll off for the 2001 road bond issue, making this millage neutral. (Please see attachment F)
5. A millage would require a vote of the people; Election to be held in August of 2016. (Please see attachments G1,G2 and H)
6. The best estimate of the value of 1 city mill during the first year is $289,000 x 2.3 Mills = $665,000.

Alternative Budget Recovery Plan

Major features of Plan (A): Levy 2.3 Mills

7. The City would then have $5,500,000 in bonds not refinanced; on March 2016 the City would pay down $2,255,000 of Water Street debt with non-General funds of $418,000 and General Funds of $1,837,000, leaving the City with $3,245,000 of bonds not refinanced, until additional funds are found. The City expects to gain this money through sale of surplus city assets. (Please see attachment I)
8. The City would have a projected spendable General Fund balance of $4,953,000 as 6-30-2016; if we use up $1M in General fund, Fund balance in FY 2015-16.
9. Allocation of full time employees in key areas are as follows; 17 fulltime Officers in the Fire Department including the Fire Chief (through attrition), 32 sworn officers in the Police Department including the Police Chief, three in the Economic and Community Development Department or four if a new revenue source can be secured. The rest of the City staff will remain largely at status quo levels and will be adjusted to reflect budget and service demands.
10. Around the first week in September of each year, the City would know how much the General Fund Balance was actually reduced. If there are surplus funds, that money can be spent to pay down part of the bonds.

OVERALL EFFECT ON THE CITY'S GENERAL FUND IF A STREET LIGHT SPECIAL ASSESSMENT IS PASSED FOR THE NEXT 15 YEARS



Source	Amount	Percentage	
Additional General Fund	5,427,134.00	26.24%	
Refinance and Paydown	4,947,733.00	23.92%	
Street Light Special Assessment	5,250,000.00	25.38%	*$350,000*15years
Unrefunded Portion-General Fur	5,058,108.00	24.46%	
Total	$20,682,975.00	100%	

Alternative Budget Recovery Plan

Major features of Plan (B): Streetlight Assessment Passed

1. This plan would only go into effect if plan **A** does not get the support of the votes in Ypsilanti.
2. To make up, in part, for the lost projected millage revenue in August of 2016 the City Council would have to take action immediately to generate additional revenues. Likely this would take the form of an operating Street Light special assessment. If action is taken quickly enough, the first collection date for the money would be in December of 2016.(see attachment J)
3. The rest of plan **B** follow the same course as plan **A.**
4. The rest of the city staff will remain largely at status quo levels and will be adjusted to reflect budget and service demands as time progresses.

Plan **A,** by far, is the city's preferred option but if this is not successful, the money generated by plan **B** would be absolutely essential to giving the city staff enough time to succeed in its Economic Development efforts without having to lay off a number of city staff in order to balance the General fund during this period of time.

Summary and Conclusions

Plan (A): Levy 2.3 Mills to cover part of the debt

I. Debt restructuring: Plan A (debt refinancing and pay down in 2016) proposes to save the city approximately $370,000 in the early years with the savings decreasing to $275,000 in the last debt repayment year.

- Holding on to $3,245,000 in old bonds will not immediately save the City money, but it has the potential to save up to about $337,000 a year when bonds paid down or completely paid off.

II. Raising additional revenues: If ***voters approve*** the August Water Street debt millage, this will generate approximately $666,557 in year 1 and $762,120 in year 14.

III. Budget cuts: Even if I and II are completely successful, the City must find ways to cut costs and raise revenues that, in combination, would improve the General Fund budget by approximately ***$300,000 per year.***

Summary and Conclusions

Plan (B): Street Light Assessment is Passed

I. Debt restructuring: Same as Plan A

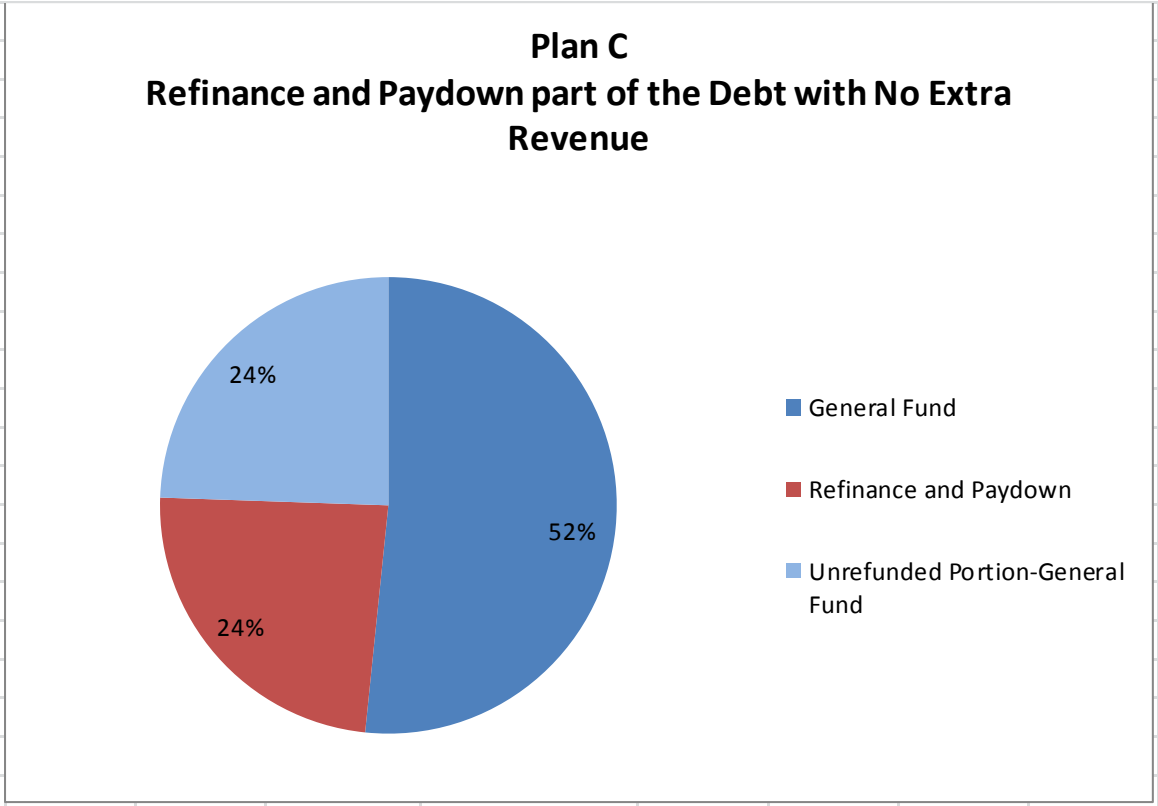
II. Raising additional revenues: If the ***voters do not approve*** the August Water Street debt millage, the city will lose approximately $666,557 in year 1 and $762,120 in year 14 in General Fund revenues.

- The Street light operating special assessment revenue stream is limited to a maximum of about $390,000 per year for a number of years. Even of this option is used for a max15 years, it will fall short by about $300,000 a year in every year, but the first year.
- *With no additional revenue stream, it will be almost impossible to provide quality City services and not use up the entire General Fund balance.*

Plan (C):

I. If no additional revenues are generated for the next 15 years, refinance and pay down the debt with no extra revenue

OVERALL EFFECT ON THE CITY'S GENERAL FUND IF NO ADDITIONAL REVENUES ARE GENERATED FOR THE NEXT 15 YEARS



Source	Amount	Percentage
Refinance and Paydown	$ 4,947,733.00	24%
Additional General Fund	$ 10,677,135.00	52%
Unrefunded Portion-General Fur	$ 5,058,108.00	24%
Total	$20,682,976.00	100%

Summary and Conclusions

- The aforementioned forecasting also depends on:
  - If the City will be able to get the State of Michigan to completely forgive the CDBG debt it owes it; or
  - If the City has its repayment schedule delayed again, with no additional penalty, prior to its first scheduled payment to the State in FY 2016-17.