



APPROVED

**CITY OF YPSILANTI
REGULAR/BUDGET COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
Tuesday, May 10, 2016
6:00 p.m.**

I. CALL TO ORDER –

The meeting was called to order at 6:04 p.m.

II. ROLL CALL –

Council Member Anne Brown	Present	Council Member Robb	Present
Council Member Nicole Brown	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Mayor Pro-Tem Richardson	Present		

III. INVOCATION –

Mayor Edmonds asked all to stand for a moment of silence.

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS –

Introduction of New Police Officers – Chief Tony DeGiusti

Chief DeGiusti stated the Department has hired several officers over the last six weeks. Chief DeGiusti introduced Jamaica Skender, Jessica Walker, Joseph Kuderko, Officer Harrison, two brothers Jeremy and Justin Tait, and Kenneth Brown. Chief DeGiusti said the officers are all in the training phase but they are well qualified.

VI. AGENDA APPROVAL –

Council Member Nicole Brown moved, seconded by Council Member Vogt to approve the agenda.

Mayor Edmonds stated she is ill and will need to leave the meeting in about an hour. Ms. Edmonds added the nomination of Toi Dennis to the Planning Commission. Ms. Edmonds said she resides in Ward 1 and is an excellent applicant.

Council Member Robb moved, seconded by Council Member Nicole Brown to remove Resolution No. 2016-100 from the Consent Agenda.

On a voice vote, the motion carried, and the agenda was approved as submitted.

VII. PRESENTATIONS –

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VIII. AUDIENCE PARTICIPATION –

1. Corinne Sikorski, 312 N. River, stated she is the Chair of the Ypsilanti Friends of the Freighthouse and on tonight's agenda there is a resolution to amend the budget for previously approved renovations for the Freighthouse. She said this is in response to unforeseen issues developed during the renovation as can happen with old buildings. She encouraged Council to approve the budget amendments in order to keep the renovations moving forward so the Freighthouse can be opened and used by the community.
2. Martha Kern-Boprie, 1659 Sheffield, Superior Township, stated she serves on the Friends of the Freighthouse Board and supported all comments just made by Chair Sikorski. She added there is an urgency to complete the renovations other than returning this asset to the community but if the work is not finished within 18 months, the project will forfeit a grant the Freighthouse received for the renovations. She urged Council to approve the resolution and allow the Freighthouse renovations to be complete.

IX. REMARKS BY THE MAYOR –

X. ORDINANCES – FIRST READING

Ordinance No. 1270

Herman & Kittle PILOT Agreement

- A. Resolution No. 2016-095, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "Herman & Kittle Tax Exemption (PILOT) Agreement" be approved on First Reading.

OFFERED BY: Council Member Anne Brown

SUPPORTED BY: Council Member Nicole Brown

Economic Development Director Beth Ernat stated a letter of intent from Herman Kittle has been previously discussed for the purchase of property located along Michigan Avenue. Ms. Ernat said this change in the plan is in response to MSHDA's concern of contamination in the area as explained in the letter of intent. Ms. Ernat said there are two items regarding Herman Kittle, the first being a PILOT and the second a purchase agreement. Ms. Ernat stated the offer is the same as it was previously, \$157,000 for the purchase of the property. Ms. Ernat said the proposed location is much more attractive than the previous site, which is why the developer agreed to include Commercial located along Michigan. Ms. Ernat stated infrastructure would be provided by the developer including two complete streets, a complete survey of the site, and \$350,000 of the underground electric grid. Ms. Ernat stated the developer is requesting the PILOT but there is an error on the RFL which reads "total payment \$114,425..." and should read "...\$108,000". Ms. Ernat said the value of the commercial property is estimated at \$78,000 and the taxes would be estimated at \$6,425. Ms. Ernat said the PILOT is based on the number of units and number of rented units. Ms. Ernat explained the information provided Council in the packet is rough estimates and the project has not been fully scoped. Ms. Ernat said MSHDA and HUD require approval of the purchase agreement and the PILOT before approving the project. Ms. Ernat said the purchase agreement has several outs for both the City and the developer if an agreement is not made. Ms. Ernat said the development will pay taxes on both the commercial and residential units until the brownfield TIF is paid in full and once the PILOT begins, taxes would still be paid on the commercial units. Ms. Ernat said Mike Rodriguez is representing Herman Kittle as well as Jeremy McCallion from AKT Peerless and they will be able to answer any questions.

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Mike Rodriguez, Herman Kittle, provided a presentation regarding the proposed Water Street development.

Mayor Edmonds asked if in the original plan there was a re-syndication the PILOT would fall off. Mr. Rodriguez responded in the affirmative. Council Member Robb stated if Herman Kittle would then ask for a new PILOT and Mr. Rodriguez responded potentially.

Council Member Robb stated the memo provided to Council lists \$400,000 worth of underground electric and Ms. Ernat quoted \$350,000. Ms. Ernat responded the agreement is 50% of the cost of the grid. Mr. Rodriguez stated the estimated cost of the grid is approximately \$700,000. City Manager asked if 50% of actual cost is the hard number for the underground electric. Mr. Rodriguez responded \$350,000 has been budgeted. Mr. Lange stated the estimate was \$710,000, and budgeted for \$800,000 to account for inflation, but that estimate was for this year and the cost could be higher.

Mr. Rodriguez stated Herman Kittle is asking Council to consider a new purchase contract for the site just west of Family Dollar and a PILOT in the amount of 10% of the gross revenue to take effect after the TIF had been fully paid.

Mr. Lange asked if the quoted \$98,000 would return to the various taxing entities the TIF captures from and Mr. Rodriguez responded in the affirmative. Council Member Murdock asked if that includes state taxes and Ms. Ernat responded staff is operating under the assumption that it will include full capture and state taxes. Mr. Murdock asked if the City's share would be around 35% and Ms. Ernat responded in the affirmative. Council Member Robb added the amount would be \$443,000 in year 14.

Mr. Lange asked the approximate square footage of the project and Mr. Rodriguez responded around 100,000 to 110,000 square feet but that is a very rough estimate. Mr. Lange asked if building costs would be around \$6 million and Mr. Rodriguez replied in the affirmative. Mayor Edmonds asked if total construction costs are \$8.5 million and Mr. Rodriguez responded in the affirmative and total overall costs are slightly over \$13 million. Ms. Ernat added there are additional site expenses and only taxes captured are reimbursable through the brownfield TIF and anything the developer spends beyond that is their responsibility. Council Member Murdock asked if it would be above and beyond the total. Ms. Ernat responded in the affirmative and said the work plan must be approved by the Brownfield Authority and then submitted to the MEDC.

- B. Open public hearing
- None
- C. Resolution No. 2016-096, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on an ordinance entitled "Herman & Kittle Tax Exemption (PILOT) Agreement" be officially closed.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Nicole Brown

On a voice vote, the motion carried, and the public hearing was closed.

Assistant City Attorney Dan DuChene stated there is a slight change to the PILOT language. Mr. DuChene stated the concept of a mixed use PILOT is not common and most communities that have these PILOTs use separate tax identification numbers for the commercial and residential units but the Assessor indicated two tax identification numbers might not be necessary. Mr. DuChene stated under section 7 of the ordinance in the

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second paragraph in the second sentence change "will" to "may". Mr. DuChene stated he will make the changes for Second Reading.

Council Member Vogt moved, seconded by Council Member Nicole Brown, to amend the Ordinance to read "may" instead of "will" in the second sentence of the second paragraph.

On a voice vote, the motion carried, and the amendment was approved.

Council Member Murdock stated eligible project activities are listed at \$1.3 million and asked what was the reason for the \$2.2 million for local site remediation revolving fund (LSRF). Mr. Rodriguez responded Washtenaw County captures taxes into its revolving fund and is applied to every Washtenaw County brownfield project. Mr. Murdock asked what the County captures and Mr. Rodriguez responded it was for taxes. Ms. Ernat clarified taxes as a part of brownfield credits. Mayor Edmonds asked at what amounts and when would this occur and Mr. Rodriguez responded that still needs to be worked out through an Act 31 work plan. Mr. Murdock said after the brownfield TIF is reimbursed the PILOT will begin and no taxes will be paid. Ms. Ernat responded that will be determined by the Act 31 work plan and may or may not be eligible and if it is not, there will be no LSRF capture. Mr. Murdock said the taxable value will need to increase before there will be any TIF capture. Ms. Ernat responded in the affirmative. Mr. Murdock said the City will need another project of this size to get to the point of capturing, to which Ms. Ernat responded in the affirmative. Mr. Lange asked if the City would receive any revenue immediately from the commercial units and Ms. Ernat responded in the affirmative. Mr. Murdock stated the commercial property will not be part of the TIF. Ms. Ernat responded in the affirmative that commercial properties would only produce normal taxes and said all taxable entities will receive normal taxes until the property reaches the capturing threshold.

Mr. Rodriguez added the DDA district is not only Water Street but includes the parcels across Michigan Ave and once the \$2.7 million is reached, taxes will be captured from those properties. Council Member Murdock said he thought the properties across the street were part of the base. Mr. Rodriguez responded in the affirmative and that is why there are changes because those parcels values fluctuate. Mr. Murdock asked if between Family Dollar and the Herman Kittle Development will get the value almost to the \$2.7 million. Mr. Rodriguez responded in the affirmative and said the Family Dollar was not fully assessed last year so this year the amounts will increase. Mayor Edmonds stated one more project will get the City over the \$2.7 million threshold. Mr. Murdock said it would require a smaller project.

Council Member Robb stated if the State Equalized Value of the commercial is \$161,000 divided by 14,000 square feet it equals \$12 a square foot. Mr. Robb said a single story building across the street values at \$32, in downtown the value of \$47 and in Depot Town has values around \$37. Mr. Robb said the estimates being provided seem inaccurate and he does not understand why the assessor would produce those numbers. Mr. Rodriguez responded Herman Kittle has discussed renting out the space from \$8 to \$16 per square foot. Mr. Robb replied rent has nothing to do with the value of the property. Ms. Ernat responded rent does have an effect on the value of the property based on the Assessor. Ms. Ernat said the Assessor uses a rent capture income method. Mr. Robb said then the Assessor must be using different methods for other properties and it appears the Assessor is making bad deals for the City. Ms. Ernat said she has been arguing with the Assessor for three projects and would rather uses a lower number rather than an inflated number that might not be reachable.

Council Member Robb asked what the maximum amount rent can be increased by law, per year. Mr. Rodriguez replied it depends on the median income in the area. Mr. Rodriguez said if the median income increases, the rent levels can also. Mr. Robb stated the initial project was estimated rents would increase by 1.7% and now the increases are projected at 2%. Mr. Robb asked when Lafayette Landing opened and Mr. Rodriguez responded around 2011. Mr. Robb asked what the rate increases are for that building, to which, Mr. Rodriguez responded he did not have that information off hand but typically increase are 2% and expenses grow 3%.

Council Member Robb asked what the total investment would be for this project, to which, Mr. Rodriguez responded \$13 million. Mr. Robb stated when this project was first discussed, PILOTs have always been rejected and this is not a project in the best interest because of the precedent it sets. Mr. Robb stated the City is negotiating against itself and he will be voting against this. Mr. Robb asked what would be the issue of waiting until after the election to move forward with this project. Mr. Rodriguez responded the Home Funds would be lost. Mr. Robb replied the home funds would be lost for that year. Mr. Rodriguez said the funds would be lost and the process would need to be start over. Mr. Robb said the City is attempting to have the voters pass a Water Street Millage and strategically could kill the millage. Mr. Robb said this project will short the City money year after year and encouraged Council to vote no on this PILOT.

Council Member Murdock stated when discussion about this project began, it was thought that the value was approximately \$3 million of taxable value an acre and by restructuring the debt it will be cut to around half to \$1.5 million. Mr. Murdock said even though this project is of substantial size, it is nowhere near that valuation and might have an effect on projects in the future. Mr. Murdock added the taxes developed through this project will not pay the debt. Mayor Edmonds responded the original valuations are no longer the case. Ms. Ernat stated the current land valuation would not produce an assessment of \$3 million. Ms. Ernat added the original purchase price would also need to be reduced and bringing any development in to pay down the debt has been unrealistic for the past ten years. Mr. Murdock responded he was not referring to the purchase price and said when originally discussed developed tax value was going to be able to pay the debt. Mr. Murdock said he believed that was unrealistic then and now it has become clear that it was unrealistic. Ms. Ernat responded unfortunately, the TIF was valued at a bad time and property values have decreased and marketing the land at its value developments will not meet the debt ratio to pay off the debt. Ms. Ernat said the City needs to develop a sustainable tax base on Water Street and each project will bring another level of tax base. Ms. Ernat recommended looking at secondary and tertiary impacts of the development and measuring a development based solely on finances is unfair and should not always be the primary point. Mr. Murdock responded at this projects inception, promises were that it would be a self-financing project, which is clear that is no longer the case. Ms. Ernat responded it is safe to say this project will never be able to pay for itself for at least 30 years. Ms. Ernat added, however, if the City did not purchase Water Street, the buildings located on the land would still be there and the land would still be very contaminated and what would be preferred to the community, the blight that was there or a green park.

Mayor Edmonds stated the City is trying to attract development that will work in this community with very little tools to attract developers. Ms. Edmonds said she will be supporting this in order to spur future development. Ms. Edmonds said she believes this project will produce a good project from a developer who stuck with the City. Ms. Edmonds said she has spoken to people currently living in Normal Park who are excited to sell their house and move into this development. Council Member Robb responded he feels there is a misinterpretation and said the City is being asked to make a donation of \$21,000 to Herman Kittle by approving a PILOT. Mr. Robb said it is unrealistic to ask the developer to make a donation but it is realistic to ask the City to make one. Mr. Robb said as the Economic Development Director if the City is giving this project over \$20,000 a year it is a good project. Ms. Ernat responded her response was toward Council Member Murdock regarding sale price specific to this sale. Mr. Robb said the City needs another \$28.5 million worth of taxable value added to Water Street in order to pay that debt. Ms. Ernat replied the current taxable value of the property is zero and this is an opportunity to added taxable value plus add secondary and tertiary economic development benefits but this is a Council decision.

Council Member Anne Brown asked why it is imperative to move forward with this project now considering the home funds. Mr. Rodriguez responded through the initial application process, this project was awarded a conditional \$3 million by MSHDA and once it was found there were environmental issues at the previous site, MSHDA will withhold those funds until the site is moved. Mr. Rodriguez explained if MSHDA does not award those credits to this project in the June Board meeting, they will have to be awarded to another project. Ms. Ernat added everywhere HUD allocates so many funds to MSHDA as with every other state. Ms. Ernat explained MSHDA is only allowed to have a certain percentage of unallocated finds. Mr. Rodriguez added without the PILOT and other requirements MSHDA would see this project as too risky, which is why these items are being

presented for approval. Ms. Anne Brown asked if the funds would need to be returned. Mr. Rodriguez responded they would need to be returned or reallocated.

Mr. Lange said no one in this administration promised Water Street would pay for itself. Mr. Lange said Water Street was originally marketed as one piece, which continued for some time until the Master Plan developed a grid block system. Mr. Lange stated until recently the site was considered remediated which was not the case which had an effect on the valuation. Mr. Lange said the proposed project does not have the infrastructure originally planned and other possible environmental issues. Mr. Lange said things have changed and staff is adapting with those changes.

Council Member Vogt stated he understands the concerns that have been expressed but overall he has dragged himself to supporting the project. Mr. Vogt stated there have been many long discussions throughout this process and there has been a substantial change in the nature of the project itself, adding the commercial property. Mr. Vogt said even if the project is considered a "break even" project, the secondary and third level benefits created by this project will be greatly valuable to the City. Mr. Vogt said if there is no project in place, what developer will build the next one and this project will create a customer base already located at the site making it more attractive to developers. Mr. Vogt said the critical fact is, the City needs the momentum to spur future development. Mr. Vogt said although Mr. Robb is correct about the long term financial benefit this development will have to the City, the City needs that momentum to create future development.

Council Member Robb said his issue is not with the project; his issue is with the PILOT. Mr. Robb said Council Member Vogt is using the same argument he was when Mr. Vogt was against the project. Mr. Robb stated every resolution in the packet has a recommendation from staff except for this one and asked what the recommendation is. Ms. Ernat recommended approval. Mr. Lange added he supports that recommendation.

Mr. Lange said he and staff have agreed this will be the only subsidized housing project that will be brought to Council for Water Street.

Council Member Murdock asked if all units will be income restricted. Ms. Ernat responded in the affirmative. Mr. Murdock said he is not against the project but is frustrated the discussion of living in an unrealistic past that portrayed this site as one of the most attractive in the County. Mr. Murdock said the lack of interest in purchasing the property illustrates that it is not the most attractive in the County. Mr. Murdock said that way of thinking needs to end and there needs to be a reality check of what the future of that property can be. Mr. Murdock said through discussions about the Water Street Debt Millage, many people have told him they would like to see it as a park and they would support the millage. Mr. Murdock said he is not suggesting that but it is a possible avenue and it might be time to rethink what to do with the property completely. Mr. Murdock agreed with Council Member Robb and does not like the PILOT but the project has progressed too far to now remove that option.

On a roll call, the vote to approve Resolution No. 2016-095 was as follows:

Council Member N. Brown	Yes	Council Member Robb	No
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 5 NO: 1 (Robb) ABSENT: 1 (Richardson) VOTE: Carried

RESOLUTIONS/MOTIONS/DISCUSSIONS

- 1. Resolution No. 2016-097, approving purchase agreement with Herman & Kittle.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, Herman and Kittle Properties, Inc. (HKP) has submitted a Letter of Intent for the purchase of approximately three (3) acres of property on the Water Street development area located to the south of Michigan Avenue, east of River Road and west of the Family Dollar; and

Whereas, The Purchase Agreement with the City is for three (3) acres of the property for development for \$157,000, infrastructure as required for the site (two complete streets), a complete survey of the site, \$400,000 toward the underground electric required for the site, and \$35,000 (to be paid at closing) for the fence required for the remainder of the site that has been deemed contaminated with PCB and lead. The purchaser will also complete all required environmental testing on the site and will provide the testing and data to the City regardless of development; and

Whereas, City Council seeks to enter into a Purchase Agreement for the sale of the subject property to Herman and Kittle Properties, Incorporated.

Now therefore be it resolved that the Ypsilanti City Council directs the Mayor and City Clerk to enter into a Purchase Agreement drafted and reviewed by City legal counsel for the sale of City owned property.

OFFERED BY: Council Member Nicole Brown

SUPPORTED BY: Council Member Vogt

On a roll call, the vote to approve Resolution No. 2016-097 was as follows:

Council Member N. Brown	Yes	Council Member Robb	No
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 5 NO: 1 (Robb) ABSENT: 1 (Richardson) VOTE: Carried

XI. CONSENT AGENDA – *Resolution No. 2016-098*

- 1. Resolution No. 2016-099, approving the minutes of April 19 and May 3, 2016.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of April 19, and May 3, 2016 be approved.

- ~~2. Resolution No. 2016-100, approving Traffic Control Order for AAATA bus parking. (Moved and heard during Section XII, Resolutions/Motions/Discussions)~~

- 3. Resolution No. 2016-101, approving appointments to Boards and Commissions.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the following individuals be appointed to the City of Ypsilanti Boards and Commissions as indicated below:

<u>NAME</u>	<u>BOARD</u>	<u>TERM EXPIRATION</u>
Briana Mason (reappointment) 1000 Huron Ypsilanti, MI 48197	Planning Commission	5/1/2019
Conan Malmer (reappointment) 913 Pleasant Ypsilanti, MI 48197	Parks and Recreation Commission	5/10/2019
Sam Jones-Darling (new appointment) 824 Hoyt Ypsilanti, MI 48197	Human Relations Commission	5/10/2019

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Anne Brown

On a roll call, the vote to approve Resolution No. 2016-100 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Richardson) VOTE: Carried

Mayor Edmonds introduced Sam Jones-Darling her nomination for the Human Relations Commission. Ms. Edmonds stated before Mr. Jones-Darling moved to Ypsilanti he was very involved in Grand Rapids and has made great suggestions for Board and Commission recruitment among some other things.

XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2016-102, approving amendment to Freighthouse budget.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti seeks to improve the Freighthouse, a city owned building, to allow for year-round use of the building; and

WHEREAS, the City approved a contract in the amount of \$242,800 on September 9, 2015; and

WHEREAS, the City to approve change orders in excess of ten percent but less than the project budget of \$300,000.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council seeks to have Its City Manager sign and approve change orders up to and not to exceed the project budget of \$300,000 to complete the update of the Freighthouse.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Council Member Murdock

Ms. Ernat stated there have been problems arising in the renovations of the Freighthouse. Ms. Ernat said when renovating a historic building, every time one issue is solved another issue is created. Ms. Ernat said the Freighthouse now requires a new exit door and stairs, wire mesh and stone along the perimeter of the structure, fire suppression installed in the café, emergency lighting, exit signs, panic bars, evacuation maps and FDC signs, and alarm panel knock box. Ms. Ernat stated the estimate for the renovations is approximately \$20,000 in addition to the other changes. Ms. Ernat said this request will not require an amendment of the budget of what is being asked on the approval of change orders.

Council Member Murdock asked if this is approved, will construction resume this week. Ms. Ernat responded in the affirmative but there are some delays on the outdoor renovations. Mr. Murdock asked if these repairs will stay within what has already been budgeted, to which, Ms. Ernat responded in the affirmative. Mr. Murdock stated the public has placed many inquiries of when this project might be finished.

On a roll call, the vote to approve Resolution No. 2016-102 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Mayor Pro-Tem Richardson	Yes	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Edmonds) VOTE: Carried

2. Resolution No. 2016-103, approving additional services contract with AKT Peerless for Brownfield services for Water Street.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti desires AKT Peerless to provide additional brownfield services and laboratory analysis for the Phase II environmental study approved in November 2015; and

WHEREAS, The City of Ypsilanti desires to develop an Act 381 work plan for environmental and non-environmental eligible activities on City owned property; and

WHEREAS, the City of Ypsilanti desires to addend its contract with AKT Peerless based on increased study of the Water Street redevelopment area.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs the City Manager to approve and sign a contract addendum with AKT Peerless in the amount of \$17,000.

OFFERED BY: Council Member Anne Brown
SUPPORTED BY: Council Member Nicole Brown

Ms. Ernat stated the City had a previous contract with AKT Peerless in the amount of \$60,000 which was supposed to incorporate three different phases. Ms. Ernat said the City was able to secure a grant for that work and reduced the cost but in order to continue phase II and create remediation plans with additional sampling along the trails so that the trail could be reopened. Ms. Ernat said the additional \$17,000 will fund the

completion of this phase. Ms. Ernat explained she is asking for an amendment to the initial contract so that additional services can be provided.

Council Member Murdock asked if additional soil borings will be completed throughout the site. Ms. Ernat responded that there will not, adding that the 100 foot sample boxes need to be further delineated to know how much of that 100 foot box needs to be remediated. Mr. Murdock asked if there will be any testing on the Westside. Ms. Ernat responded no.

On a roll call, the vote to approve Resolution No. 2016-103 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Mayor Pro-Tem Richardson	Yes	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Edmonds) VOTE: Carried

3. Resolution No. 2016-100, approving Traffic Control Order for AAATA bus parking.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti recognizes that AAATA is providing a needed and valuable transportation service to the City of Ypsilanti and has increased service and parking needs at the Ypsilanti Transit Center on Pearl Street; and

WHEREAS, the AAATA has offered consideration for the use of five (5) public parking spaces in the form of \$1200 annually in parking revenue reimbursement, restriping and re-signage of the spaces, and the general upkeep of the property; and

WHEREAS, the City seeks to enter into an Agreement with AAATA to formalize the Traffic Control Order and lay out terms and conditions.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council of the City of Ypsilanti approves the Traffic Control Order to convert five (5) parking spaces on North Washington as identified in the Order to bus parking and directs Its City Manager to enter into an Agreement with AAATA for the agreed upon terms and conditions.

OFFERED BY: Council Member Robb

SUPPORTED BY: Council Member Vogt

Council Member Robb stated last time the City negotiated trading parking meters for spots, it was \$25 a day per meter and the point was to incentivize EMU into negotiating giving the City control of the Washington St. Lot. Mr. Robb stated the City received \$18,000 from that negotiation, which paid for putting meters in the Washington St. parking lot. Mr. Robb said what Council is being asked to approve now vastly undersells the \$25 a day per meter principle and does nothing to incentivize AAATA to improving their facility. Mr. Robb stated this is a bad deal for the City and said he will vote "no" and encouraged the rest of Council to vote "no" because it sets a bad precedent.

Council Member Anne Brown asked if there was any discussion with the business owners along that corridor. Ms. Ernat responded there was no objection as long as the parking lot stays open.

Ms. Ernat said the purchase amount was developed by staff surveying meters for three weeks and adding a percentage for inflation. Mr. Robb responded in the past the going rate was \$25 rate per meter and EMU wanted to park their buses in front of the College of Business and the City negotiated and eventually was paid \$18,000. Mr. Robb added this does not incentivize AAATA into repairing their facilities. Mr. Robb said AAATA would not be able to park a bus at a storage facility for \$1,200 a year let alone on a public street. Mr. Robb said there are very few assets left in the City - the City must be careful not to give them away.

Mayor Pro-Tem Richardson stated the AAATA is planning to renovate the Pearl St. facility. Ms. Richardson stated last spring there were many meetings at which Deb Freer spoke a great deal about those renovations. Mr. Robb said he completely understands that, however, the point is to incentivize AAATA to complete those renovations quickly.

Council Member Murdock said there have been improvements to the Pearl St. Depot, however, based on discussion, he thought more would have been done than what has been completed. Mr. Murdock said there was supposed to be a second stage but the finances to fund the second stage are not what AAATA hoped they would be.

Ms. Ernat stated as a part of recent conversations with AAATA, emergency repairs were made and now are going through a full facility review including offices and stations. Ms. Ernat said AAATA is looking for a larger capital project which could include a different location for the Depot or a complete redesign of the current facility.

Council Member Murdock asked if approved this would be a permanent solution and Ms. Ernat responded in the negative.

Council Member Vogt noted the contract states it can be voided on 90 day notice. Mr. Vogt asked if there is a hard amount of how much revenue was generated from the five meters in that area. Ms. Ernat responded approximately \$43 a month. Mr. Vogt stated that would equal roughly \$500 a year, so \$1,200 is more than double the revenue produced by those meters.

On a roll call, the vote to approve Resolution No. 2016-100 was as follows:

Council Member N. Brown	Yes	Council Member Robb	No
Council Member Murdock	Yes	Mayor Edmonds	Absent
Mayor Pro-Tem Richardson	Yes	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 5 NO: 1 (Robb) ABSENT: 1 (Edmonds) VOTE: Carried

Mayor Pro-Tem Richardson asked if there was an objection to complete the balancing of the meeting before beginning the budget session.

On a voice vote the agenda was amended.

XIII. LIASON REPORTS –

- A. SEMCOG Update – Mayor Pro-Tem Richardson stated the meeting was held on Thursday, May 5th and she will provide the report to the remainder of Council.
- B. Washtenaw Area Transportation Study – Council Member Murdock stated Council will need to prepare a priority list for transportation plans. He recommended Council schedule a meeting to discuss that list.
- C. Urban County - None

- D. Freight House - None
- E. Parks and Recreation – Council Member Anne Brown stated the meeting is tonight, May 10th and said she has an invoice from the Parks and Recreation Department for \$600. She said a citizen group has been formed regarding benches in the parks which have been in discussion with the DPS Director and she believes it has been solved. She said the friends group for Carrie Mattingly Park called and informed her they have spoken to the DPS Director regarding swings and decided to form a contract for Council improvements to install swings.

Mayor Pro-Tem Richardson said she received a call from Anthony Williamson who had questions about events held at Parkridge Park and confusion regarding scheduling. She asked Council Member Anne Brown to follow up with that issue. Council Member Anne Brown asked what staff person handles scheduling at the park. Assistant to the City Manager Ericka Savage responded an application is filled out online and is submitted to her and Administrative Services Manager Amanda Holsinger. Ms. Anne Brown asked if there have been any issues. Administrative Services Manager Holsinger responded not as of yet. Ms. Richardson asked if a little league baseball team reserved the diamond. Ms. Holsinger responded the diamonds at Candy Cane and Recreation Park but not Parkridge.

- F. Ypsilanti Downtown Development Authority - None
- G. Eastern Washtenaw Safety Alliance – No meeting
- H. Police-Community Relations/Black Lives Matter Joint Task Force – No meeting
- I. Friends of Rutherford Pool – Council Member Nicole Brown stated Rutherford pool is preparing for the season opener. She asked that Council and community members spread the word about the pool opening. She asked about getting on the agenda for the next Pastoral Alliance meeting to discuss any possible summer programming to see if the church would like to utilize the pool.

Mayor Pro-Tem Richardson stated she believes the Pastoral Alliance still meets the second Monday of every month. Ms. Richardson suggested contacting Pastor Hendricks who could begin conversation with the other members of the Alliance.

XIV. COUNCIL PROPOSED BUSINESS –

Robb

- Said Vivid Ink just put up a neon sign. He said the barbershop on Washington also put vinyl up on the outside. He said the Beer Cooler put up a sign and were not approved by the Historic District Commission. The ordinance also reads the window cannot be covered by more than 25% and Dos Hermanos violates that ordinance. He asked when a business license is applied for if a list of ordinances is provided to the applicant. He asked how the ordinances are communicated to business owners or is the sign ordinance going to be revised.

Mr. Lange asked for a list of addresses of businesses that are violating the ordinance in order to investigate. Council Member Robb stated he submits them online and then they get closed and the signs remain. Mr. Robb said his concern is about how the ordinance is communicated to new businesses. Mr. Robb asked if the sign ordinance is going to be revised. Ms. Ernat responded the Historic District Commission has been meeting and a work session has been scheduled to discuss how to enforce and who will be providing the enforcement. Ms. Ernat stated in the past, the HDC has only issued a letter of compliance and since it cannot be a part of the Administrative Hearings Bureau enforcement has been difficult. Mr. Robb asked when a business applies for a business license is a packet provided that list the ordinances so business does not spend money

on something that is not allowed by ordinance. Ms. Ernat responded "no" but that is something she will be discussing during the budget session next week.

- The site plan for Bay Logistics states the property is required to have screening and asked when the screening will be completed. Ms. Ernat responded the plan formed with Bay Logistics required the screening to be completed during the spring and will follow-up with this week with Bay Logistics.
- Stated North Lincoln Auto Repair is an illegally operating business which has been an issue for years and asked if there has been an update. He added the business was asked to submit a site plan years ago which has not happened.

Vogt

- Stated he would be happy to act as a clearinghouse for suggestions of people to work on a committee to promote the millage.
- Asked if the Traffic Control Committee has met in respect to the speed bumps.

Ms. Ernat responded the meeting was rescheduled. Mr. Lange added information will be provided about speed bumps in the near future. Police DeGiusti stated the meeting has been rescheduled for May 18th.

Nicole Brown

- Stated she never received follow-up on the dog bite incident and what happened with the dog that was being quarantined.

Mr. Lange said he did file an order to deem the dog as vicious. City Attorney Barr responded the Police Department has sent requests to the prosecutor, which is under review. Mr. Barr said the City Manager asked to file a civil suit to see that the dog was destroyed. Mr. Lange said he spoke with the wife of the dog owner who indicated she would not want the dog back because of fear for her own children.

Mayor Pro-Tem Richardson asked what would happen to the other dog from the incident. Mr. Lange responded Mr. Tubbs would need to file a complaint on the other dog. Mr. Barr added the Attorney's Office reviewed the dangerous dog ordinance and in this case the dog had not bitten anyone and there were questions if the dog was attacking or if it just got out of the house. Mr. Barr said it is still under investigation but if there is cause, action will be taken.

Anne Brown

- Asked when the evaluation for the Clerk will be scheduled.

Council Member Robb responded the evaluation can be done on May 17th before or after the meeting. Mr. Robb suggested after the meeting since the Clerk will need to stay for the entire meeting. Mayor Pro-Tem Richardson asked if Clerk McMullan had a preference. Clerk Frances McMullan responded that she did not.

Murdock

- Stated he and Council Member Robb will be holding a town hall meeting on Wednesday, May 18th at the Freighthouse at 6:00 pm to 7:30 pm. He said he received an email regarding the heroin problem in Washtenaw County. He said the Mayor was going to schedule a presentation regarding that topic and hoping to discuss the antidote with the Chief.

Mr. Lange responded this has been discussed and at the time it was the position of City Administration the Fire Department would be able to administer the Narcan in an adequate amount of time given the size of the City. Mr. Lange said most of the Narcan is administered by Huron Valley Ambulance (HVA) in the City. Mr. Lange stated the Mayor would like to discuss if the City was adequately covered and Chief Anthouard would also like to explain his position on the Police Department carrying Narcan. Council Member Murdock said that was not going to be the only aspect of the presentation.

- Said there has been interest in opening the north end parking lot to Riverside Park, which is now chained off. Mr. Murdock said the Parks and Recreation Commission has discussed it and will be discussing it again tonight.

Mayor Pro-Tem Richardson asked why the parking lot has been chained off. Council Member Murdock stated the lot has been chained off for 15 to 20 years because it became a gathering place for activities that people did not want in the park. Mr. Murdock said one option is to unlock the gate during the day while the park is open and lock at night.

XV. COMMUNICATIONS FROM THE MAYOR PRO-TEM

- Said she received a call from Mr. Sweet regarding tickets being written to people for walking on the Border to Border trail and why the trail is closed. She asked if people are being ticketed for walking on the trail.

Chief DeGiusti responded to his knowledge, no one has been ticket for walking on the trail but it is marked no trespassing by order of the City Manager so should the police encounter someone in a no trespassing area, they would be advised to leave and if they refused they would be given a ticket and could be arrested. Lt. Derrick Gress added if a person is given a trespassing warning they receive it in writing and a log is kept for a year and if they violate they could be written a citation or arrested.

- Stated on Monroe between Perry and Hawkins there is a very poorly repaired section of road. She said if utilities need to cut the road they are responsible to repair the road. She asked the City Manager to investigate that issue.

XVI. COMMUNICATIONS FROM THE CITY MANAGER

- When Ypsilanti Community Utility Authority cuts into the road, they do a temporary repair.

Mayor Pro-Tem Richardson responded this repair is not temporary. Mr. Lange said the DPS Director says they do it twice a year once, in the spring and once in the fall.

- Asked if the press release is ready for the DTE Riverside Park.

Ms. Savage responded the press release is on the website.

- Stated there will be a presentation regarding the rail on May 17th for final decision.

- Staff working hard on providing information about the Water Street debt millage is not the same as providing a campaign.

- Stated the construction of the solar field is running into some issues regarding a County Agency and has been delayed.

XVII. AUDIENCE PARTICIPATION –

1. Sue Melke, 330 Chidester #409, stated she does not understand how the purchase price for the Herman Kittle development has dropped to \$170,000 and can't believe the City is even considering it. She does not understand why a town hall meeting has not been scheduled to discuss the issues on Water Street for Ward 1. She said she does not understand why the public cannot hear what is happening and ask questions.

Mayor Pro-Tem Richardson stated a Ward 1 Town Hall meeting was held a couple of weeks ago held at Parkridge Center. She said the meeting was not regarding Water Street but one will be scheduled. She added Council will need to discuss scheduling a citywide town hall meeting.

Council Member Vogt stated he and Council Member Anne Brown will be holding a Ward 2 Town Hall meeting tomorrow night, May 11th at the Senior Center.

Ms. Melke asked how town hall meetings are advertised. Mayor Pro-Tem Richardson responded fliers. Council Member Vogt said they are advertised on the website. Council Member Murdock stated the all residents are welcome at any town hall meeting held in Ward 3.

2. Brenda McLilley, 109 Buffalo, stated she is having an issue with a neighbor Stewart Beal who has called the police several times as well as code enforcement. She said there is an issue with a car outside of her house which has proper tags and it feels like a form of harassment.

Council Member Anne Brown asked if Ms. McLilley had been cited for the car, to which Ms. McLilley responded "no". Lt. Gress asked if the vehicle is operable, and Ms. McLilley responded in the affirmative. Mayor Pro-Tem Richardson stated her issue is with the complainant and said since Mr. Beal moved to that neighborhood he has called the police on everyone around him. Ms. Richardson said she would like to see the neighbors come together and file a complaint against him. Ms. Richardson asked if a police officer responded to these complaints other than an ordinance officer, which Ms. McLilley responded "no". Ms. Richardson asked her to inform Council if Mr. Beal lodges any more complaints.

3. Jeff Wright, 109 Buffalo, stated he washes cars at 109 Buffalo for family and friends and Mr. Beal has voiced many complaints. He said recently he was speaking with some friends and Mr. Beal complained that they were talking too loudly. He said it does feel like harassment.

Mayor Pro-Tem Richardson asked Chief DeGiusti to follow up with this issue.

4. Sam Jones-Darling, The Village, stated since coming to Eastern Michigan University, Ypsilanti has become his new home. He thanked Council Member Anne Brown, Council Member Peter Murdock, and Mayor Edmonds for making him feel welcome and he is excited to serve the citizens as a HRC Commissioner.

5. Lee Tooson, 107 Middle, stated if there is a car on your property with plates and insurance you are not required to move the vehicle to satisfy your neighbor. Stated he would like an update on 954 Monroe with the leaning garage. He said it is ironic that the Finks, Jensens, and Steve Pierce live on South Washington and they have black neighbors and have never had a confrontation with those neighbors. He said the Beals come from liberal Ann Arbor and he is fighting with every black person that he encounters. He said Mr. Beal has complained to the point that "no parking" signs were put up without cause. He said he wants Council to be certain the community knows who is responsible for those signs being put up. He wants to be certain that the McLilley's are not put through the same ordeal as that of Mr. Reed. He said there are issues with the road in front of 536 Madison and it needs to be fixed. He said he is glad the Police Department made sure the dog that bit that boy will not be back in the City.

XVIII. REMARKS FROM THE MAYOR –

None

XIV. BUDGET SESSION -

General and Non-General Fund Expenditures Review/Questions
(FY 2015-16, FY 2016-17)

Mr. Lange provided a budget presentation. **(See attached)**

Council Member Vogt asked if the \$700,000 listed to pay down the debt is if the millage passes. Mr. Lange responded that it does not include the revenue created by the deal with Adam's Outdoor and possible sale of land.

Kevin Welch, Human Resources Manager:

- Human Resources – Pages 139-140
- Unemployment – Page 155
- Workers' Compensation Fund (677) – Pages 138-140

Human Resources Manager Kevin Welch provided a presentation regarding the Human Resources Department budget. **(See attached)**

Council Member Anne Brown asked if any job descriptions have been updated. Human Relations Manager Kevin Welch responded in the affirmative.

Council Member Vogt asked if calculations have been made in case the millage is not passed. Mr. Welch responded that would be up to Council and said if the millage is not passed, he assumes there will be changes. Council Member Murdock stated this budget should not be impacted at all because the millage, if passed, won't take effect until the next Fiscal Year.

Council Member Robb stated Human Resources is asking for \$30,000 more funding than last year for office supplies, professional development, and contractual services and asked what is planned for this funding. Mr. Welch responded when the labor contracts expire, the assumption is the City will incur more legal fees and said when all three labor contracts expired in one year, that is what was spent. Mr. Lange added negotiations will probably begin in January. Mr. Welch clarified his strategy is to not use labor attorneys unless absolutely necessary.

Council Member Robb asked for an explanation for the extra paid period. Mr. Welch said he believes the union contracts say pay periods are every two weeks. Fiscal Services Director stated last time this occurred the 27th pay period was not budgeted for and there was a shortfall in the budget.

Council Member Robb stated he had a conversation about all employees and their insurance premiums and asked if he needs to submit that request formally.

Council Member Anne Brown asked if Mr. Welch will be negotiating the union contracts. Mr. Lange responded last time he negotiated the contracts but Mr. Welch has wealth of experience so they will probably be divided.

Tony DeGiusti, Police Chief:

- Police Service Revenues – Pages 3-4, 6
- Police Services (Administration, Field Services, Bullet proof Vest Grant, Parking Enforcement) – Pages 19-23
- Special Events – Page 6 and 28
- Police Special Revenue Fund (265) – Pages 69-70
- Capital Equipment – Page 99
- Motorpool Expenses – 134

Police Chief Tony DeGiusti provided a presentation on the Police Department budget. **(See attached)**

Council Member Anne Brown asked who is over the Friends of Ypsilanti Police. Chief DeGiusti responded that Barbara Gress is the president.

Mr. Lange stated in the past, the Police Department operated with a large variety of vehicles which is not very efficient. Mr. Lange said the fleet is being repaired by the DPS and it has become easier since police vehicles have become standard aside from K-9 units and other specialty vehicles.

Council Member Anne Brown asked what role the Friends of the Ypsilanti Police play in acquiring gym equipment, painting, and cubicles. Chief DeGiusti responded they purchased bicycles last year and have purchased gym equipment in the past but that was a long time ago. Chief DeGiusti added they also donated to the honor guard.

Council Member Robb asked what is included in Police Administration Salary. Ms. Uy responded an Assistant in the Records Department. Chief DeGiusti added it is also the requested part time employee in the records, ordinance, and property room officer.

Council Member Robb stated there is a \$400,000 increase in what is being asked for field services asking why that is. Chief DeGiusti responded there are positions that are going to be filled as well as some step increases. Mr. Lange added there are also 27 pay periods that needed to be accounted for and the police department has the most employees.

Council Member Murdock asked if civil forfeitures are in the fund 265, special revenues. Chief DeGiusti responded in the affirmative. Mr. Murdock said there is no revenue projected in fund 265 for next fiscal year. Chief DeGiusti responded it is very difficult to project revenue for civil forfeitures. Mr. Murdock asked how the new legislation is impacting civil forfeitures. Chief DeGiusti responded the Department had already been operating in the manner the new legislation would dictate so there was no change. Council Member Robb asked if the City gets a percentage of what LawNet produces because the City is a member. Chief DeGiusti replied because the department staff levels are down, it currently does not have an officer on LawNet, however, distributions are voted on as a board.

Council Member Murdock stated field services increased by \$300,000 from last year, which is because of step raises and Ms. Uy responded extra pay period and benefits increased. Mr. Lange added he is interested in why

there is a differential of what was projected and what was actually spent. Mr. Lange said it is always better to project conservatively rather than exceed what is budgeted. Mr. Murdock said the City needs to continue putting money into the non-union employee's pensions. Mr. Lange agreed.

Council Member Robb asked if the 20% health care premium went down. Ms. Uy responded 20% is based on Blue Cross Blue Shield information. Mr. Robb stated he does not understand why the number would go down. Mr. Lange responded staff will look into it.

Chief DeGiusti stated there is no projection for the LawNet grant because the State Police said there will be no LawNet Grant. Chief DeGiusti said the overtime is decreasing and at the moment the Department is only at \$183,000 which is substantially lower than this time last year. Council Member Robb stated with the promotion of other officers those savings were lost. Chief DeGiusti responded he believes the City has saved \$100,000 to date. Mr. Robb stated 2014-2015 funds allocated were \$250,000 and \$1.9 million and in 2015-2016 and said Council receives the overtime report but it should be given the overall officer salary report.

Council Member Robb stated based on the statute of limitations, the City lost two years of tickets that were outstanding, to which, City Attorney John Barr responded in the affirmative. Mr. Robb asked what exactly was lost. Mr. Barr responded he is not certain that simply switching from Duncan is what caused the loss of the tickets and he is not certain the exact reason. Chief DeGiusti added to calculate what was lost, assumptions would have to be made, one of them being that all the people who didn't pay would have paid. Mr. Robb stated he wants to understand what exactly was lost as a result of switching from Duncan. Mr. Lange responded in order to calculate that amount, staff would need to know the amount of moving violations and parking tickets and then perform a trend analysis. Mr. Lange added a rough estimate is the City lost \$300,000 in revenue but now that parking tickets are back in house, revenue is increasing. Mr. Robb said if he were given a ticket in Detroit and chose not to pay it he would be unable to renew his license and asked if that is the City's practice. Chief DeGiusti responded parking tickets are not abstracted to the Secretary of State, it must be a moving violation. Clerk Frances McMullan stated she believes Ann Arbor submits parking ticket information to the Secretary of State.

Council Member Murdock said at one time if a person received a certain amount of tickets, a boot would be placed on the car. Mr. Barr responded at one time the City attempted to change the ordinance to allow the booting of cars for three outstanding tickets but the law was changed which required six outstanding tickets.

Max Anthouard, Fire Chief:

- Fire Services Revenues – Page 5
- Fire Services (Administration, Homeland Grant-SAFER, Suppression) Pages 23-25
- Capital Equipment – Page 99
- Motorpool Expenses – Pages 131-135

Fire Chief Max Anthouard provided a presentation on the Fire Department Budget. **(See attached)**

Council Member Murdock asked if the City applied for this last SAFER Grant. Chief Anthouard responded they did not, because the Department would be required to maintain 21 in fire suppression until the expiration of the two year program. Mr. Murdock asked if the Department will maintain 15 in fire suppression. Chief Anthouard responded in the affirmative. Mr. Murdock asked if the Chief and the Fire Marshal are included in the 15. Chief Anthouard responded in the negative and said the Department will consist of 15 fire suppression, 1 Chief, 1 Fire Marshal, and one part-time secretary.

Council Member Robb asked how many employees are off on a shift at one time according to the contract. Chief Anthouard responded one for straight vacation and one person taking a personal day would require overtime.

Assistant to the City Manager Ericka Savage asked if there were any questions about events.

Mayor Pro-Tem Richardson asked about the scheduled dates of the Heritage Festival and if they occur at the same time as the Parkridge Festival. Amanda Holsinger responded those events have been on the same weekend for the past two years and are scheduled to be on the same weekend this coming year.

Council Member Murdock asked about setting a fee for the Depot Town Farmer's Market. Ms. Savage responded she was going to have that prepared for this meeting but was told not place it on this agenda because it was a Budget Session. Ms. Savage said as of yesterday, there might be an operation agreement between Growing Hope and the City. Council Member Anne Brown asked who would have initiated that agreement. Ms. Savage said she is not entirely sure since she was only told Economic Development Director Beth Ernat was working with Growing Hope. Ms. Savage added she was informed by Growing Hope the Farmer's Market operating on Washington St. would not be closing the street during the market this year and were supposed to secure a right-of-way permit.

Council Member Anne Brown asked if there were any concerns regarding the Color Run. Ms. Holsinger responded she has not heard of any concerns recently and added the petition against the Color Run was never brought to the City. Ms. Holsinger added because of that petition, the Convention and Visitor's Bureau will be advertising in those neighborhoods to inform them of the closure of certain roads. Ms. Anne Brown suggested posting the route on the signage used for the Color Run.

John Barr, City Attorney:

- Legal Services – Pages 17-18

City Attorney John Barr provided a presentation about the Attorney's Office Budget. **(See attached)**

Council Member Robb stated it seems the prosecution budget was eliminated and asked if all services were funneled into general services. Mr. Barr responded in the affirmative and said when the contract was rebid the parameters of the contract were changed. Mr. Barr responded what the attorney's office is no secret and each month the City is provided a report.

XIX. ADJOURNMENT -

Resolution No. 2016-104, adjourning the City Council meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Council Member Nicole Brown

SUPPORTED BY: Council Member Vogt

On a voice vote, the motion carried, and the meeting adjourned at 9:52 p.m.



City of Ypsilanti
RESOURCE ALLOCATION PLAN

Amended 2016/2016
Projected 2016/2017
Projected 2017/2018

May 10, 2016

City Manager Overview

Ralph Lange



Overview: Ralph A. Lange, City Manager



The First Major Goal of City Council is to:

- ❑ Balance the Budget
- ❑ Take steps necessary to achieve balanced budget by the end of the 17-18 fiscal year
 - ❑ Major step in achieving this goal had to be acted upon by Spring 2016
- ❑ Paying off \$700,000 of unrefunded Water Street Bonds
- ❑ Developing a significant revenue source to pay for a portion of the remaining Water Street Debt (August 2016)

Overview: Ralph A. Lange, City Manager



The Second Major Goal of City Council is to:

- ❑ Maintain quality public safety services:
 - ❑ Police
 - ❑ Fire
 - ❑ Building/inspection

Overview: Ralph A. Lange, City Manager



Observations after Goal Setting For The Budget Process

- ❑ City Manager Recommendations
 - ❑ Determine the full scope of the environmental issues on the City's Water Street Property and develop the most cost effective plan possible to address the issues
 - ❑ Work with Herman and Kittle to develop expanded mixed use project on Water Street Property intersection of River St and Michigan Ave.
 - ❑ Work with all parties involved to salvage and expand the East Side Rec Center Project at the intersection of River St. and The Huron River.

Overview: Ralph A. Lange, City Manager



Observations after Goal Setting For The Budget Process

□ City Manager Recommendations

- Continue to work towards meeting MDOT's conditions to get Amtrak service to stop 6 times per day in Ypsilanti as soon as possible
- Work to support the passage of a regional transit authority (RTA) millage, which will result in regional rail service for Ypsilanti
- City Staffing update

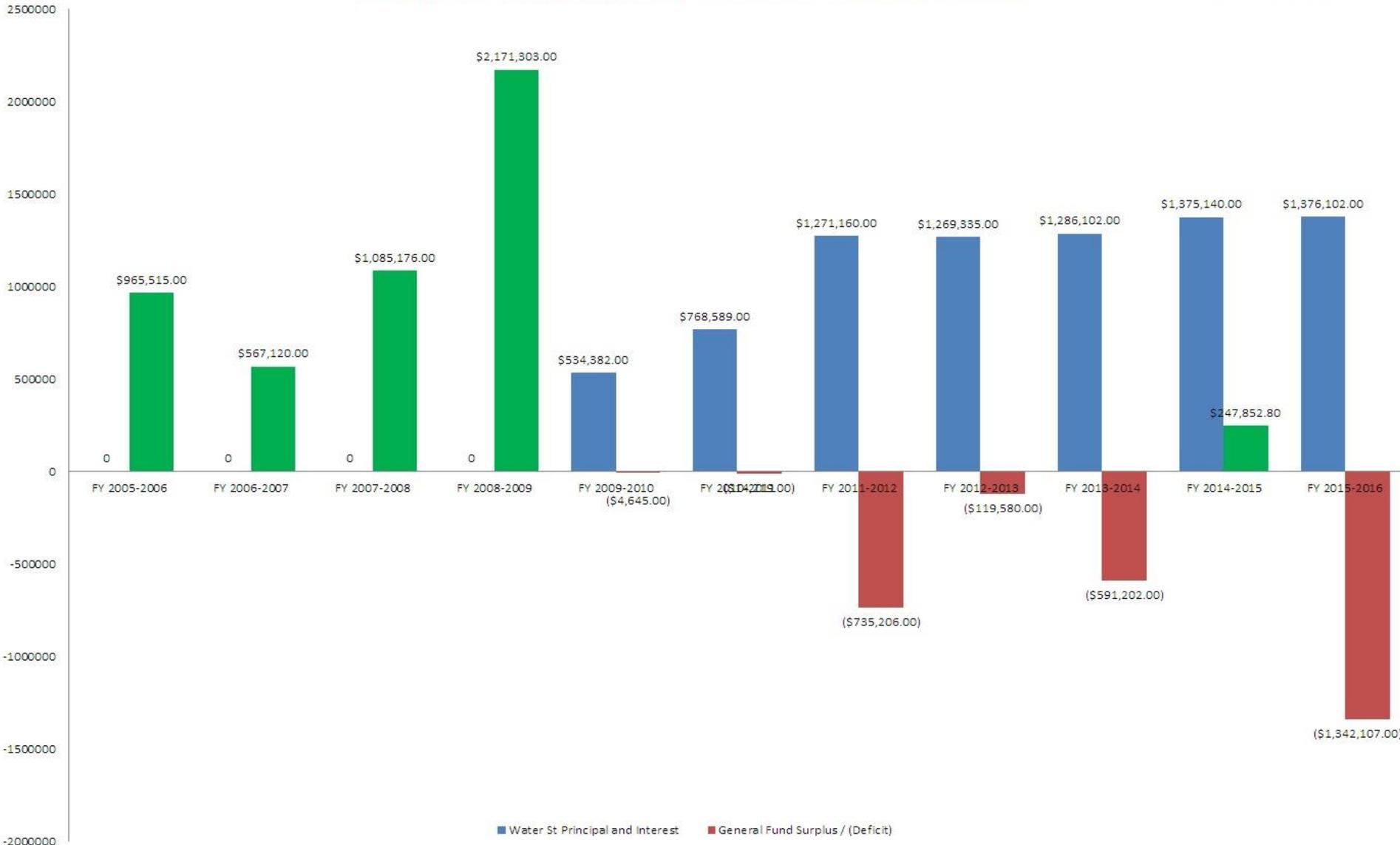
Overview: Ralph A. Lange, City Manager



FY 13-14 Projected	FY 13-14 Actual
(\$1,344,700)	(\$591,260)
FY 14-15 Projected	FY 14-15 Actual
(\$1,309,380)	\$247,853
FY 15-16 Projected	FY 15-16 Estimated
(\$1,342,107)	(\$ 3,097,003)
FY 16-17 Projected	FY 16-17 Estimated
(\$1,130,883)	(\$1,130,883)
FY 17-18 Projected	FY 17-18 Estimated
(\$645,325)	(\$645,325)

Budget Surplus/(Budget Deficit) and Water Street Debt Obligation

Note: FY 14-15 and FY 15-16 are projections



\$1,342,107 was estimated as part of last year's budget. The most current estimated amount is \$ 3,097,003. We are unable to be show this due to the scale of the chart.

Overview: Ralph A. Lange, City Manager



Water Street Facts

- ❑ Background on Water Street Debt
 - ❑ The City's Water Street debt was consolidated in 2006 with bond debt of \$15,740,000. Including interest, the payments owed for the life of the loan (25 years) totaled \$29,434,535.
 - ❑ Over the past 10 years the City has paid \$8,761,810 on the debt and reduced the remaining principal and interest payments owed to \$20,672,725.

Overview: Ralph A. Lange, City Manager



Water Street Facts

2016 Debt Refinancing

- ▣ In spring 2016, the City refinanced the bond debt and made a cash payment of \$2,255,000.

Annual Principal & Interest Payments – Before and After Refinancing

Bond P&I Payment before refinancing: \$1,380,000 at 6.16%
interest for 15 years

Bond P&I Payment after refinancing: \$924,500 at 3.33%
interest for 15 years

Decrease in P&I Payments for FY 16-17: \$455,500

Overview: Ralph A. Lange, City Manager



Water Street Facts

- Remaining Debt
 - The City's Water Street debt is now \$11,140,000; including interest, it is \$14,585,251.
 - The City plans to make a second cash payment of \$700,000 in 2016, which would eliminate an additional \$73,000 per year in principal and interest payments for the next 15 years.

Overview: Ralph A. Lange, City Manager



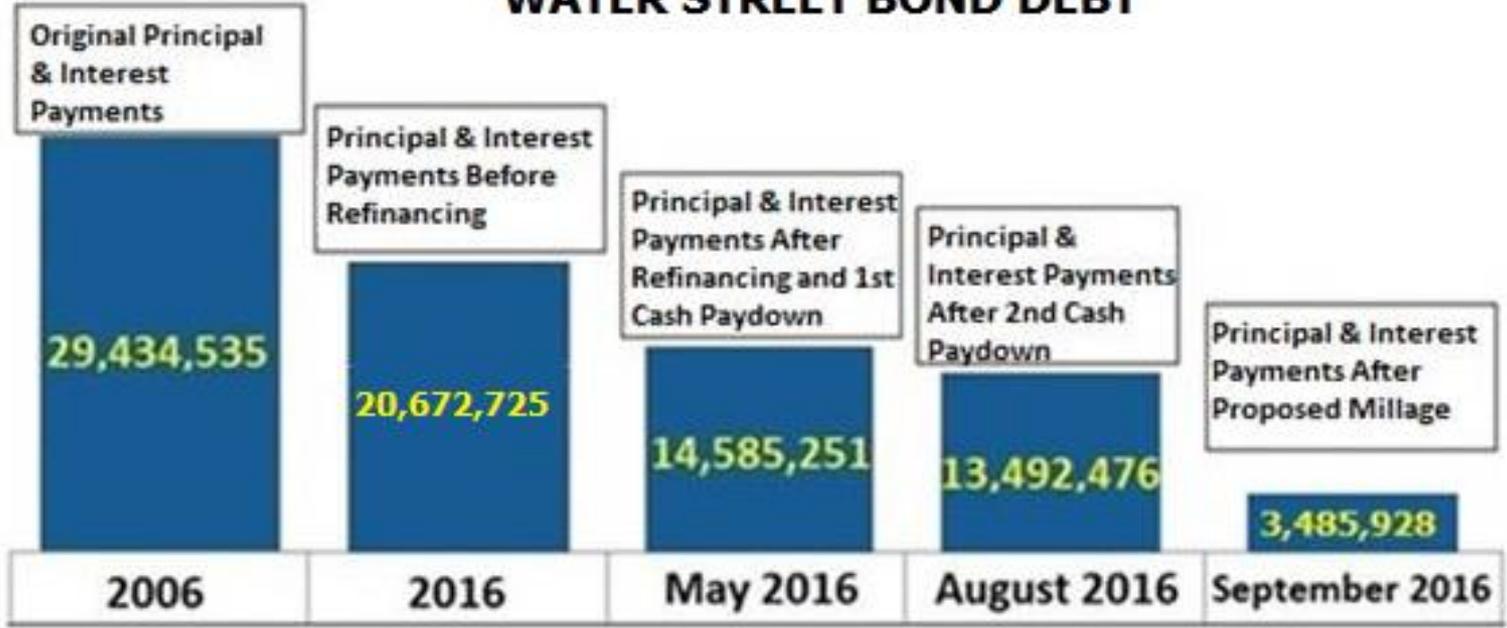
Water Street Debt Facts

- Proposed City Millage
 - City Council unanimously approved a plan to place a Water Street referendum on the August 2016 ballot. In essence, 2.3 mills expiring from the 2001 Street Program debt would be replaced with 2.3 mills to pay Water Street debt, causing no net increase in taxes based on this referendum.
 - If approved, approximately \$10,006,548 in Water Street debt payments would be funded through the millage and only \$3,485,928 would be funded by the General Fund over the next 15 years.

Overview: Ralph A. Lange, City Manager



WATER STREET BOND DEBT



Overview: Ralph A. Lange, City Manager



Summary

- ❑ General Fund Budget Projections
- ❑ Water Street Debt Millage Revenue Projections
- ❑ Water Street Environmental Concerns
- ❑ Two key development projects on Water Street
- ❑ Rail service in Depot Town.
- ❑ **Future Outlook for the City**

Human Resources

Kevin Welch, Manager



Admin – Pgs. 3, 18-19
Unemployment – Pg. 34
Workers' Compensation Fund (677) – Pgs. 138-140

Human Resources

Pgs 139-140



- ❑ Effective October 1, 2015, all employee medical benefit changes and updates are handled by our agent.
- ❑ Updated HR Manual reviewed by Labor Attorney and Mr. Barr. The goal is for the revised version to be completed prior to July 1, 2016.
- ❑ Audited benefit plans to ensure census accuracy.
- ❑ Implemented one new optional medical plan (HSA).
- ❑ Implemented a wellness plan/committee.
- ❑ Began to convert forms to digital format.
- ❑ Better integration between HR and payroll



Human Resources - Budget Changes

Workers' Compensation (Pgs. 138-140)

- Increased cost of reinsurance
- Allocated funds for potential/open claims.

HR

- No temporary wages
- Reduction in medical insurance cost
- Increase in dental cost
- Increase in Health Care Savings Plan
- Increase in office supplies
- Reduction in testing supplies
- Change in contractual services expenses
- Professional development

Unemployment – No significant changes (Pg. 155)



Human Resources - Future Initiatives

- ❑ Seek new sources to further diversify workforce.
- ❑ Provide more attention to new employees to improve job satisfaction and reduce turnover.
- ❑ Implement employee/employer benefit portal.
 - ❑ Automate enrollment, yet maintain good control, recordkeeping and budgeting
- ❑ Attempt to move more retirees to Medicare Advantage.
- ❑ Evaluate medical renewal to determine self insured versus fully insured.
 - ❑ Seek new opportunities to reduce health care costs.
 - ❑ Evaluate cost /savings to reduce the number of carriers/plans

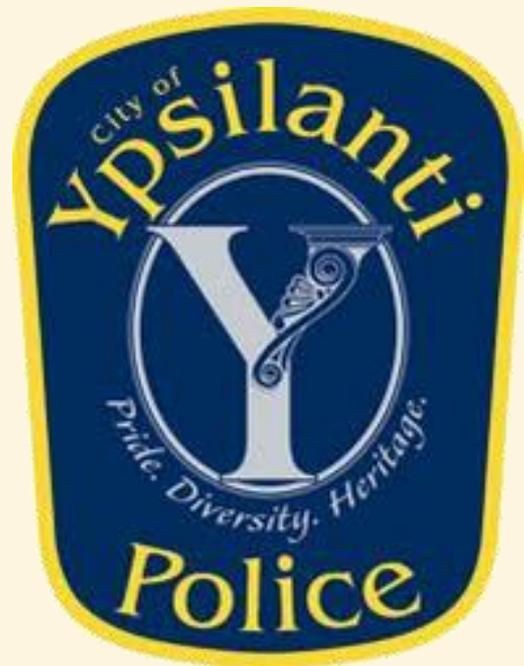


Human Resources - Future Initiatives

- ❑ Streamline new employee orientation.
- ❑ Place more focus on employee wellness plans.
- ❑ Transform HR's involvement at a higher level.
- ❑ Need for more training at the front line managerial level.
 - ❑ Lunch and learn program.
- ❑ Institute automated performance evaluation notification system.
- ❑ Seek competitive bids for worker's compensation insurance.

Ypsilanti Police Department

Tony DeGiusti, Chief



Police Service Revenues – Pgs. 3-4

Police Services (Administration, Field Services, Bullet proof Vest Grant, Parking Enforcement – Pgs. 19-23

Special Events Revenues and Expenses – Pgs. 6 & 28

Police Special Revenue Fund (265) – Pgs. 69-70

Capital Equipment – Pg. 99

Motorpool Expenses – Pg. 134

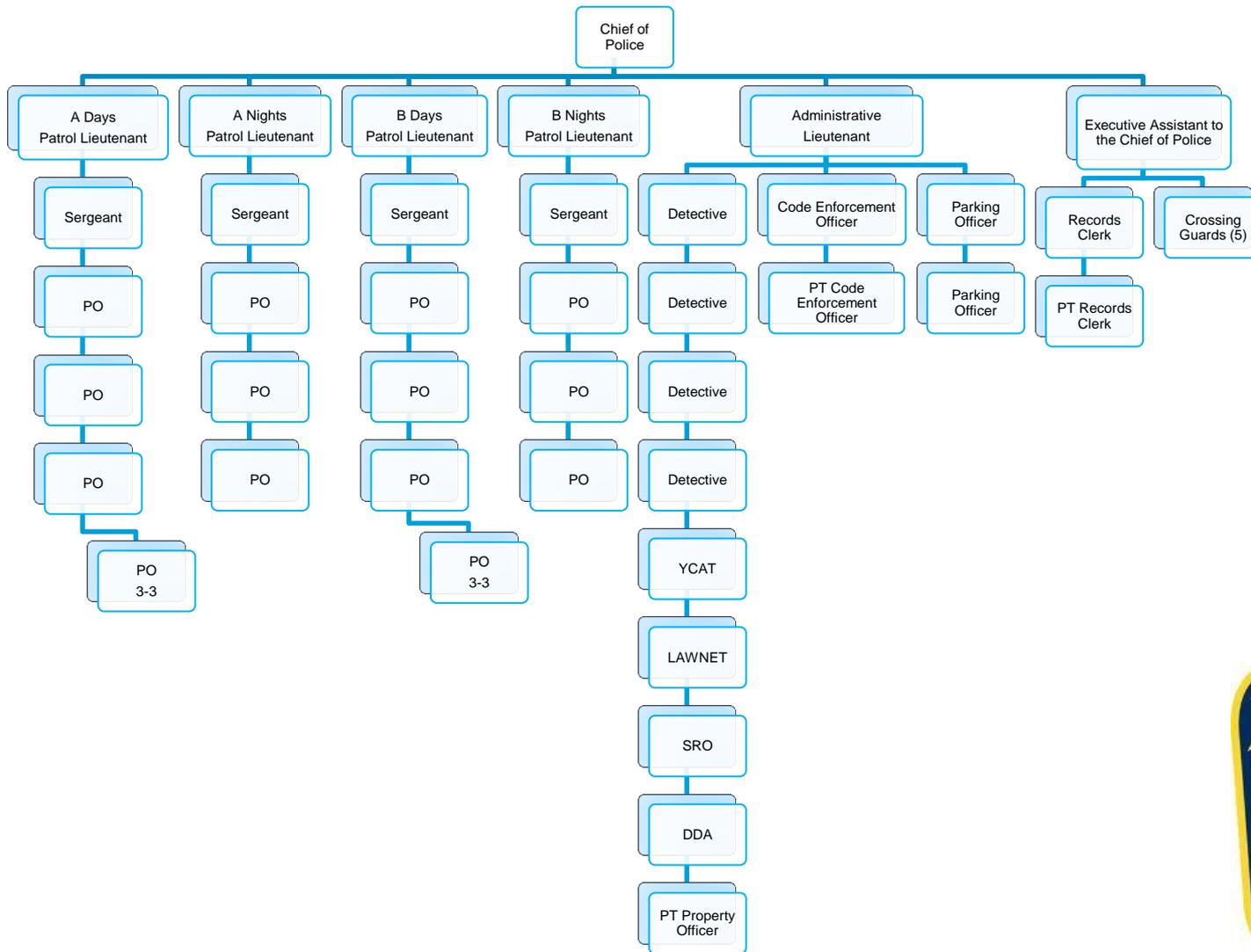
2016-17 Police Department Staffing

Pgs. 19-23

	Full-time	Part-time
Police Chief	1	
Lieutenants	5	
Sergeants	4	
Full-time Police Officers	22	
Code Enforcement Officer	1	1
Parking Enforcement Officer	2	
Property Officer		1
Police Admin Services	1	
Records Clerk	1	1
P.T. Crossing Guards		5
Totals	37	8



2016-17 Police Department Organizational Chart



Police Department Budget Initiatives for 2016-17

Pgs. 19-23

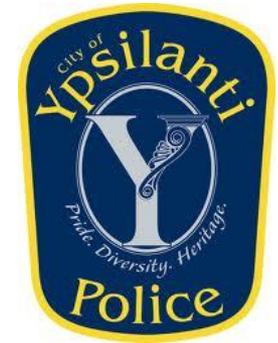
1- Personnel:

- ❑ Continue to hire full-time police officers to achieve the budgeted workforce of 32.
- ❑ Hire one part-time officer to manage the Property Room and assist in some Court Operations functions.
- ❑ Hire one part-time records clerk to assist the Records Bureau with the constant back log of work.
- ❑ Hire one part-time Ordinance Officer to assist in the goal of blight elimination.



2016-17 Budget Initiatives Cont.

Pg. 99



2- Equipment:

- Firearms maintenance items to include Armorers tools, cleaning supplies, Ultra Sonic Cleaning system, eye and ear protection and storage unit: \$4,664.00
- Interview Room Video and Audio recording system: \$5,000.00
- Prep Radio Batteries (25): \$1,050.00
- Civil Disturbance Protective Head Gear: \$6,000.00
- Accident Investigation Team "Scene Ready" kit: \$1,200.00

2016-17 Budget Initiatives Cont.

3- Police Building:

- ❑ Replace office cubicles in Report Writing Area: \$4,000.00
- ❑ Paint in various areas of the Department: \$3,000.00
- ❑ Replacement of worn out or obsolete Gym Equipment:
\$10,000.00



2016-17 Police Department Motor Pool

Pg. 134

There is a scheduled replacement of two patrol cars in this budget. It is planned at this time to purchase two Ford Police Explorers and continue towards the goal of standardizing the fleet. This will not only curb maintenance costs but will reduce future costs for change over when vehicles are decommissioned.

Estimated cost is consistent with last year at \$80,000.00.



Fire Department

Max Anthouard, Chief



Fire Services Revenues – Pg. 5

Fire Services (Administration, Homeland Grant-SAFER, Suppression) Pgs. 23-25

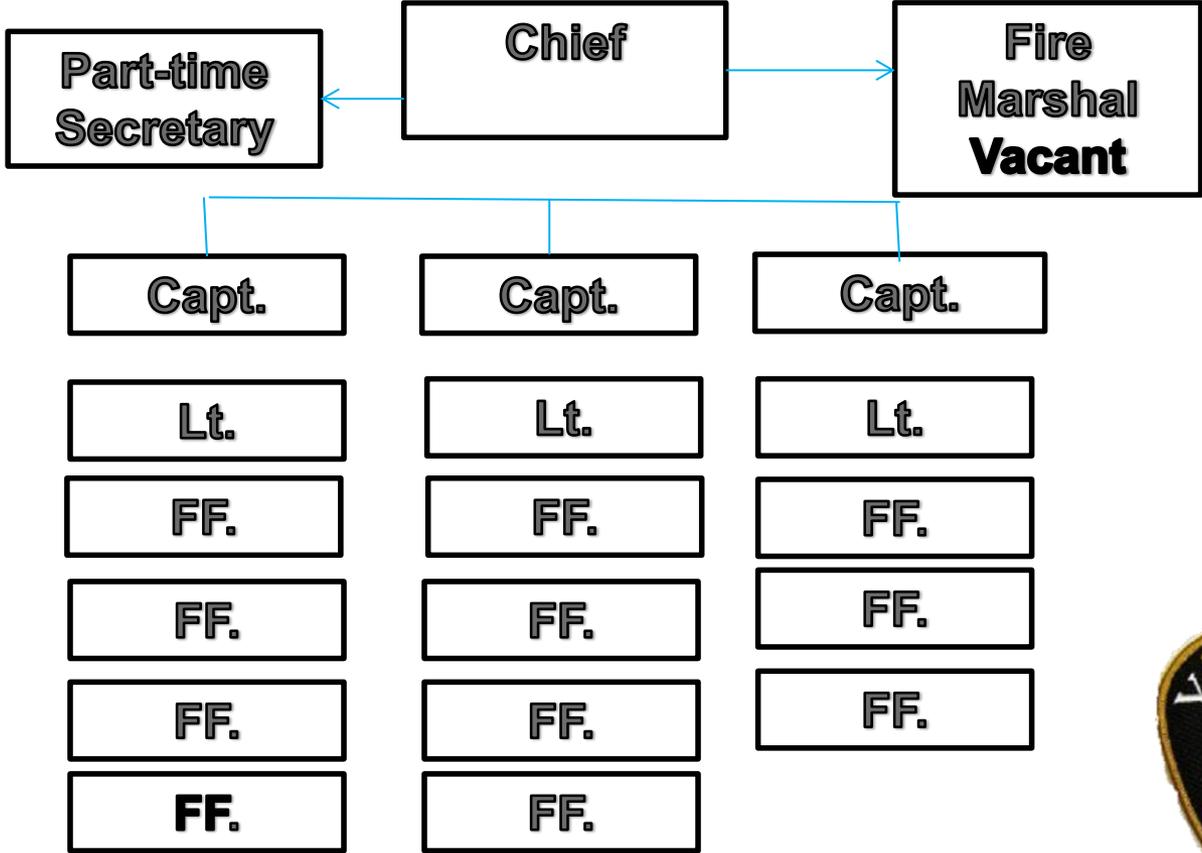
Capital Equipment – Pg. 99

Motorpool Expenses – Pgs. 134-135

Fire Department Organization (as of July 1, 2016)

Pgs. 23-25

19.5 Personnel



12 Tier 1
7 Tier 2
1 Part-Time

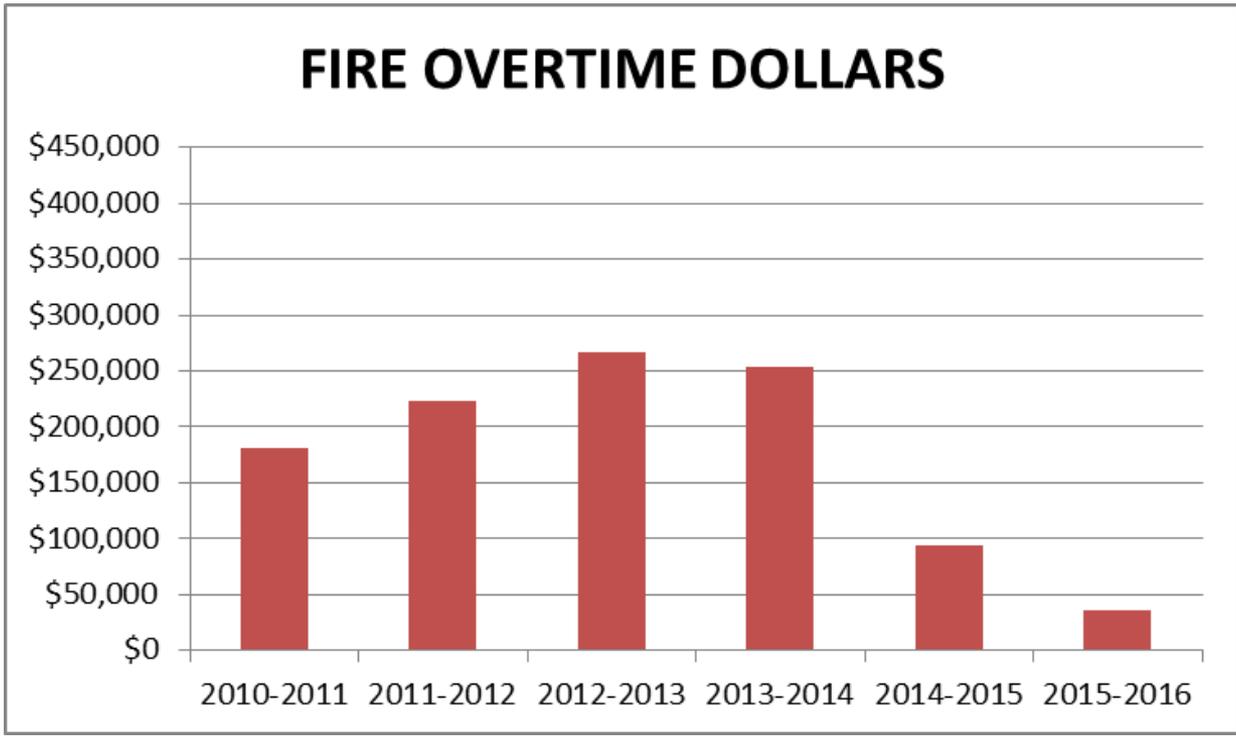


Fire Department Overtime

Pgs. 23-25



Overtime decreased by 70% in 14-15 and by 53.8% in 15-16. We were at \$36,294 at the end of April.



Fire Department

Grants, Cost Recovery and Funding (Pg.5)

Grants:

- ❑ SAFER: expired March 31, 2016. I recommend to reapply for three positions for next round
- ❑ Received: (FEMA 2014 and 2015)
 - ❑ Regional Mobile training facility. (15 Fire Departments)
 - ❑ Rapid Intervention Team Equipment: (\$10,000)
 - ❑ 4 Breathing apparatus: \$30,000
 - ❑ Large Diameter Hoses: \$5,000
 - ❑ 4 gas monitor \$1,000
- ❑ Currently applied for:(FEMA 2015)
 - ❑ Defibrillators and EMS training equipment \$14,396
 - ❑ County Fire Investigation team \$60,000

Cost Recovery: \$21,000

2015 -16 Fire Protection Public Act 289: \$407,352

Fire Prevention Program Donations: \$2,300



Fire Department



Main Spending Items For Next FY...

Motor Pool: Pgs. 131-135

- ❑ New Engine: Invitation for bid will be posted soon. Spec completed.
- ❑ 1999 Utility vehicle is in the process of being replaced

Facility Improvement:

- ❑ Grated and drain repairs
- ❑ Multiple items listed on

Legal Services

John Barr, City Attorney

Barr, Anhut & Associates, P.C.



Legal Services

John M. Barr, City Attorney



City Charter Section 4.07

- Legal officer of city
- Legal advice to Mayor, City Council, City Manager and staff
- Represent city in all litigation, administrative hearings
- Review contracts and approve as to form
- Draft legislation
- Prosecute all city ordinance violations
- Labor matters

City Attorney Mission

John M. Barr, City Attorney



- ❑ To provide competent legal services to the City of Ypsilanti in an ethical, thoughtful, timely and cost effective manner.
- ❑ To provide legal support for City Council, City Manager and staff.