



Approved

**CITY OF YPSILANTI  
COUNCIL REGULAR/BUDGET TOWN HALL/ BUDGET SESSION AGENDA  
COUNCIL CHAMBERS - ONE SOUTH HURON STREET  
TUESDAY, MAY 15, 2018  
6:00 P.M.**

**I. CALL TO ORDER –**

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

**II. ROLL CALL –**

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt	Present
Council Member Murdock (6:05)	Present	Mayor Edmonds	Absent
Council Member Richardson	Present		

**Council Member Vogt moved, seconded by Council Member Bashert to excuse the absence of Mayor Edmonds.**

On a voice vote, the motion carried, and the absence was excused.

**III. INVOCATION –**

Mayor Pro-Tem Brown 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. AGENDA APPROVAL-**

**Council Member Vogt moved, seconded by Council Member Bashert to approve the agenda.**

**Council Member Murdock moved to remove Resolution No. 2018-118, approving nominations to Boards and Commission, from the Consent Agenda.**

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

**VI. AUDIENCE PARTICIPATION -**

1. Adam Giansley, 409 Adams, voiced his support for Dan Klenotic opening a restaurant on Pearl St.
2. Cheryl Farmer, 214 N. Huron, stated there are a number of potholes that need attention in the city. The potholes put the city at risk for lawsuits.

**VII. REMARKS FROM THE MAYOR –**

None

**VIII. PUBLIC HEARING –**

1. Resolution approving a Redevelopment Class C license, Sunday Sales, Brewpub, and outdoor sales & additional bar for 209 Pearl St, Ypsilanti, MI.

A. Resolution No. 2018-112, determination.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**WHEREAS, Dan Klenotic, owner of Pearl Street Ventures, LLC, has applied to the Ypsilanti Downtown Development Authority, City of Ypsilanti and Michigan Liquor Control Commission requesting the following:**

**Approval of a New Class C license in conjunction with On Premise License & Brewpub License, with a Sunday Sales Permit (A.M), & Sunday Sales Permit (P.M.) & Outdoor Service & Additional Bar (1), A New Class C license, as defined by MCL 436.1521(a)(1)(b), is a place licensed to sell, at retail, beer, wine, mixed spirit drink, and spirits for consumption on the premises, at 209 Pearl St, Ypsilanti, MI 48197, Washtenaw County; and**

**WHEREAS, a public hearing to consider the application to New Class C for Pearl Street Ventures, LLC was duly noticed and held on May 15, 2018**

**NOW, THEREFORE, BE IT RESOLVED THAT the request of Dan Klenotic owner of Pearl Street Ventures, LLC for the property located at 209 Pearl St, be approved contingent upon approval by the Ypsilanti Building Department and Washtenaw County Health Department.**

OFFERED BY: Council Member Bashert

SECONDED BY: Council Member Vogt

Economic Development Director Joe Meyers provided a synopsis of why this is being requested for approval.

Mark Maynard, owner of 209 Pearl St., discussed the work already completed on the property, and their plans for the building.

B. Open public hearing.

1. Mark Maynard, owner of 209 Pearl St., discussed the work already completed on the property, and their plans for the building.

C. Resolution No. 2018-113, close public hearing.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**That the public hearing for the approval of a redevelopment Class C Liquor License in conjunction with On Premise License and Brewpub License, with Sunday Sales permit, & Outdoor Service and additional bar for 209 Pearl St. be officially closed.**

OFFERED BY: Council Member Bashert

SECONDED BY: Council Member Vogt

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

Council Member Bashert stated her excitement for the opening of this business.

On a roll call, the vote to approve Resolution No. 2018-112 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

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

**IX. ORDINANCE – FIRST READING –**

*Ordinance 1309*

1. An ordinance to rezone 720 Norris, and the west 65’ of 715 N River, 717 N River, 719 N River, 721 N River, 723 N River and 725 N River to GC-General Corridor.

A. Resolution No. 2018-114, determination.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**Whereas, an application has been made to rezone 720 Norris and a portion of certain North River St parcels from NC and CN-Mid to GC; and**

**Whereas, a guiding value of the adopted Master Plan is “Ypsilanti is a good place to do business, especially the green and creative kind;” and**

**Whereas, the Planning Commission has reviewed the application for rezoning and recommended approval;**

**Now therefore be it resolved that the Ypsilanti City Council adopt the ordinance entitled “Norris and North River rezoning” on First Reading.**

OFFERED BY: Council Member Robb

SECONDED BY: Council Member Bashert

Mr. Meyers provided an overview to why this resolution was submitted for approval.

Council Member Bashert asked what exactly is being rezoned. Mr. Meyers responded Corner Brewery is being rezoned General Corridor (GC). The reason why this is unique is it essentially is only Corner Brewery, two houses, and an automotive repair shop. The current zoning of NC, Neighborhood Corridor, has not really fit the Corner Brewery use, which is the basis of the request.

Council Member Richardson asked if the lots are owned by Corner Brewery. Mr. Meyers responded in the affirmative.

Council Member Robb stated nowhere in the city is General Corridor directly next to CNSF. This is less about the owners that occupy the building now and more about the use, and this could create the possibility of a use that is not wanted at the location such as a hotel. Mr. Meyers responded the reason for staff’s recommendation is it makes the most sense for the use. Mr. Robb asked how tall a building could be under NC versus GC. Mr. Meyers replied NC and GC are similar in uses under height.

Mike Collins, owner of Corner Brewery, provided a summary to why the zoning change is being requested.

Council Member Bashert asked if construction will take place on the secondary lot, or on the current parking area and relocate the lot. Mr. Collins responded most likely restructure the parking and build on the current lot. Ms. Bashert asked if Corner Brewery will continue to use solar power. Mr. Collins responded in the affirmative, and expand the geothermal.

Mr. Meyers stated currently NC allows a five story maximum building and GC allows up to eight stories. Council Member Robb stated if by right the applicant is able to build a larger building why change the zoning. Wes Marshall, Consultant for Arbor Brewing, responded because of the shift in the production area the site will be expanded beyond 16,000 ft. sq.

B. Open public hearing.

1. Sam Jones-Darling, EMU Student, stated he has studied a little urban planning and is concerned about the piece meal zoning and how it will affect future development. This does not seem like a logical idea.
2. Sue Melke, 330 Chidester, asked if the expansion would allow parking almost to the houses.

Mr. Meyer responded no, and explained where the lot would end. She agrees that continually rezoning small sections of the city could have adverse effect on development. She asked the city do further examination of the possible rezoning.

3. Desirae Simmons, 407 Charles, stated it would be interesting if this could trigger a community benefits agreement process. And ask the neighborhood how they feel about the process, not only for today but in the long term.

C. Resolution No. 2018-115, close public hearing.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**That the public hearing for an ordinance to rezone 720 Norris and a portion of certain North River St parcels from NC and CN-Mid to GC be officially closed.**

OFFERED BY: Council Member Robb  
SECONDED BY: Council Member Vogt

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

Mr. Marshall stated residents of the area did speak at the Planning Commission meeting and both owners of those homes took no issue with the proposal.

Council Member Bashert asked if a variance would address the needs of this project. Mr. Meyers responded he does not believe a variance would allow an expansion that large.

Council Member Murdock stated the reason the rezone is needed is because the project is estimated to be beyond 16,000 ft. sq. It is difficult to understand what else would be permitted with this zoning change. Mr. Meyers responded a rezone is staff's last option when other remedies have failed. There are differences between these classifications but they are minimal. Mr. Murdock stated one of the differences is the height restriction for buildings. When Corner Brewery first open it had a variance on height, he asked if that variance carries if the building is rezoned. Mr. Meyer responded a variance carries with the property.

Council Member Bashert stated the Corner Brewery has been an important part of this community, and its accomplishments are to be proud of. She spoke with the previous owners and pleased to hear that they always have felt the city is easy to work with. The rezoning seems heavy handed, but it is important to be business

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friendly and assist in the hurdles they need to overcome. She would like the Planning Commission to explore a variance to restrict height. Mr. Meyers responded in the affirmative. Council Member Richardson asked for that to be completed prior to Council approval. Council Member Robb interjected that could be completed during the site plan process.

Council Member Bashert asked if the zoning change is approved the city will still have to approve the cite plan. Mr. Meyers responded the Planning Commission will need to approve the site plan, not Council. Ms. Bashert asked if language could be added to this resolution that would require the Planning Commission approve a site plan with a height restriction. City Attorney John Barr responded a rezone is either approved or not approved, but Council could direct staff to include a height restriction in the site plan.

Council Member Richardson stated her concern that Council approves this without that height restriction in place the brewery could decide to increase the height of their building.

Council Member Vogt stated the city needs commercial and industrial development, he would not be opposed to an eight story building in that area. This is a successful business and Council needs to keep in mind it will not be changing to an eight story tall building. If it does the city’s economic situation will have become more positive to create that kind of demand. Council Member Robb stated that is an outrageously offensive and ignorant comment to make about his constituents and the people who live next to it. He apologized mentioning height because it has become a distraction. The biggest issue is the parking, and when the residents bought their homes there was not parking lot and that would be an incredible change of use. Council Member Bashert asked if Council Member Robb’s intent is to not make any changes to the city. Corner Brewery is a thriving business and it wants to grow, and the city needs jobs and the city needs to increase its tax base. This project would meet both of those objectives, and Council should be trying to make this possible. Mr. Robb responded this would create a situation that does not exist in the city, and he does not think the city should grow its businesses at the expense of the residents. If this is approved it could dramatically change the lives of the people that live in that area, and he cannot support that.

Council Member Murdock stated the city just went through a similar situation with the Bell/Kramer neighborhood, and had to change the zoning back because of what it created. He asked if this project would be eligible for a Planned Unit Development (PUD). Mr. Meyers replied he is not certain if a PUD is eligible in a CN-Mid.

Council Member Richardson understands Council Member Robb’s concerns, and she wishes the residents were present to voice their concerns. She would like to see the city’s businesses thrive but not at the sake of the city’s residents. Council needs to have certain questions answered and isn’t sure Council is ready to vote on this resolution.

**Council Member Bashert moved, seconded by Council Member Murdock to postpone Resolution No. 2018-114 until the June 5, 2018 meeting.**

On a roll call, the vote to postpone Resolution No. 2018-114 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	No
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

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

Council Member Robb stated this ordinance requires two readings in could have been passed, and had further discussion during second reading.

**X. CONSENT AGENDA –**

Resolution No. 2018-116

- 1. Resolution No. 2018-117, approving the minutes of May 1, 2018.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

THAT the minutes of May 1, 2018 be approved.

~~2. Resolution No. 2018-118, approving appointments to Boards and Commissions.~~

- 3. Resolution No. 2018-119, approving an extension of a Local Site Remediation Revolving Fund (LSSRF) Grant for Border to Border Trail remediation.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**WHEREAS, The City of Ypsilanti seeks to fully utilize the Border-2-Border Trail at the Water Street site safely without environmental concern; and**

**WHEREAS, the City has been granted up to \$240,000 from the WCBRA for the remediation of environmental contaminants around the Water Street trail area from the LSRRF the City will receive reimbursement for action funds expended not to exceed \$240,000; and**

**WHEREAS, the City has exceeded the 12 month grant period, has not spent all of the funds and could get reimbursed for the expenses over the next few months, and**

**WHEREAS, the WCBRA has agreed to a 6 month extension on the grant to allow for the added costs to be reimbursed to the city,**

**NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs it’s Mayor and Clerk to extend the grant with the WCBRA to 18 months to remediate the Border-2-Border Trail at Water Street development area.**

OFFERED BY: Council member Vogt

SECONDED BY: Council Member Bashert

On a roll call, the vote to approve Resolution No. 2018-116 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

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

**XI. RESOLUTIONS/MOTIONS/DISCUSSIONS**

- 1. Resolution No. 2018-118, 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>EXPIRATION</u>
<del>Cherisa G. Allen 450 Burton Court Ypsilanti, MI 48197 (New Appointment)</del>	<del>Ethics Board</del>	<del>May 1, 2023</del>

<b>Michael Simmons 128 Bell Street Ypsilanti, MI 48197 (New Appointment)</b>	<b>Planning Commission</b>	<b>May 1, 2021</b>
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OFFERED BY: Council Member Vogt  
 SECONDED BY: Council Member Bashert

Council Member Murdock stated Cherisa Allen is employed by a governmental agency and therefore ineligible to serve on the Ethics Board.

**Council Member Murdock moved, seconded by Council Member Robb to remove Cherisa Allen from the resolution.**

On a roll call, the vote to amend Resolution No. 2018-118 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

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

Council Member Richardson suggested Ms. Allen be directed to another Board or Commission because she would be an asset to the city.

On a roll call, the vote to approve Resolution No. 2018-118 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

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

## **XII. BUDGET OVERVIEW AND HIGHLIGHTS –**

- Darwin D. P. McClary, City Manager and Marilou Uy, Fiscal Services Director
- Budget overview and highlights

City Manager McClary and Fiscal Services Director Uy provided an overview of the city budget.

Council Member Robb stated the city is looking at \$8.5 million in revenue, and another \$3.3 million is around \$12 million is tax revenue. He has not been able to find any evidence of that over the past ten years. Mr. McClary responded the city's taxable value in 2007 was \$413 million. Mr. Robb replied the city captured \$9.2

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million in 2007. Mr. McClary responded the \$3.3 million revenue loss was calculated by multiplying the 2007 taxable value by the 34.62 mils. Council Member Murdock asked if the calculation adjusted for inflation. Mr. McClary responded no. Mr. Robb stated the city has never had \$12 million worth of tax revenue. Mr. McClary responded the tax levy was lower in 2007. Council Member Vogt interjected the numbers the City Manager has provided are consistent with what Council has been provided by previous City Managers.

### **XIII. BUDGET TOWN HALL –**

1. Sara Roland, Ward 3, stated she is on the PTO Board for YIES and is very concerned about Prospect Park. She would like to see new equipment, included ADA equipment, installed.
2. Heidi Jugenitz, 327 Miles, thanked Council for holding this Town Hall meeting, and encouraged staff and Council to adopt a broad and critical understanding of public safety. Public Safety has been used for a broad range of civil and human rights violations. She believes public safety goes beyond just policing.
3. Cheryl Farmer, 214 N. Huron, thanked the City Manager for his description on how state municipal financing is broken. She wished the Council well in trying to manage the FY 2018-19 budget.
4. Melvin Parson, 806 Hilyard Robinson Way, stated he is happy to be living in Ypsilanti. He lives in the new Parkridge Homes with a high density of kids and he is concerned for their safety. There is a great deal of speeding in the area and he wants his neighborhood to be safe. He asked Council to consider budgeting for strategically placed speed bumps, or other solutions.
5. Shane McFarland, 12 N. Wallace, stated he is glad this town hall was scheduled. He thinks the city focus its priorities on core services and the most vulnerable residents. He would like to see funding be provided to the Ypsilanti Gathering Space. He said it makes more sense to fund initiatives such as that than SPARK, which is closed to the public. He would like to see a focus on alternative methods of policing such as de-escalation. Increase rental inspections to ensure compliance with city ordinance, possibly deputize a volunteer until the city could afford a paid employee.
6. Sue Melke, 330 Chidester, stated she would like some funding to install additional curb cuts and improve deteriorating sidewalks through the city. She hopes greater community communication is still a goal and initiatives such as live streaming meetings be funded. She would like the city to assist the Ypsilanti Gathering Space.
7. Rob Casey, 521 Belmont, Ypsilanti Township, stated he was told the city and the township do not allow drug treatment facilities in their boundaries. The city has the highest homeless and addiction rates in the county and there need to be options in the city for treatment.
8. Anthony Morgan, 210 N. River, asked how much of the annual budget is allocated for debt including interest, how much of the budget is allocated for lawsuits, and how much is allocated for investigations.
9. Steven Wilcoxon, 1728 Whittier, stated the city is in non-compliance resulting from the placement of the recycling center and asked how that would affect potential grant opportunities. This could affect future grants need to fund several city initiatives. During the recycling work session there was not much progress on what the city will do with the center. He asked when will the non-compliance be rectified and the center removed.
10. Annie Sommerville, 40 E. Cross, asked if construction of the Cross St. bridge in Depot Town will be a part of this budget.



11. Sam Jones Darling, The Village 102A, stated when he thinks about the budget he thinks about public safety, however not necessarily police and fire. The city's code enforcement needs to fund at a higher level. It is unacceptable that mold is growing in apartments in this city, it is unacceptable that many of the streetlights are not functioning, and there are trails people cannot walk because of lighting issues. The police are not the be all and end all of public safety. It is also important to ensure the Economic Development Department needs to be properly funded in order for this city to thrive.
12. Amber Fellows, Ward 3, thanked Council for holding this town hall, but she wished it was styled in a way that provided more dialogue between Council and residents. She feels there are larger questions about what the budget is. She supports the comments regarding need for greater code enforcement, and she would like the budget to focus on providing more affordable housing. The county millage was for mental health and public safety, not just public safety.
13. Desirae Simmons, 407 Charles St., stated she is interested in how the expenditures tie to city goals, and how those goals were decided. She asked how the city is planning for the future as well as the present.
14. Gail Wolkoff, 1728 Whittier, stated when budgeting she would like emphasis on programs that would move the city forward and use partnerships to accomplish goals. She asked how the city build safe streets for bicycles can, and what can be done to make the city sustainable. She asked Council to reach out to the community for help.
15. Kyle Hunter, 430 S. Adams, stated the largest allocation of the proposed budget is for the Police Department and the smallest is City Council and Human Resources.
16. Anthony Morgan, 210 N. River, stated he is not certain if the school budget is tied into the city's budget, which is why Ypsilanti School Districts finishes at the bottom of the county. In the last fifteen years the city has had three Mayors, three Police Chiefs, three City Managers, seven School Superintendents, and six high school principals. In the next five years the city will have another Mayor, possibly another city Manager, and Police Chief. He is running for City Council and his plan Ypsilanti 2034 because the city needs to think larger and into the future. There will not be a demand for people to move to this city when the schools are failing. The only thing that has been consistent in the city over the past three decades is the City Attorney.
17. Amber Fellows, Ward 3, stated there needs to be a consideration about a police hiring freeze. She believes the city should invest in supportive housing and mental health services. There is evidence that providing those services can lead to cost savings.
18. Sue Melke, 330 Chidester, stated this is not a town hall, and asked who decided on this format. She agrees the city needs more code enforcement, and working streetlights. She was distressed to see the Mental Health and Public Safety Millage, listed only as the Public Safety Millage. She suggested the city hire a fulltime grant writer.
19. Sam Jones-Darling, The Village 102A, stated public safety has been a topic of conversation of the Human Relations Commission many times. He believes the United States is over policed and police are racist and it cannot be denied. If more police officers are added more institutional racism is added to the streets of this city. The only way to change that is to deconstruct the system.
20. Desirae Simmons, 407 Charles, asked what the costs of the Police Department are and how the costs are allocated. She stated many of the calls the police go on are not emergency calls, and there are other ways to create greater public safety. She asked how the city is handling mental health issues other than the police.

21. Kyle Hunter, 430 Adams, stated the bus stop and Washtenaw and Summit is in disrepair and needs to be addressed.
22. Shane McFarland, 12 N. Wallace, stated he attended a work shop regarding the Mental Health and Public Safety Millage. At that workshop he learned the jails are filled with individuals with mental health issues. If people had another alternative to address mental health issues, possibly they would not lean on the Police Department. He said much of the budget goes to the police rather than protecting the rights of renters.
23. Amber Fellows, Ward 3, stated she is critical about the amount of money paid to the city's lobbyist. She would like to know what exactly he does for the city. She discussed what it means to be housing poor, or spending the majority of your income on housing. If the community is not housing poor they would have more discretionary income to put back into the community. She mentioned trickle up housing, which means providing affordable safe housing at a certain level frees up housing above that level.
24. Desirae Simmons, 407 Charles, stated people that have a business in the community are not able to afford living in the city.

Council Member Bashert stated the Mental Health portion of the Mental Health and Public Safety Millage is all captured by the county. The money distributed to the municipalities with police departments is intended to be used for public safety. Twenty years ago, when mental health funding decreased, the state began to move those with mental health issues into the prison systems, essentially making mental health a punishable offense. Police forces began taking the primary role of addressing mental health issues. She and Council are aware of those factors and will keep them in mind when addressing the Police Department Budget. The Ypsilanti Housing Commission has a highly successful program with providing social work services for the people in the community. Mayor Pro-Tem Brown stated there are trainings happening at the county level working to partner agencies with police departments, so when there are mental health crisis a social worker will be there with the police. Council Member Richardson stated she been a volunteer at the county jail, and while there she witnessed a greater amount of individuals with mental health issues than those that were jailed as a result of criminal activity. She informed Council that a public meeting will be held on May 20<sup>th</sup> at 3:30 p.m. at Ekklesia Fellowship Ministries, 123 Adams, regarding the Mental Health and Public Safety Millage and how that money will be spent.

Mayor Pro-Tem Brown asked how the structure of the town hall was developed. Council Member Richardson stated she is very disappointed in how the town hall was structured, she sees it only as an extended audience participation.

Council Member Richardson asked what apartments have mold so the city can address the problem. She asked if those business owners that do not live in the city actually want to live in Ypsilanti. She added even though rents are increasing in Ypsilanti it is still one of the most affordable jurisdictions in the county. Ms. Simmons responded the people she spoke with would like to live in the city.

Council Member Murdock stated the Mental Health and Public Safety Millage allocated 38% of the millage to county mental health, 38% is allocated to the Sheriff Department and 24% to the jurisdictions with their own police force. There is no restriction on the funds allocated to the city, and he would like to allocate the revenue to some needed projects in the city.

#### **XIV. PRESENTATIONS OF DEPARTMENT BUDGETS –**

General and Non General Fund Expenditures Review/Questions (FY 2017-18, FY 2018-19 and FY 2019-20)

John Kaczor, Municipal Analytics, LLC

- Five year projection July 1, 2019 to June 30, 2024

John Kaczor, Municipal Analytics, provided a presentation regarding the city's five year projections.

Council Member Robb asked what the 3.5% increase regarding healthcare refer to. Mr. Kaczor responded under the state's hard cap option it would fall under the healthcare inflation index in the CPI. Mr. Robb responded healthcare has never increased over 3.5% since PA 152 took effect. He asked for clarification regarding the projected 8.5%. Mr. Kaczor responded he forecasts 5% as a conservative assumption. Mr. Robb replied he believes 3.5% would be a conservative estimate since the state has never increased higher than 3.5%. He asked if that could be corrected. Mr. Kaczor replied the highest he saw was 4.7%, but the assumption can be changed.

Council Member Robb asked if the bridge matching funds comes out of Major Streets or another account. Council Member Murdock responded it would come out Major Streets. Mr. Robb asked if the city will have \$1.9 million in 2021. Mr. Murdock responded yes, there are four bridges that need to be addressed in the city.

Council Member Murdock stated originally the Motor Pool was funded by each department and included a replacement cost. The replacement cost was then removed in order for the surplus to balance the budget. He asked if the replacement cost will be added to the Motor Pool now that the budget is essentially balanced. Mr. Kaczor stated the city was charging for depreciation. Fiscal Services Director responded in the past departments contributed what they could afford. With the new projections in mind there will be more opportunities to contribute replacement costs. Mr. Murdock stated he would like to see the practice reinstated.

Council Member Murdock asked if the city did a Headlee Amendment override the maximum would be .3, and accumulate roughly \$90,000 in additional revenue for the sanitation millage. Mr. Kaczor responded a Headlee Amendment is one option the city could ask the voters to approve.

Council Member Vogt asked how the city ends up in a better financial situation in five years when revenue projections are lower the projected expenditures. Mr. Kaczor responded as revenues increase expenditures do increase at a faster rate, however there is a surplus which is why there is growth until the surplus is depleted. Mr. Vogt stated the city is not looking at increased purchasing power unless there is new development. Mr. Kaczor responded the assumption in the model is the revenue will increase 1% a year. All of the variables that go into that include actual growth, transfers of property, Headlee Rollbacks, and the city's CPI limit, but the trend is still a modest growth. Mr. Vogt asked if there is another recession it would not have to be as severe to have an effect on the city's bottom line. So it would be wise for the city to not increase its spending. Mr. Kaczor responded in the affirmative, and explained the city is still recovering from 2008 to 2013, which in that time the city lost \$96 million in value. As a result even a 5% drop could be devastating to the city.

Darwin D. P. McClary, City Manager

- Administration – Page 136
- Attorney-Personnel Litigation – Page 142

City Manager Darwin McClary provided a presentation regarding the City Manager Department Budget.

Council Member Robb stated the Amended Budget 2 includes nothing Council has adopted, it is what will be presented to Council for adoption. Mr. McClary responded in the affirmative. Mr. Robb asked why professional development is proposed to increase \$2,100 each of the next two years. Mr. McClary responded that is an error, that line item should be reduced.

Council Member Richardson asked if the current furniture is in that bad of condition that requires replacement. Mr. McClary responded the furniture in his department is between thirty and forty years old, possible older. When he took the position and moved into his office the desk was set on wood blocks because it sits so low, and it is time to invest in new furniture. It does not look presentable and he is embarrassed to have people in his office, or his conference room. It is time to make an investment and begin to look professional. Ms. Richardson asked why the amount was \$218,000 the year following the purchase of the furniture. Mr. McClary responded it includes the proposed increase in wages and benefits cost.

Rebecca Craigmile, Human Resources

- Human Resources – Pages 127, 142-143

Human Resources Manager Rebecca Craigmile provided a presentation regarding the Human Resources Department.

Council Member Murdock stated contractual services is mostly used for pre-hires. Ms. Craigmile responded in the affirmative, and can provide Council a chart listing exactly what is required for each job classification. Mr. Murdock asked about possible training costs. Ms. Craigmile responded she did not include that in her budget because she hopes they will be relatively low. Mr. Murdock stated training for other departments would be included in that specific department budget. Ms. Craigmile responded in the affirmative. Mr. Murdock asked if the Human Resources Department will be providing any general training. Ms. Craigmile responded in the affirmative, and explained she hopes to provide yearly training citywide.

Council Member Robb asked if the temporary wages line item is the proposed halftime employee. Fiscal Services Director Marilou Uy responded in the affirmative. Mr. Robb asked how many employees were hired last year. Ms. Craigmile responded she would need to look at her recruitment tracker. Mr. Robb asked how many Police and Fire were hired last year, because he would like to know how turnover is different than what has been done in the past. Mr. Robb stated the cost for new hires last year was \$15,000, and asked how many people were hired. Ms. Craigmile responded only one firefighter was hired in the past year, and that hire resulted from a resignation. The Police Department has not been able to find and hire an employee since she has been employed with the city. Mr. Robb asked what else was included in contractual services if only one firefighter was hired. Ms. Craigmile responded she can provide that information to Council at a later date.

**Council Member Robb moved, seconded by Council Member Vogt to extend the meeting until 11:00 p.m.**

On a voice vote, the motion carried, and the meeting was extended.

John Barr, City Attorney

- Legal Services – Page 142

City Attorney John Barr provided a presentation regarding the City Attorney's Office.

Council Member Richardson stated her appreciation for the work the City Attorney has done for the city, and she knows the high esteem he is held throughout the state.

Frances McMullan, City Clerk

- City Council Budget – Page 135
- Clerk's Office – Pages 125, 138
- Treasury – Pages 125, 138-139
- Voter Registration – Pages 126, 139-140
- Administration Hearing Bureau – Pages 129, 149
- City Insurances – Pages 134, 158

City Clerk Frances McMullan provided a presentation regarding the Clerk/Treasury Department Budget.

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Council Member Bashert asked if the Council budget includes both tablets and other technological upgrades. Mr. McClary responded it does, but those cost were split between several different accounts.

Council Member Robb stated the amounts listed in the budget and what was presented for parking ticket revenue do not match. He asked why that is. Ms. McMullan responded the parking system is not integrated with Incode. Ms. Uy added the parking system can only keep track of when a ticket is issued, but it does not track when it was paid. Mr. Robb stated the city has collected 50.6% in ticket revenue, which is down 6.5% from last year, and asked the reason for the decline. Ms. McMullan responded staff is doing nothing different, fewer offenders are paying for tickets. Mr. Robb asked when CDI, the third party vendor, be incorporated. Ms. McMullan responded in August. Mr. Robb stated projected revenue is the same as prior to the hiring of the CDI, and asked what the purpose was for hiring them. Ms. McMullan responded it is her hope that if an additional part-time person is hired more time could be dedicated to collections. Mr. Robb asked why the city contracted a company to perform this work if the city will need additional staff for collections. Ms. McMullan responded there is additional work that CDI would be completing for collections. Mr. Robb asked if CDI is not performing all of the work needed in terms of collections. Ms. McMullan respond CDI will complete much of the work, but staff will still need to complete a portion, but there is substantial other work a part-time person could perform.

Council Member Robb stated based on the budget projections staff is not recommending increasing parking tickets. Ms. McMullan responded her intent is to increase fines by \$5 to cover costs, however, she was going to make that recommendation during the Fee Schedule approval. Mr. Robb stated the contract with CDI states they are paid a service charge not a percentage of ticket revenue. Ms. McMullan replied CDI is paid \$2.95 per ticket, and Council did not want that amount to come out of the city's revenue. Mr. Robb responded the fee schedule would not need to change the service fee would just be included in the ticket. Ms. McMullan responded she was going to increase the fine amount to cover the service fee. Council Member Bashert stated it was Council's understanding the service fee would be added at the time of issuance, much like buying a ticket for a movie.

Council Member Robb stated \$48,000 was budget last year to file liens to collect outstanding fines for the Administrative Hearings Bureau. Ms. McMullan responded staff was not able to perform the liens. Mr. Robb stated last year Council directed staff to use a temp agency to file the liens. Ms. McMullan replied two temp agencies were contacted and they were never able to provide a person to perform the work. Staff then sent letters themselves to collect on outstanding fines. Mr. Robb responded rather than waiting eleven months it should have been brought back to Council to strategize to complete that work. Mr. Robb asked how it will be different this year, with \$30,000 budgeted to complete that work. Ms. McMullan responded staff has already collected some of the outstanding amounts. Mr. Robb asked why staff is proposing budgeting \$30,000 for the lien process. Ms. McMullan responded the amount dropped because there are not as many outstanding fines. Mr. Robb asked if a temp was unable to be hired last year, why is \$30,000 still budgeted. Ms. McMullan responded her assumption is the \$30,000 would include the title search and lien cost. Mr. Robb asked how many outstanding tickets there are. Ms. Uy stated there are 199 outstanding fines, which will cost roughly \$6,000 to file liens. She suggested amending the amount to \$6,000 to cover the lien. Ms. McMullan reminded Council the \$48,000 previously budgeted did not only include liens and not the title search. Mr. Robb stated he is not certain what is included in the \$30,000, it should be increased another \$35,000 for a title search. Mayor Pro-Tem Brown asked that this be revisited at a later date. Mr. Robb stated the budget should include all outstanding tickets. Ms. McMullan responded she only budgeted for those already in the default stage. Ms. Uy added the budget will be amended to reflect all outstanding tickets.

Council Member Murdock asked how much is the cost for the parking system including ticket collections and parking permits. Ms. McMullan responded she will provide that information at a later date. Council Member Robb stated the net collection amount through CDI is \$0. Mr. Murdock stated he wants to know if ticket revenue is net or gross. Mr. Robb stated if the city issued zero parking tickets that employee would still exist, and their salary would still be expended. Mr. Murdock replied there is opportunity costs, that person could be doing other work for the city.

**XVI. REMARKS FROM THE MAYOR –**

**Nominations**

**Planning Commission**

Cheryl Zuellig  
702 Collegewood  
Ypsilanti, MI 48197  
(Reappointment) Exp. – 5/1/2021

**Zoning Board of Appeals**

Heather Khan-Welsh  
711 Cambridge St.  
Ypsilanti, MI 48197  
(Reappointment) Exp. – 5/1/2021

**Sustainability Commission**

Keith Michalowski  
410 Maple  
Ypsilanti, MI 48198  
(Reappointment) Exp. – 5/1/2021

**XVII. COMMUNICATIONS –**

- April 18<sup>th</sup> and May 4<sup>th</sup> Traffic Review Committee Minutes.
- April 23<sup>rd</sup> Human Relations Commission Draft Minutes & Approved Resolution Requesting the LGBT Rainbow Flag be displayed in Council Chambers.

**XVIII. CLOSED SESSION –**

Closed session to discuss City Clerk evaluation pursuant to OMA 15.268, Section (8)(a)

**Council Member Richardson moved, seconded by Council Member Vogt to adjourn to Closed Session.**

On a roll call, the vote to adjourn to Closed Session was as follows:

Mayor Pro-Tem Brown	No	Council Member Robb	No
Council Member Murdock	No	Mayor Edmonds	Absent
Council Member Richardson	No	Council Member Vogt	Yes
Council Member Bashert	No		

VOTE:

YES: 1 NO: 5 (Brown, Richardson, Bashert, Robb, Murdock) ABSENT: 1 (Edmonds) VOTE: Failed

**XIX. ADJOURNMENT -**

Resolution No. 2018-120, 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 Bashert

SECONDED BY: Council Member Vogt