



APPROVED

**CITY OF YPSILANTI
COUNCIL BUDGET SESSION
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
THURSDAY, MAY 22, 2018
8:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 8:05 p.m.

II. ROLL CALL –

| | | | | |
|---------------------------|--------|---------|---------------------|---------|
| Council Member Bashert | | Present | Council Member Robb | Present |
| Mayor Pro-Tem Brown | (8:09) | Present | Council Member Vogt | Absent |
| Council Member Murdock | | Present | Mayor Edmonds | Absent |
| Council Member Richardson | | Present | | |

Council Member Murdock moved, seconded by Council Member Robb to excuse the absences of Council Member Vogt and Mayor Edmonds.

III. INVOCATION –

Council Member Richardson 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 Bashert moved, seconded by Council Member Murdock to approve the agenda.

VI. AUDIENCE PARTICIPATION -

1. Shane McParland, 12 N Wallace, stated jails are filled with individuals with mental health issues. The County Mental Health and Public Safety Millage funds should be used to address that issue, not add additional police officers. The funds could be used to hire more rental inspectors to ensure residents are living in safe homes. The city should sponsor social workers and practice greater de-escalation tactics.
2. Sue Melke, 330 Chidester #409, stating there is a negative feeling about police in the community and a nation as a whole. She asked if more officers are to be hired it should be done slowly.
3. Alex Moddel, 329 Jarvis, stated Ypsilanti needs to reimagine this community. The city should concentrate fewer funds on the police and more on social workers.
4. Isaac Vanderhall, 329 Jarvis, stated the public is afraid of the police and the city should not hire more officers.

VII. REMARKS FROM THE MAYOR PRO-Tem –

— Mayor Pro-Tem Brown thanked everyone for their comments.

VIII. PRESENTATION OF DEPARTMENT BUDGETS –

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

Max Anthouard, Fire Chief

- Fire Administration – Pages 146-147
- Fire Suppression – Pages 128, 147-148
- Capital Improvement Fund (414)
 - Drain, Grates, and Paint, \$90,000 – Pages 81, 220
 - Fire Station Apparatus Upgrade, \$12,000 – Pages 81, 220
- Motorpool Fund (641) – Pages 258-259
 - Solar Array Extension, \$18,000 – Pages 80, 220

Fire Chief Max Anthouard and Fire Captain Barnabo provided a presentation regarding the Fire Department Budget.

Council Member Bashert asked why there was an 80% increase in non-EMS calls. Captain Barnabo responded it is a striking jump and could be caused by automatic mutual aid to the windstorm last year. However, there has been a steady uptick over the last decade.

Council Member Bashert asked why the death and injury risk is high for the city. Captain Barnabo responded it is based on data collected in the past fifteen years. The information included is number of structure fires, number of deaths, and number of injuries. Ms. Bashert asked if the city has had more deaths and injuries compared to other similar cities. Captain Barnabo responded that is what FEMA is saying. Council Member Murdock did not recall any deaths resulting from fire this year. Captain Barnabo added the statistics are tracked back to 2002. Council Member Robb stated the last fire related death was in 2007. Chief Anthouard replied there was a death in 2017 and fourteen injuries.

Council Member Murdock stated the staffing chart includes seventeen including the Chief. The budget narrative indicates staff will be increased by two, but this presentation claims staff will be increased by either eighteen or twenty-one, if the city is awarded the SAFER grant. However, if the department increases to eighteen firefighters that will only increase staff levels by one. Captain Barnabo responded if two firefighters are hired it would increase the staff to seventeen, and the proposed budget adds a third firefighter bringing the department to eighteen. Mr. Murdock asked if the seventeen does not include the Chief or Fire Marshall. Captain Barnabo responded in the affirmative. Mr. Murdock stated if the city is awarded the SAFER Grant and six staff are added what will be the staff levels. Captain Barnabo replied fire suppression will include twenty-one personnel. Council Member Bashert stated two more firefighters would be added to each team. Captain Barnabo responded yes, if the city is awarded the SAFER Grant.

Council Member Robb asked if the fire inspector is not included in the budget. Chief Anthouard responded it is not in the proposed budget. Council Member Bashert asked how inspections currently completed. Chief Anthouard responded they are not. Ms. Bashert asked if the absence of a fire inspector added to lower scores received by FireCares and SEMCOG. Captain Barnabo responded in the affirmative, and explained the lack of a fire prevention program does add to the lower scores. Council Member Murdock stated during last year's budget there was discussions regarding the Fire Marshall performing commercial inspections, which did not happen. Chief Anthouard responded the city had a Fire Marshall for two months but as a result of retirement that employee returned to fire suppression. It takes around two years for a fire prevention program to have an impact on FireCares and SEMCOG scores. Mr. Murdock stated this program is not included in the proposed budget. Chief Anthouard responded in the affirmative, he would rather focus on fire suppression.

Council Member Bashert asked if the city is paying an annual fee for the Firehouse software. Captain Barnabo responded in the affirmative, and explained the annual fee will be approximately what the city is currently paying on its software. Ms. Bashert asked what information interface with other Mutual Aid Communities means. Captain Barnabo responded it would provide the department with mapping, hazard, property, and dispatch information.

Council Member Murdock asked if the capital improvement items are in the proposed budget. Captain Barnabo responded in the affirmative.

Council Member Murdock stated the city is waiting on a response from the SAFER grant. Captain Barnabo responded in the affirmative, and explained the window can be from July to October. Mr. Murdock stated the six staff could be hired during that fiscal year. Captain Barnabo responded in the affirmative, and said the department currently has an eligibility list to hire from immediately. Mr. Murdock asked if there are current vacancies in the department. Captain Barnabo responded in the affirmative. Mr. Murdock asked if it would be wise to create a new list to hire staff if the city is awarded the SAFER grant. Captain Barnabo responded the city has never maintained two list at the same time, and he is not certain it is permitted. City Manager McClary asked when the current list expires. Captain Barnabo replied roughly eighteen to twenty months.

Council Member Robb stated fire administration will increase \$40,000 because of the additional administrative personnel. Every department could use administration help, but the greatest area of need is in the Building Department.

Council Member Bashert felt positive about increase staff on three shifts instead of two. Part of the cost will be mitigated in the decrease in overtime. She would prefer adding an additional firefighter to the budget than a police officer this year.

Marilou Uy, Fiscal Services Director and Rheagan Basabica, Accounting Supervisor

- Finance – Pages 125 and 137
- Assessing – Page 139
- Friends Groups (Senior Center, Nutrition Services & Parkridge Community Center, PCC Foundation, Recreation-Swimming Pool) – Pages 131-132, 155-157
- Unemployment, Vacation & Sick Payout – Page 158
- MTT and Chargebacks – Page 159
- Transfer and Contributions – Page 159
- General Obligation and Water Sewer Revenue Bonds
 - G.O. Bonds – Pages 206-211
 - W&S Bonds – Pages 212-213, 224-227, 230-231, 236-249
 - DDA 2004A Bonds (473) Pages 228-229
- Economic Development Corporation (415) – Pages 222-223
- Public Transit Fund (588) – Pages 253-254
- Workers' Compensation Fund (677) – Pages 262-264
- Fire & Police Pension Fund (732) – Pages 265-268
- Retirees' Benefits Fund (736) – Pages 269-272
- Motorpool Replacement Schedule and Cash Flow (641) – Pages 255-261
- Capital Improvement Fund (414) – Pages 78-84, 217-221

Fiscal Services Director Marilou Uy provided a presentation on the Fiscal Services Department.

Council Member Murdock stated the money the county is holding for the brownfield is not specifically designated for any project. It is not as if the city has an account it just has a source for brownfield projects.

Council Member Murdock stated he did not see receipts for the sale of land. He asked when the city will receive the money from the Ozone House. Ms. Uy replied the city just received the money yesterday, and will be one of the adjustments she makes to the budget. Mr. Murdock stated Council directed staff

to use all revenue from land sales to pay down the Water Street Debt. Ms. Uy responded in the affirmative.

Accounting Supervisor Rheagan Basabica provided a presentation on the Internal Service Funds.

Mr. McClary stated the worker's compensation fund is being drawn down on purpose. It is not a structural deficit, the reserves were from when the city was self-funded for worker's compensation.

Council Member Richardson asked if the city is provided a refund on the worker's compensation insurance. Mr. Basabica responded in the affirmative.

Council Member Murdock stated when the city projects a shortfall will that be balanced by the General Fund, or will it eat away the fund balance. Mr. Basabica responded it will eat away at the fund balance. Mr. Murdock asked if it was a pay as we go situation. Mr. Basabica responded in the affirmative. Mr. McClary replied the law might be changing that requires a certain level of finding for Other Post-Employment Benefits (OPEB) liabilities. He added it was his understanding the city had around \$5 million in reserves. Mr. Basabica responded those funds are invested. Ms. Uy added the actuarial amount includes the Municipal Employee Retirement (MERS) funds that are currently invested.

Council Member Bashert asked the status of replacing the fire vehicle. Chief Anthouard replied his department should be good for five years.

Council Member Murdock stated he believes the Department of Public Services would like to replace one of its environmental services vehicles. Mr. Basabica replied that request is not included in this budget.

Council Member Murdock stated the investment income dropped \$1,000,000 in the pension fund, if so the city needs a new investor. Mr. Basabica replied the discount rate for FY18-19 and 19-20 was used to calculate. Mr. Murdock stated the stock market increased by 10,000 this year. Mr. Basabica replied he would need to check, but as of March those were the numbers. Mr. Murdock stated if the investment stayed the same, or it was even half less of that loss, FY19-20 would not have a shortfall. Ms. Uy replied if the forecast is higher than the actual amount the city would be in trouble. It is always better to forecast conservatively. Mr. McClary asked if the Police and Fire Pension Fund has a five year smoothing. Mr. Murdock stated he understands being conservative but that forecast is a 40% reduction. Mr. McClary stated in the long term the city is looking at a 5.5% or a 6% rate of return, the city is budgeting conservatively on the rate of return on its investments. Mr. Murdock responded in the FY19-20 budget there is \$1.2 million shortfall and he is not certain how long that can be sustained. If it is done through an employer contribution that is nearly 4 mils. That will increase the pension millage up to 12.8, which is more than most communities collect. Mr. Basabica responded the city is anticipating that three employees from the police and fire departments will retire after the Drop Program. Those employees are entitled to an accumulated contribution which will through off the pension payment. Council Member Robb stated the pension payments were \$4.6 million in FY16-17 because of special retirements, this is about investment income. The stock market was up 4,000 points in calendar year 2017, and up another 4,000 points in 2018, and it needs to be understood what the investment switched to. Mr. McClary stated once the city receives the numbers from the actuary they will change, and the additional investment income goes into the assets. If for some reason we see a drastic decline the city would be in further trouble. Council Member Bashert stated this past year there was a correction in the market. Mr. Robb replied that was in February and it has been corrected. Ms. Bashert stated it is smart to be cautious when making these projections. Mr. Robb stated this is not about inventing numbers and the bottom line is the investment is not doing as well as it did last year. Mr. Basabica replied staff can discuss this with the money managers to understand the decrease.

Council Member Robb stated if the shortfall for FY18-19 is \$400,000 then it should be expected the Fire and Police Pension Millage should increase 1.8 mils, but it is decreasing .07 mils. Ms. Uy replied the decrease in contribution is based on the actuarial data. Mr. Robb stated when the city receives the actuarial it is expected to decrease 5%. Council Member Murdock assumed the city already had the

actuarial for FY18-19. Mr. McClary replied it goes back to if the actuaries are making assumptions on valid information.

Council Member Robb asked what is being budgeted for the network, is it being budgeted for \$0 and being amended. Mr. McClary responded in the affirmative, one the plan is completed and the cost is known the budget will be amended. Mr. Robb asked what the city pays the county for IT services. Mr. McClary responded just under \$140,000. Mr. Robb asked if that has been budgeted. Mr. McClary responded in the affirmative. Mr. Robb stated those funds should be used for the new network. Mr. McClary replied yes, that money will be used for those costs. Mr. Robb stated he is concerned IT services are going to blow up the budget and that needs to be taken into consideration prior to hiring additional personnel. Mr. McClary replied if the city uses three months of funds for county IT the remainder can be used for the IT migration plan. Mr. Robb asked when the study will be complete. Mr. McClary anticipates the draft plan to be complete by the end of May.

Council Member Robb asked how much of the Health Savings Account was unbudgeted last year that will be amended this year. He asked why the EHIM prescription plan is being amended up when it was only used half of the Fiscal Year. He asked for a five year projection of what adding the requested staff will do to the city's budget.

Council Member Robb moved, seconded by Council Member Murdock to extend the meeting until midnight.

On a voice vote, the motion carried, and the meeting was extended.
Council Member Richardson opposed the extension.

Council Member Robb stated there have been several requests for additional administration help. He asked what the administration plan is and which department it can have the biggest impact. He does not see how the biggest impact would be in the Building Department. He asked if it makes sense to house ordinance enforcement in the Police Department if the ordinance officer is not getting any administrative staff help. Mr. McClary responded in the affirmative.

Darwin D. P. McClary, City Manager
• Wrap-up

Mr. McClary provided a summary of his memo regarding the budget sessions.

Council Member Bashert asked how the city could examine potential revenues with the Headlee amendment. Council Member Robb responded the voters would need to approve a Headlee override.

Council Member Murdock asked for the fund balances be broken done to non-spendable, restricted, unrestricted, and committed.

IX. AUDIENCE PARTICIPATION –

1. Adam Giansley, 409 S. Adams, asked for a copy of the City Manager's Report Memo.
2. Shane McParland, 12 Wallace, stated the hand rail at the bus stop at Washtenaw and Summit needs to be repaired. Thanked Council for taking feedback on pulling back on hiring more police. He asked who manages the Fire and Police Pension Fund.

Council Member Murdock responded there are two entities that manage the Pension Fund. Council Member Richardson stated the railing has been reported as needing repair. Council Member Robb asked if it has been reported the AAATA.

3. Sue Melke, 330 Chidester #409, asked if any money is going to be spent on improving the website. She asked if the city is getting brownfield TIF funds why is the city not

fixing the sidewalk by Water Street. She asked if there is funding for boards and commissions.

Mr. McClary responded he will examine the website for issues, and boards and commissions need to be allocated by funds by Council. Ms. Melke said some money should be set aside for those bodies.

X. REMARKS FROM THE MAYOR –

XI. COMMUNICATIONS –

XII. ADJOURNMENT -

Resolution No. 2018-122, adjourning the City Council Meeting.

Mayor Pro-Tem Brown moved to adjourn the meeting.

On a voice vote, the motion carried, and the meeting adjourned at 10:17 p.m.