



RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Charter requires that each year in February, City Council provides the City Manager by resolution the budget priorities for the next fiscal year.

NOW THEREFORE BE IT RESOLVED, in accordance with Section 5.02 of the City Charter, the following direction is hereby given:

That the City Manager shall present City council with a balanced Resources Allocation Plan for Fiscal Year 2011-2012 using the following organizational values, goals and action strategies:

Organizational Values

Three fundamental values continue to underlie our work together on behalf of the citizens of and visitors to the City of Ypsilanti.

- 1. *Open, transparent and accessible decision-making***
We are committed to openness and transparency in our decision-making, doing whatever we can to ensure that information is available to the public in a timely fashion and in a manner that is easily understood, and providing opportunities for public engagement and participation in decision-making.
- 2. *Fiscal solvency and sustainability***
We are committed to ensuring the long-term financial stability of the City. Our budget decisions must reflect a balance between short and long-term considerations, and we will work to reduce the costs of city services to the extent we can while maintaining effective city services and a sound infrastructure.
- 3. *Customer Friendly Service***
We are committed to providing services to residents and visitors in a customer friendly fashion, ensuring that service processes are effective and understandable, being responsive to requests for service to the extent we can consistent with procedures and resources, and ensuring that people recognize the limits of our ability to respond.

Budget Priorities for FY 2011-2012

During City Council’s second goal setting session held on November 29, 2011, Council arrived at a consensus on a number of issues. The most significant was the combination of revenue and budget reduction strategies to balance the FY 2012-13 and FY 2014 budgets. The objective of the December 13th meeting is to review and finalize the Council’s goals for the next year. Formal adoption of Council’s budget priorities will take place at the February 6, 2012 Council meeting. Staff is exploring cost reduction alternatives for next fiscal year and will provide these in conceptual form prior to the February 6, 2011 Council meeting.

I am consolidating Council’s proposed long and short term goals in an effort to make these as straightforward as possible and to reflect Council’s agreement on the major components of a broader financial strategy. I believe a consolidated version of the goals initially proposed would benefit both Council and the staff, particularly, because an Interim Manager will be preparing and recommending the new budget. Council has also suggested that Council’s primary goal be to a plan to balance revenues and expenses for the next five years. I have incorporated this suggestion into the recommended goals.

Below is the list of goals initially proposed by city council. Some of the proposed goals listed would be considered and pursued under the action plans or budget reductions while other items may prove to be too costly after further investigation.

Action Plans
Preparation

Income Tax
Water Street Millage
Storm Water Utility
Budget Reductions

Collective Bargaining Negotiations
Street Light Special Assessment
Projections
Conversion to LED Street Lights
Use General Fund, Fund Balance

Alternatives

Evaluate During Budget

Consolidation
Public Safety
Hybrid Fire Department
Reductions of 1%, 3%, 5%

Communication Strategy
Alternative Budget

Sale of Assets
Consolidation of City Offices
Department of Treasury

Based upon Council discussions, I am recommending Council’s primary goal as “develop a five-year plan to balance the general fund budget” and the strategies discussed at the last goal setting session action plans related to that goal.

Proposed Fiscal Year 2012-13 City Council Goal

1. Develop a Five-Year Plan to Balance General Fund Revenues and Expenses

Action Plans:

- a. Place a city income tax proposal on the ballot*
- b. Place a Water Street Millage on the ballot*
- c. Consider a Storm Water Utility*
- d. Reduce FY 2012-13 General Fund Budget expenses in the amount of \$650,000*
- e. Attain collective bargaining concessions from employee unions*
- f. Balance FY 2012-13 General Fund budget by using fund balance contribution of \$620,000*
- g. Create a Street Light Special Assessment District ***
- h. Convert street lights in the city to LED lights*
- i. Sell Surplus City Assets*
- j. Continue Internal Reorganization and Cooperative Intergovernmental Relationships.*

**Assumes the shift of street lighting costs from the General Fund through a Special Assessment District, as part of the \$650,000 of budget reductions for FY 2012-13.

OFFERED BY: Mayor Pro Tem Richardson

SUPPORTED BY: Council Member Jefferson

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried