

**City of Ypsilanti
City Council Meeting
Tuesday, February 3, 2004
7:30 P.M.**

CALL TO ORDER

Mayor Farmer called the meeting to order at 7:32 p.m. in the Council Chambers, One South Huron Street, Ypsilanti, Michigan.

Present: Mayor Farmer, Mayor Pro-Tem Swanson, Council Member LaRue, Council Member Nickels, Council Member Schulze and Council Member Gawlas.

Absent: Council Member Richardson

Mayor Pro-Tem Swanson moved to excuse the absence of Council Member Richardson, Council Member Nickels supported.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

INVOCATION

Mayor Farmer asked for a moment of silence.

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."

INTRODUCTIONS

No introductions.

AGENDA APPROVAL

Mayor Farmer removed item C from the Consent Agenda. Mayor Pro-Tem Swanson offered and Council Member Nickels supported a motion to approve the amended agenda.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

PRESENTATION

No presentations.

AUDIENCE PARTICIPATION

Steve Pierce of Ypsilanti expressed his concern regarding the LeForge Station Student Housing and the lack of parking spaces to accommodate the amount of students. He questioned why the new student housing development would be classified as a Brownfield Redevelopment.

Tyrone Wilson representing RAID and the National Action Network announced Reverend Al Sharpton will be at McKenny Hall Wednesday, February 4, 2004 at 7:30 p.m. at Eastern Michigan University. Mr. Wilson expressed concern regarding the safety of the staff in the Clerk's Office and questioned whether the Michigan Municipal League report will be implemented.

Lee Tooson of Ypsilanti expressed his concern regarding the City Clerk's Office and the Ypsilanti Police Department.

MINUTES

Resolution 2004-13, attached and made a part hereof, offered by Council Member Nickels and supported by Mayor Pro-Tem Swanson-That the Minutes of January 20 and 27, 2004 be approved with corrections.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

PUBLIC HEARING

- A. Public Hearing to consider the proposed ordinance entitled, "AN ORDINANCE AMENDING THE BOUNDARIES OF THE DOWNTOWN DISTRICT OF THE DEPOT TOWN DOWNTOWN DEVELOPMENT AUTHORITY AND PROVIDING FOR OTHER MATTERS RELATED THERETO."

Mayor Farmer opened the Public Hearing.

Jim Fink an Attorney representing the owner of E. 113 Cross Street requested his clients' property would not be added to the Downtown Development Authority expansion. He stated it was against the law to include a property zoned R1 single family residential because it did not meet criteria or the Downtown Development Authority Master Plan.

David Kircher of 107 Cross Street stated he does not want his property to become a part of the Downtown Development Authority. He stated he hopes the City does not try to take 107 Cross Street the same way the Thompson Building was taken. He alleged the City of Ypsilanti is wrong.

Resolution 2004-14, attached and made a part hereof, offered by Council Member LaRue and supported by Council Member Gawlas to close the Public Hearing.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

CONSENT AGENDA

Resolution 2004-14A, attached and made a part hereof, offered by Mayor Pro-Tem Swanson and supported by Council Member Nickels—That the following Consent Agenda be approved.

- A. Resolution 2004-15, establishing goals and action plans for the 2004-05 Fiscal Year.
- B. Resolution 2004-16, authorizing the City to participate in the Washtenaw Metro Alliance Group Charter.
- C. Resolution 2004-17, Removed

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

Resolution 2004-17, offered by Council Member Nickels and supported by Mayor Pro-Tem Swanson.

RESOLUTION SUPPORTING S.B. 914 FOR P. A. ACT 289 (FIRE PROTECTION) FUNDING

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Public Act (P.A.) 289 of 1977 provides for payments to municipalities for fire protection services received by state owned facilities; and

WHEREAS, the State of Michigan has never fully funded this program and at best reimbursed communities at a 47% level of its total financial commitment and currently the state funds only 24% of the formula for protecting Eastern Michigan University (EMU) and other state owned facilities; and

WHEREAS, the requirements for enhanced homeland security post 911 have created additional unfunded responsibilities for our fire fighters; and

WHEREAS, fire protection for university campuses is complicated. EMU has 8,000 students living on campus and a total of 67 buildings, only three (3) of which are totally sprinkled. In addition special training and equipment are required so firefighters are prepared to deal with fires that may occur in chemical labs, and in research facilities where radioactive materials are present; and

WHEREAS, over a 27 year period, the City of Ypsilanti should have been compensated at a level of \$13.168 million and yet only received \$5.248 million. The resultant shortfall of \$7.9 million has been subsidized by the City's general fund; and

WHEREAS, Eastern Michigan University is a regional asset, and the expense of protecting that asset should be borne by the State; and

WHEREAS, Senate Bill 914 is a bill with bipartisan support and is the most recent attempt to address the ongoing inequity of Act 289 funding. This bill would increase the mark up on liquor sales to retailers and is projected to generate \$18 million in additional revenues, of which over \$12 million is designated to help fully fund the formula according to P.A. 289.

NOW, THEREFORE BE IT RESOVED, that the Ypsilanti City Council appeals to the State Legislature to fully fund P.A. 289, support the enactment of Senate Bill 914, and permanently earmark the funds so generated for Act 289.

FURTHER, that a copy of this resolution be sent to Governor Granholm, Senate Majority Leader Sikkema, Senate Minority Leader Emerson, House Speaker Johnson, House Minority Leader Byrum, Senator Allen Sanborn, Chair of the Economic Development, Small Business and Regulatory Reform Committee, Senator Allen Cropsy, Chief Sponsor of the bill, Senator Brater and Representative Jamnick.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

MOTION, RESOLUTIONS AND DISCUSSION ITEMS

Resolution 2004-18, attached and made a part hereof, offered by Council Member Gawlas and supported by Council Member LaRue.

RESOLUTION ESTABLISHING A BLUE RIBBON COMMITTEE ON CITY FINANCES

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Council is concerned about providing for the safety of our residents, providing economic re-development, preserving the infrastructure, enhancing our image and meeting the financial challenges facing the City on both a short term and long term basis; and

WHEREAS, over the past six years Ypsilanti has endured severe financial challenges, due to limited revenue growth (due to statutory constraints), record health care cost increases, record insurance cost increases post 911, and limited opportunities for growth in the tax base (except through redevelopment, which tends to be more costly and time-consuming); and

WHEREAS, during City Council Goal Planning Sessions in November and December of 2003 the idea of forming a Blue Ribbon Committee on City Finances was discussed and

later adopted in Goal One, Action Plan 2 of the City's Goals and Action Plans for the 2004-2005 Fiscal Year.

NOW, THEREFORE BE IT RESOLVED, that a Blue Ribbon Committee on City Finances is established consisting of 11 community members, to be appointed by the Mayor with Council confirmation. The Mayor would also designate an interim chair to begin the organization meeting.

FURTHER the Committee's charge will be to provide recommendations to the Mayor and Council to address the financial challenges facing the City. In preparing its recommendations the Committee should:

1. Examine the fiscal condition of the City relative to other similar cities;
2. Review the short and long-term fiscal challenges that threaten the delivery of necessary City services; and
3. Recommend short and long term strategies to address those challenges, including, but not limited to:
 - ? Potential expenditures reductions and service reductions and /or eliminations;
 - ? Potential improvements in service efficiency and effectiveness; and
 - ? Potential increases in revenues within statutory constraints.

FUTHER, the Committee will prepare and present to City Council an interim report within 90 days of its first meeting recommending possible short term actions to alleviate immediate and urgent budget problems for fiscal year 2004-5, beginning July 1, 2004. The Committee will prepare and present to City Council a final report by the end of 2004 recommending possible long-term strategies to address the structural challenges facing the City.

FURTHER, the Blue Ribbon Committee on City Finances will operate as if it were a standing City Committee, selecting officers to guide the work of the Committee, utilizing parliamentary procedures in its meetings, and abiding by the Open Meetings Act and other statutory requirements as it conducts its business. Committee members will serve without compensation.

FURTHER, the City will provide necessary resources to facilitate and support the work of the Committee. City Council must authorize and approve any contracts or expenditure to support the Committee. The Committee may accept donations of labor, services or money to support its work.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

COUNCIL PROPOSED BUSINESS

Council Member Nickles questioned whether there had been any legal challenges regarding a single family home being included in a Downtown Development Authority.

Council Member Schulze asked for further clarification on the purpose of the Washtenaw Metro Alliance. She also asked who is responsible for updating the City's website.

Council Member Gawlas explained the Metro Alliance is a safe place to discuss ideas to establish and build a political consensus between the elected county officials and local municipalities. He stated the Metro Alliance aim is to address regional challenges and possible solutions.

Council Member LaRue asked for clarification regarding the Downtown Development Authority expansion on Cross Street. He announced the dedication of the Club Level of the Riverside Arts Center will be held Thursday, February 5, 2004 from 6-8 p.m.

Council Member Gawlas mentioned the Friends of Rutherford Pool will be hosting a Fundraiser Saturday, February 7, 2004 at Frenchies from 7 p.m. until midnight. Gawlas mentioned certain groups would like the Ypsilanti District Library to place filters on the computers to protect children. He stated the Library is a place for free and accessible information which would be restricted if a commercially made filter is installed. Gawlas mentioned new lights have been installed in the rear parking lot of the Post Office on Hamilton Street.

Mayor Pro-Tem Swanson had no Council Proposed Business.

LIAISON REPORT

No Liaison Reports

COMMUNICATIONS FROM THE CITY MANAGER

City Manager Koryzno mentioned Bosal International is in the process of conducting environmental testing on the proposed site of the new Bosal International Headquarters.

Closed Session, per Section 8 (d) property purchase, of the Open Meetings Act.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

COMMUNICATIONS FROM THE MAYOR

Resolution 2004-19, attached and made a part hereof, offered by Council Member Schulze and supported by Council LaRue.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

	<u>NAME</u>	<u>BOARD</u>	<u>TERM TO EXPIRE</u>
1.	Carolyn McKeever 1721 Cliffs Landing #1 Ypsilanti, MI 48198	Depot Town DDA	7/01/2006 Reappointment
2.	Richard King 1789 High Point Lane Ann Arbor, MI 48108	Smart Zone Local Development Finance Authority	To fill the unexpired term of Dean Potter Term to Expire: 6/30/2005
3.	David Davis 11700 Pleasant Shore Dr. Manchester, MI 48158	EDC/Brownfield Redevelopment	6/30/2008 Reappointment
4.	Linda French 401 N. Huron St. Ypsilanti, MI 48197	Depot Town DDA	7/01/2007 Reappointment
5.	James Campbell 107 W. Michigan Ave. Ypsilanti, MI 48197	Downtown Development Authority	3/01/2006 Reappointment
6.	Jon R. Ichesco 1218 Pearl Street Ypsilanti, MI 48197	Zoning Board of Appeals	5/01/2007 Reappointment

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

Mayor Farmer mentioned she was satisfied with the current District Library Policies regarding the protection of Children using the Internet. She questioned whether Council would be interested in requesting a temporary moratorium on Detroit Water Rate Increases until questions regarding the method of setting water and sewage rates are answered.

Council agreed to wait until City Manager, Edward Koryzno speaks with Larry Thomas regarding the water and sewage rate increases before acting on Senator Laura Toy's correspondence. Council also questioned whether additional water storage would prevent the rates from increasing and if the same accounting firm has performed the Detroit Water and Sewage System audits.

Resolution 2004-19A, attached and made a part hereof, offered by Council Member Nickles and supported by Mayor Pro-Tem Swanson.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Council authorized the City Manager to issue written Good Faith Offers, as required by MCL 213.55, offering the payment of just compensation for the acquisition of all property located in the Water Street Redevelopment Area necessary to pursue the Water Street Development Plan, and to evaluate and settle, within permissible parameters, claims arising from the acquisition of such property and the relocation of businesses and residents residing in the Development Area.

WHEREAS, the City has been unable to acquire by negotiation all of the property within the Development Area necessary for the Development Plan, thus necessitating the commencement of legal proceedings against one or more of the property owners residing or doing business in the area.

WHEREAS, the City has reached a negotiated resolution of certain of the legal proceedings it has commenced and has reached a negotiated resolution of certain other matters for which the commencement of legal proceedings were unnecessary, all of which negotiated resolutions are subject to approval of the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Manager is authorized to settle the matters set forth below on the terms and conditions as noted, and to execute or authorize execution by the City's retained counsel of any documentation, agreement, consent judgment or other writing required to resolve said matters.
2. Fagan, parcels 22-24: The City Manager is authorized to accept Fagan Enterprises' all-inclusive offer to settle the pending litigation for \$2,166,000, the amount stated on the record of the judicial hearing held on January 29-30, subject to any permissible proration for transfer fees or real estate taxes of record, and to execute or authorize execution by the City's retained counsel of a consent judgment or other agreement consistent thereto that would conclusively resolve the matter.
3. Allen, parcels 21: The City Manager is authorized to accept an all-inclusive settlement with Albert Allen and/or River Street Investments to settle the pending litigation for \$750,000 or the construction and purchase of suitable replacement property, inclusive of all attorney fees, costs, claims and expenses of any type or nature and to execute or authorize execution by the City's retained counsel of a consent judgment consistent thereto for entry with the Court.
4. Norfolk Southern, Railroad ROW: The City Manager is authorized to accept and execute the necessary documents to purchase the Water Street Railroad ROW for an amount not to exceed \$115,000, inclusive of all attorney fees, costs, claims and expenses of any type or nature.
5. Rim, parcels 20,26: The City Manager is authorized to offer and accept an all-inclusive settlement with Plasber Inc., Julius Rim, and/or Dura Corporation of \$1,295,000, inclusive of all attorney fees, costs, claims and expenses of any type or nature and to execute or authorize execution by the City's retained counsel of a

consent judgment consistent thereto for entry with the Court, or an appropriate agreement that would conclusively resolve the matter.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

ADJOURNMENT

Resolution #2004-20, Mayor Farmer called for the adjournment of the meeting.

Ayes: 6 Nays: 0 Absent: Richardson Vote: Unanimous

Adjourned at 8:56 p.m.