

1. Council Meeting Agenda

Documents:

[06-13-17 AGENDA.PDF](#)

2. Council Meeting Packet

Documents:

[JUNE 13, 2017 COUNCIL PACKET.PDF](#)



**CITY OF YPSILANTI
COUNCIL BUDGET SESSION
SPECIAL MEETING AGENDA
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, June 13, 2017
7:00 P.M.**

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Bashert	P A	Council Member Robb	P A
Mayor Pro-Tem Brown	P A	Council Member Vogt	P A
Council Member Murdock	P A	Mayor Edmonds	P A
Council Member Richardson	P A		

III. INVOCATION –

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 –

VI. AGENDA APPROVAL-

VII. AUDIENCE PARTICIPATION –

VIII. PRESENTATIONS –

IX. REMARKS FROM THE MAYOR –

X. CONSENT AGENDA –

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS -

— Discussion on Ordinance No. 1289 an ordinance to amend budget appropriations to by Department and major organizational unit for Fiscal Years 2016-2017 & 2017-2018.

XII. AUDIENCE PARTICIPATION –

XIII. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Urban County
- D. Ypsilanti Downtown Development Authority
- E. Eastern Washtenaw Safety Alliance
- F. Police-Community Relations/Black Lives Matter Joint Task Force
- G. Friends of Rutherford Pool
- H. Housing Equity Leadership Team
- I. Economic Development Coordinating Committee

XIV. COUNCIL PROPOSED BUSINESS –

- XV. **COMMUNICATIONS FROM THE MAYOR –**
- XVI. **COMMUNICATIONS FROM THE CITY MANAGER –**
- XVII. **COMMUNICATIONS –**
- XVIII. **REMARKS FROM THE MAYOR –**
- XIX. **ADJOURNMENT –**

Resolution No. 2017-141, adjourning the City Council Meeting.



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IX. REMARKS FROM THE MAYOR –

X. CONSENT AGENDA –

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017 – 141, urging support for the conference report on State Bill 142.
2. Discussion on Ordinance No. 1289 an ordinance to amend budget appropriations to by Department and major organizational unit for Fiscal Years 2016-2017 & 2017-2018.

XII. AUDIENCE PARTICIPATION –

XIII. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
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- XIV. COUNCIL PROPOSED BUSINESS –**
- XV. COMMUNICATIONS FROM THE MAYOR –**
- XVI. COMMUNICATIONS FROM THE CITY MANAGER –**
- XVII. COMMUNICATIONS –**
- XVIII. REMARKS FROM THE MAYOR –**
- XIX. ADJOURNMENT –**

Resolution No. 2017-142, adjourning the City Council Meeting.



REQUEST FOR LEGISLATION
June 13, 2017

To: Mayor and Council

From: Darwin D. P. McClary, City Manager

Subject: RESOLUTION OF SUPPORT FOR CONFERENCE REPORT ON SB 142

SUMMARY & BACKGROUND: Council is being requested to adopt a resolution supporting the conference report on SB 142, which proposes an increase in state revenue sharing to municipalities. On June 8, a joint House/Senate conference committee met and approved a revenue sharing proposal for the upcoming 2017-18 state fiscal year. The budget report proposes a 2.5% increase (\$6.2 million) in funding for cities, villages, and townships that have been receiving statutory revenue sharing. This proposed increase reverses last year's overall revenue sharing reduction and provides the first increase in statutory revenue sharing in more than three years.

However, SB 142 was prepared without input from the governor's office or the Department of Treasury, and the governor did not originally recommend an increase in revenue sharing. Therefore, the Governor's support for the proposed increase is questionable, and it is important for Ypsilanti to urge the governor and others to support this funding increase.

On June 12, 2017, I contacted the governor and key legislators, including Ypsilanti's representative and senator, to urge support. Mayor Edmonds recommends that the city council also adopt a resolution.

RECOMMENDED ACTION: Adopt the resolution urging support for the conference report on SB 142.

ATTACHMENTS: Proposed Resolution of Support for Conference Report on SB 142

CITY MANAGER APPROVAL: _____ DDPM _____ COUNCIL AGENDA DATE: 06/13/17

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2017 - 141
June 13, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, as a result of the reductions in statutory revenue sharing, failure to fully fund Public Act 189 fire services grants, Headlee Amendment, Proposal "A", elimination of personal property and other business taxes, and other actions by the state to reduce revenues to Michigan's municipalities, the Michigan municipal finance system is seriously flawed; and

WHEREAS, this broken municipal finance system has substantially contributed to the City of Ypsilanti's continuing financial struggles, including a loss of \$11.7 million in statutory revenue sharing between 2002 and 2016 and the subsidization of fire services by the city for state facilities in the amount of about \$400,000 annually; and

WHEREAS, the city has been forced to make major reductions in police and fire staffing and to delay or eliminate investments in infrastructure, facilities, and equipment that are vital to the services and quality of life of our community as a result of these funding reductions; and

WHEREAS, on June 8, 2017, a joint House/Senate conference committee met and approved a revenue sharing proposal for the upcoming 2017-18 state fiscal year that includes a proposed 2.5% increase (\$6.2 million) in funding for cities, villages, and townships currently receiving statutory revenue sharing;

NOW THEREFORE BE IT RESOLVED BY THE CITY OF YPSILANTI that the city council does hereby strongly urge Governor Snyder and the Michigan House of Representatives and Michigan Senate to support the conference report on SB 142 that includes the proposal for increasing statutory revenue sharing by 2.5% to eligible cities, villages, and townships; and

BE IT FURTHER RESOLVED that the Ypsilanti city council does hereby direct the City Clerk to send copies of this resolution to the offices of the Governor, Senate Majority Leader, and Speaker of the House of Representatives, as well as Senator Rebekah Warren and Representative Ronnie Peterson.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



INFORMATION MEMORANDUM

To: City Manager and City Council

From: Beth Ernat, Director of Community and Economic Development

Date: June 12, 2017

Subject: Budget Justifications

Attached to this memorandum is a budget justification and proposal memo prepared for the City Manager in April; the RFL and Resolution for the approval of Administrative Services Contract (February, 2016); a memo to City Council (dated June 20, 2016) explaining and highlighting the stipend usage for the DDA contract; and a spreadsheet showing salaries and stipends for the DDA contract.

The Community and Economic Development Department has a current budget of \$1,320,250. The City's taxable value has grown 2.86% over the last year, which indicates healthy economic activity. A description of current and future projects is included in the April 12th memo to City Manager McClary.

In the past year, all funding for department interns has been cut and returned to the general fund. The Historic District Intern was the most difficult cut as the intern provided direct support to the HDC. However, having an intern requires a good amount of staff time to teach, train and mentor, and it is no longer fiscally feasible to have both of these positions so the paid intern position was eliminated.

DDA

As indicated in the June 20, 2016 memo, the DDA Administrative Services contract was created with the knowledge of additional work to be performed by the CED Department. Each member of the department works over and beyond the 40 hours a week required for their position. The DDA work increased the work load of employees resulting in increased compensation from a contract sought by the Department. There are two specific items to note:

1. The DDA contract stipends are not included as base salaries for employees. The stipends are subject to change and or removal should the DDA contract be dissolved. (Additionally, employees are not willing to work additional time for DDA functions without compensation)
2. If the City should decide to end the contract, there will be no payment to the City. The DDA will need to use the money to hire a contract employee, as done in the past.

Below is a list of some overlapping responsibilities:

Vacant/available properties

Support new and existing businesses

Incentives

DDA grant process

Garbage

Mapping

Historic preservation

Social media

Development process

Research

Enhancing the natural and build environment

Attracting new residents and visitors

Parking

On-Going Projects:

- Collaboration with First Fridays Ypsilanti
- Working with EMU to promote the Ypsilanti Downtown Districts to incoming and existing students
- Working with business owners to better assess the needs of the community
- Working with Ypsilanti Proud to help enhance the community
- Collaborate with SPARK to place exiting incubator companies in the DDA/City limits
- Parking Study

Other items of note include; the DDA has a balanced budget presented for the next fiscal year, over 13 façade and building rehab grants were issued in this last year; the DDA garbage program is self-supporting, and the DDA is becoming a resource to the business community.



Memo

To: Darwin McClary, City Manager
From: Beth Ernat, Economic Development Director
Date: 4/12/2017
Subject: Budget Justification and Proposals FY 16/17 and FY 17/18

The Community and Economic Development department was asked to propose cost saving measures department wide for overall budget reduction for both FY 16/17 and FY 17/18.

Below are the reductions proposed and accepted by City Council in September 2016:

Mid-Year 16/17 Reductions

- A line item to be reduced was 101-7-3710-835-00 (telephones) for a reduction of \$1,200 in FY16/17 & FY17/18. This reduction will eliminate tablets used for inspections.
- Suspend planning and development intern program as of 12-31-2016; eliminate line item 101-7-7210-707-00 (temporary wages) FY16/17 in the amount of \$11,219 and FY17/18 in the amount of \$21,606.
- Reduce professional development and training line item 101-7-7210-864-02 from \$5,000 to \$3,000 for FY16/17, and from \$5,000 to \$2,000 for FY17/18, for a total savings of \$5,000.
- Reduce contractual services line item 101-7-7210-818-00 from \$20,000 to \$10,000 for FY16/17 and FY17/18. Contractual services are reserved for engineering fees not associated with an application process, marketing and other planning and development department expenses.
- Eliminate the salary from line item 101-7-8030-707-00 in the amount of \$6,213 for FY16/17, and in the amount of \$5,964 for FY17/18.

Building Division:

Mission Statement

To establish the minimum requirements to safeguard the public health, safety, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to fire fighters and emergency

responders during emergency operations.

The vision of the Building Department is to work collaboratively to ensure the built environment of the City of Ypsilanti is safe and attractive for people who live, work, and visit here so that investment will not only be maintained, but also will grow.

Economic Development

Mission Statement

The Department of Economic Development is committed to supporting new and existing business and enhancing the quality of life within the City. We strive to create a sustainable environment conducive to growth while maintaining the interests of the community as a whole.

Planning and Development

Mission Statement

To maintain and improve the quality of life in the City of Ypsilanti by providing excellent planning, zoning, preservation, and economic development services within available resources. To work creatively and collaboratively to enhance the natural and built environment of the City of Ypsilanti so that its population grows, its economy thrives, and it becomes the premier community of choice in Eastern Washtenaw County.

DDA

Mission Statement

The Mission of the YDDA is to undertake district-wide improvements that have a positive economic, physical, aesthetic, and community impact in each of our four districts, including, attracting new businesses, retaining and growing existing businesses, and attracting residents and visitors.

Staffing – All divisions

Below is a listing of all departmental staff, primary functions and current salaries:

Building Division Secretary (AFSME Union Position) - Jenni Wennerberg \$41,215.20
Responsibilities:

Permits	Intake/consultation, logging, issuing, scheduling inspections	60%
Rental Program	Schedule inspections, schedule inspectors, invoice	20%
Communications	Phone, email, counter inquiries and consultations	10%
Administration	Code enforcement billing, payroll, vacant and dangerous billing, mail, FOIA request fulfillment	10%
		100%
Other:	Coordinates with Pittsfield Township for contract services, coordinates with assessing for updating database, prints reports and manages multiple BS&A databases	

Housing Inspector – Debbie Neville

\$48,547.20

Rental Inspection		40%
Rental Reports	All inspections are documented and reported for owners	20%
Property File Research	Before and after inspections to ensure continuity	15%
Communications	Phones, emails and in-person consultation with rental properties, staffing office and permit counter	20%
Property Inspection	Inspection of dangerous and vacant property, property complaints, ticket follow-up	5%
		100%
Other:	Over 15 years of inspections, provides historic knowledge of buildings, City advocacy with rental owners, tracking and reporting of unit layouts	

Housing and Property Inspector – John Roe

\$53,000.48

Rental Inspection		35%
Property Inspection	Dangerous and vacant inspections, construction observations, property complaint follow-up	25%
Reporting	All inspections are documented and reported for owners	25%
Meetings	Meet with property owners, provide survey inspections, and department reports	5%
Enforcement	Citations, AHB attendance and follow-up inspections	5%
		100%
Other:	30 years experience as City firefighter and Fire Marshall, proficiency with codes and interpretations, historical knowledge of property conditions, Certified builder	

Building Division Manager – Frank Daniels

\$62,433.28

Building /Zoning	Oversight of building permit process, permit review and coordination with Contract Inspection	30%
Rental Inspection	Code Review and research, back-up inspections, large complex inspections, training, complaints	35%
Administrative Hearings Bureau	Issues tickets for building and zoning, property inspections, follow-up, and appearances	15%
Vacant and Dangerous Buildings	Maintain database and conduct inspections	10%
Administration	See Click Fix, communications with residents, research of codes, Plan searches, special projects, City Phone Administrator	10%
		100%
Other:	15 years in building inspections division with historical	

	knowledge of properties, City cell phone administrator, strong communication with rental property community	
Recurring Meetings	AHB	

City Plumbing/Mechanical Inspector (Contractor, per inspection) – Warren Wisner \$49,080 (16)

Inspections	All plumbing and mechanical inspections	100%
Other	Contractor paid \$30 per inspection	

City Electrical Inspector (Contractor, per diem) – Ed Manier \$16,390 (16)

Inspections	All electrical inspections	75%
Office Consultation	Meet with walk-ins	25%
		100%
Other	Contractor paid for 15 hours a week at \$19 an hour	

Chief Building Official (Contractor, Pittsfield Township) – Kurt Wieland \$111,719 (16)

Plan Review	Reviews all plans for zoning and building compliance	33%
Site Inspections	Meets developers and buildings on site for pre-inspection and survey	33%
Consultations	Meets with the public and internal staff	33%
		100%
Other	Contractor is Pittsfield Township, representative is Kurt Wieland. City required to have certified Chief Building Official. Uses multiple subcontractors from Pittsfield Township for building inspection. Contract charges \$50/hour for office time at 4 hours minimum a week, \$50/hour for off-site surveys and meetings, and \$35 per inspection performed. Inspections are scheduled by Ypsilanti.	

Community Development Manager – Joe Meyers

\$53,000.48

DDA Director – Joe Meyers

Stipend Amount

\$9500.00

Communications	Email and phone inquiries and follow-ups, website and social media updates	30%
Administration	Supervision of Planning, HDC, Parks and Rec, and DDA, payroll, accounts payable, oversight of property disposition, and NEZ	20%
Meetings	Internal and external	30%
Research/ Property Sales	Research for residents, businesses, and organization, preparation of deeds, reviews of grants and budget	20%
		100%
CD management		65%
DDA		35%

Management		
Overlap	Projects or consultation related to CD and DDA	30%
Other:	Strong connections to State programs and departments, MEDC and RRC programs, Economic Development Finance Professional, County management experience	
Recurring Meetings	DDA, City Council, Parks and Recreation Committee, ELG	

City Planner – Bonnie Wessler

\$47,998.08

Stipend

\$4,000

Long Range Planning	Ordinance and document reviews and updates	25%
Short Range Planning	Site plan reviews, zoning letters, applications, special projects, GIS management, parking, oversee engineering reviews	25%
Communications	See Click Fix, email, phone, website, and social media	25%
Enforcement	Zoning and plan reviews	5%
Meetings/Community relations	Internal and External	10%
Traffic	Traffic review committee, WATS rep, MDOT contact	5%
IT Liaison	City Hall liaison with Washtenaw County	5%
		100%
Other:	Random question taker, proficient in Zoning Ordinance and City Ordinances, GIS specialist, parking, social media, medical marijuana consultant	
Recurring Meetings	City Council, Planning Commission, Zone Board of Appeals, Trail Town, Family Empowerment Program, Re-Imagine Washtenaw	

Associate Planner – Cindy Kochanek

\$31,998.72

Stipend

\$4,000.00

Site Plan Reviews	Review all applications and actions for the Planning and Zoning Board	40%
HDC	Review all applications, prepare packet, staff meeting, minutes	25%
Website	Update all committee and commissions for department	10%
Communications	Email, phone, and in-person inquiries, social media updates	15%
Administration	Complete all mailing and legal notices for department, create maps and database for noticing	10%
		100%
Other:	Provide assistance on grant applications and administration, intern training, assist department secretary, management of projects such as Freighthouse and MParks, and provide ALL Historical research	
Recurring meetings	Planning, Zoning, and HDC	

Division Secretary (40% of Executive Secretary) – Nan Schuette

Stipend \$4000.00

Planning and Zoning	Attending meetings, assisting in preparation of packets, taking and recording Planning and Zoning minutes	15%
Communications	Answering phones, emails, and in-person requests, questions, and complaints	15%
Administration	Payroll, accounts receivables, copying, filing	10%
		40%
Other:	Provides budget support, assists and mentors all interns, provides historical knowledge of City, orders all supplies, processes all contracts, and provide scheduling assistance to Director	
Recurring Meetings	Planning, Zoning	
DDA	Provides support to DDA Director and Coordinator	10%

DDA Coordinator (Part-time, funded by DDA Contract) – Rasheed Atwater

\$21,606.00

Business Interaction	Meeting with businesses, problem solving, introductions	40%
Administration	Prepare minutes, accounts payable, emails, and communication	30%
Research		10%
Meetings	Internal and External	10%
Dumpsters	Provide maintenance and oversight of DDA owned dumpsters	10%
		100
Other:	Strong connections with EMU and Parkridge Center	
Recurring Meetings	DDA	

Director of Community and Economic Development – Beth Ernat

\$68001.44

Stipend \$7500.00

Meetings	Internal, external, resident	45%
Supervision	Planning, Building, DDA	15%
Communications	Email and phone	10%
Council Relations	Communication with City Council, follow-up, and preparation	5%
Administration	Budget preparation and monitoring, correspondence	5%
Community Outreach		10%
Research		5%
Representation	Represent City and department at functions	5%
		100%
Recurring Meetings	City Council, DDA, WCCVB, WCBRA, LDFA, UCEC, ELG	

Plans and Public Document Management

The following documents are created, managed and reviewed by Department staff:

- International Building Code and amendments
- International Property Maintenance Code and local amendments
- Zoning Ordinance
- Master Plan
- Parks and Recreation Master Plan
- Non-Motorized Plan
- Climate Action Plan
- Re-Imagine Washtenaw Plan
- Community Tourism Action Plan
- Border 2 Border Ypsilanti Trail Plan
- Huron River Water Shed Commission Trail Town Plan

Summary of Liaison Responsibilities

- Administrative Hearings Bureau
- Dangerous Buildings Commissioner
- Planning Commission
- Zoning Board of Appeals
- Historic District Commission
- Parks and Recreation Committee
- Downtown Development Authority
- Washtenaw County Convention and Visitors Bureau
- Trail Towns/River Up!
- Washtenaw County Brownfield Redevelopment Authority
- Urban County Executive Committee
- LDFA
- Eastern Leaders Group

Current Grant Management

The following grants are currently being managed, overseen, or have been applied for:

- MNRTF 11 and 12 (Water Street Trail and Bridge)
- LSRRF Grant for Water Street Remediation
- Department of Energy SunShot grant application
- Ralph C. Wilson Recreation Park grant application
- CDBG non-ramp grant funding
- CTAP – African American Signage Project

Current Large Project List

The following projects are large scale projects that include one or more of the Planning, Building, or DDA divisions and are all expected to continue through the FY 17/18:

- 220 N. Park Request for Qualification
- Parkridge Homes
- 800 Lowell redevelopment and brownfield plan
- Thompson Block redevelopment
- Smith Furniture redevelopment
- Quattro redevelopment

- High Scope Expansion
- 210 N. Washington rebuild
- Towne Center monitoring
- Water Street trail remediation
- Water Street proposals
- 206 N. Adams sale and redevelopment
- Peninsular Park/Dam study and proposal
- Bell Kramer Environmental
- Solar Field for City Landfill
- Medical Marijuana new legislation
- MNRTF Grant Conversion (Relocation of Recycling Center)

Upcoming Project List

The following projects are proposed in-line with Council goals and other mandates for FY 17/18:

- B2B updates and mapping
- Downtown/Depot Town/West Cross Parking study
- Master Plan Update
- NEZ promotion and oversight
- Amtrak Rail planning
- Traffic studies for reconfigurations
- Grant applications

Budget Notes of Importance

- Building Department salaries are short \$19,456.75 due to unpaid time off taken in the Building Department for employee on FMLA.
- Certificate of Compliance revenue projections were not made for FY 16/17 due to inability to hire second inspector until September (anticipated hire was July) and 760 hours not worked by rental inspector while on FMLA. It is reasonable considerable revenue increase for FY 17/18.
- Expect approximate reduction in Planning Department salaries of \$6,461.28 due to planned unpaid leave for FMLA.
- Dangerous and vacant building inspection revenues substantially reduced due to lack of Fire Marshall for inspection. Process has been revised to not require Fire Marshall inspection and utilize only building department
- DDA contract should be included as a revenue in the Planning Budget.
- DDA coordinator position was added to Planning Department Budget and revenues from contractor were not transferred or included in Planning Department budget. Position was approved to be 100 percent funded by DDA contract. Salary amount is 21,606.00
- DDA stipend plan allows for \$10,000 transfer to City General Fund. Stipend plan includes \$2500 for an intern. There are no interns receiving this stipend. This amount should be added to planning budget.
- HDC budget should be incorporated into Planning Division as Planning is solely responsible for administration of HDC.
- Cost savings measures from 8/31/16 were approved by Council and not incorporated in the 16/17 or 17/18 budget

Proposals and Suggestions for Budget Improvement

- Increase fees for plumbing, mechanical, and electrical to better off-set cost ratio with inspection changes. Current cost is \$55 per permit proposal is to increase cost to \$60 per permit.
- Property and Housing Inspector is seeking building inspection license from LARA. If City pays for license, inspector can be used for generalized inspections such as footings, roofs, windows, and more, which would reduce reliance and fees paid to Pittsfield Township.
- Include HDC budget into Planning budget and reclassify Associate Planner position to Planner I with responsibilities to include administration of historic district and increase salary to \$35,000 per year. This would be a net increase of \$3,000.
- Consider furlough days to off-set salary costs or follow the City of Ferndale model of closing City Hall on Fridays and have employees report every other Friday for office work and catch-up days. The every other week of closure would result in significant savings in electric, water, and salaries.

Proposed Budget Reductions

Please see attached spreadsheets for specific proposals for increases in fees and decreases in discretionary spending.

The total proposed net effect for FY 16/17 is \$82,146.

The total proposed net effect for FY 17/18 is \$81,006.00

Conclusion

Any reductions at this point to the budgets are having substantial impacts on labor, productivity and ability to complete projects in timely manners. By eliminating all consulting funds further increases are made on staff time. By far the Planning division has the most out of office and after office hour meetings. Salary comparisons for like positions show our salaries to be on the lowest end of the ranges. Compared to other departments and divisions within the city our staff is grossly underpaid as they are salaried FLSA-exempt positions.

The Planning and Development Department expanded in 2015. Projects, project management and developments have steadily increased with the increase in the department. In fiscal year 16/17, the department was able to sell 11 parcels of land through our sidelot and property disposition sales program. We took in over \$12,000 in sales, returned 11 parcels to the tax roll and reduced the cost of maintenance for each parcel. We have seen an addition in taxable property between the 2015 assessment and the 2016 assessment of \$3,645,026. The Assessment has risen from \$330,802,539 to \$360,129,400. Not all of the increase is attributed to the department, but at least, one division has worked with every addition to the property tax roll in the last two years. To reduce the contact with properties and slow the development process would have a severe and detrimental impact on the increases in property value and number of developments within the City.



REQUEST FOR LEGISLATION

2/16/16

To: Mayor and Council

From: Beth Ernat, Director of Community and Economic Development

Subject: DDA Administrative Services Contract

SUMMARY & BACKGROUND: The Ypsilanti Community and Economic Development Department ("Department") has submitted a proposal to provide Executive Director Services to the Ypsilanti DDA. The Department would provide a team of well qualified individuals with the knowledge, experience, skill, and ability to manage the day-to-day operations, provide staff support to the Board, and provide technical assistance, advice, and guidance to sustain and enhance the Ypsilanti DDA. Additionally, the Department would be able to provide these services at a reduced cost to the DDA to allow for more DDA resources to be allocated to projects and not staff.

The Department is able to reduce duplication of staff time and provide dedicated time and resources to the DDA. We foresee our resources providing a means to assist in the implementation of the existing vision and strategic plan of the DDA.

Downtown Development Authorities are created by Public Act 197 to provide economic development in downtown areas that are blighted and/or in need of increased taxable value. There are guidelines set forth by the Public Act as well as individual by-laws that govern the activity of the Board. DDA Boards may hire, at their discretion, a Director to provide support and day-to-day management activity. There is no mention in the Public Act regarding the scope or parameters of the Director.

Many municipal authorities throughout the state have either created the DDA and the Director position as part of the City/Community/Township staff structure, or applied for and provide Director services to the DDA. Some examples of similar situations are:

Meridian Township (Okemos) – Director of Planning
Kochville Township (Saginaw) – Township Director
Auburn (Bay City) – City Manager
Bay City – City Department
Wyoming – Deputy City Manager
Mackinaw City – Planning Director
Warren – Community Development Director
Plainwell – Planning Director
Tecumseh – Economic Development Director
Plymouth – City Department

The DDA is a part of the municipal entity as its Board members are appointed and confirmed by the municipal entity. The purpose of the DDA is to be a catalyst for development and increased tax revenues. Public Act 197 provides for unique tools to accomplish these goals that are different than those for municipal authorities. The Act does not prohibit the municipal entity from assisting with these goals.

Department Responsibilities and Structure

The current structure of the Community and Economic Development Department is as follows:

Beth Ernat – Director of Community and Economic Development and Building Department. Beth has a background in Community and Economic Development and planning. She most recently held the position of DDA Director for the City of Saginaw. As DDA Director, she recruited Delta College to construct a downtown campus, oversaw the demolition of five (5) DDA structures, and recruited and assisted in the approval of CRP grants for a \$5 million historic renovation and the start of a \$15 million dollar indoor/outdoor farmers market and business incubator in Downtown Saginaw.

Joe Meyers – Community Development and Planning Manager. Current responsibilities include community development and neighborhood based planning and implementation strategies. Oversees all Planning and Zoning activities; Finds and explores grant opportunities; works with Parks and Recreation Committee to improve and enhance community parks. Joe comes to the City from MEDC as a Redevelopment Ready Communities facilitator. Prior to the MEDC, he worked as a County Assistant Administrator in Antrim County. Joe has excellent contacts within the state department and knowledge of best practices for municipalities.

Bonnie Wessler – City Planner. Prepares and oversees execution of planning activities in the city. Provides staff support to the Plan Commission and Zoning Board of Appeals; works directly with regional planning and transportation initiatives and projects. Bonnie has been with the City of Ypsilanti for over five (5) years and has worked in public and private practice as a City Planner. She is the City's GIS Administrator and has great experience in mapping and data collection.

Cindy Kochanek – Associate Planner. Provides daily support to planning, zoning, and historic district; provides research and support to the department. Cindy's experience is in the private sector and has been with the City for 3 years as a HDC intern and planning intern. Cindy excels at research and technical writing.

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The Department responsibilities would be divided as follows to accommodate the DDA Director position.

Director of Community and Economic Development – provide oversight and guidance to DDA Director and DDA Board as requested. (Weekly hours – 5)

Community Development and Planning Manager and DDA Director. Joe would provide the direct support to the DDA and day-to-day activities. Joe would interact with the Board, businesses, and residents. Joe would commit no less than 33% of his weekly activities to the DDA function. (Weekly hours – 15)

Part-time DDA Specialist. Rasheed would provide part-time dedicated support to the DDA as the DDA Specialist. Interact with the Board, businesses, and residents. Aggressively promote DDA districts and create initiatives and activities related to the goals of the DDA Board and coordinate and recruit volunteers. (Weekly hours – 24)

City Planner – Bonnie would provide data and mapping support to the DDA as well as technical writing and research as needed. (Weekly hours – 2)

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The department would provide over 50 hours of weekly support dedicated to the DDA. These hours would be tracked and provided to the DDA monthly in a professional services summary. The proposed hours are the average hours that would be dedicated, in a given week the hours may need to be more or less depending of the current projects and who from staff is needed to prepare work; however, there will not be less than 40 hours dedicated unless the Director or DDA Specialist is on scheduled time off.

Costs:

The Community and Economic Development Department would provide the above services at the annual cost of \$58,000. The costs would include all staff time and fringes currently paid to staff. The Department is able to provide these services at this rate due to much of our work overlapping, having similar goals and expected outcomes of improving business districts in Ypsilanti.

The base pay of the existing Director is approximately \$57,000, but with benefits and retirement, the cost of the Director is \$85,000. The DDA budget still includes a part-time position which equates to approximately an additional \$24,000.

The proposed savings would be \$27,000 with just replacement of a director and \$51,000 if both positions are replaced by Community and Economic Development staff.

Period of Contract

The Department proposes this contract would be for a 24 month period with a termination clause at the end of 12 months. We recommend 24 months to lock in the rate for two years should the DDA and Development Department wish to continue the contract. As an employee of the DDA, the DDA may choose to sever the contract with 30 days' notice. As a contractor to the DDA, the Department may choose to end the contract with 120 days' notice, if the department cannot fulfill all of their duties to the City and/or DDA.

This contract in no way changes or impacts the Intergovernmental Agreement between the City and the DDA. The DDA would continue to pay rent for the offices in City Hall, Accounting Services for the oversight of the budget, its own office supplies, training events, etc. The use of leasing the DDA office will continue to be required because of the files and storage needs that City Hall could not accommodate.

The attached contract only deals with the services of Executive Director and administrative services to be offered by the Department.

The DDA reviewed and approved this contract on February 11, 2016.

Mr. Barr, City Attorney, reviewed and approved the proposed contract for substance and form. Human Resources has reviewed and recommended approval of the contract.

RECOMMENDED ACTION: Staff recommends Mayor and City Council approval to enter into the proposed Administrative Services Contract with the Ypsilanti DDA and the Community and Economic Development Department for Executive Director Services.

ATTACHMENTS: Administrative Services Contract

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2015 - 031
02/16/2016

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The Community and Economic Development Department seeks to provide Executive Director and administrative services to the Ypsilanti DDA ; and

WHEREAS, the Ypsilanti DDA seeks to enter into an Administrative Services Contract for the services of the Community and Economic Development Department; and

WHEREAS, The City of Ypsilanti approves of the use of City staff for a 24 month contract for services to the Ypsilanti DDA with compensation.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs the Mayor and City Clerk to enter into an Administrative Services Contract for 24 months for the Community and Economic Development Department to be employed by the Ypsilanti DDA as the Executive Director and administrative services.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



MEMORANDUM
6/20/16

To: City Manager, Mayor, and Council

From: Beth Ernat, Director of Community and Economic Development

Subject: DDA Administrative Services Contract and stipends

SUMMARY & BACKGROUND: The Ypsilanti Community and Economic Development Department ("Department") and the Ypsilanti DDA entered into an agreement on February 16, 2016 with an effective date of February 18, 2016.

The City Council approved a resolution on February 16th, directing the Mayor and City Clerk to enter into an Administrative Services Contract for 24 months for the Community and Economic Development Department to be employed by the Ypsilanti DDA as the Executive Director and administrative services.

The Department was chosen to provide services as it was able to reduce duplication of staff time and provide dedicated time and resources to the DDA.

The Approved Intergovernmental Contractual Services Agreement between the YDDA and the City of Ypsilanti signed February 16, 2016 by the Mayor and City Clerk set forth may important factors:

Agreement, Section 2, Duties. "...The City shall assign employees to perform this contract, including the assigned employee of the Department to regularly attend YDDA Board meetings and sub-committee meetings as requested...

Section 5. Consideration. "The YDDA shall pay not less than \$58,000 per year, payable in even monthly installments to the City. Installments to equal \$4,833.33 per month, payable in arrears on or about the 28th day of each month.

Section 7. Assignment of Personnel. "The Director of Community and Economic Development (Director) shall be responsible for the assignment of personnel to carry out the terms of this agreement and notify the YDDA. The Director shall notify the YDDA of any personnel changes within thirty (30) days or sooner if possible. The City shall provide staff support of not less than a total combined amount of 30 employee hours per week. Employees of the City shall not be employees of the YDDA and no officer, official, volunteer or employee of the YDDA shall be an employee of the City because of this agreement of the performance thereof.

As provided in the February 16, 2016 Request for Legislation:

Department Responsibilities and Structure

The current structure of the Community and Economic Development Department is as follows:

Beth Ernat – Director of Community and Economic Development and Building Department. Beth has a background in Community and Economic Development and planning. She most recently held the position of DDA Director for the City of Saginaw. As DDA Director, she recruited Delta College to construct a downtown campus, oversaw the demolition of five (5) DDA structures, and recruited and assisted in the approval of CRP grants for a \$5 million historic renovation and the start of a \$15 million dollar indoor/outdoor farmers market and business incubator in Downtown Saginaw.

Joe Meyers – Community Development and Planning Manager. Current responsibilities include community development and neighborhood based planning and implementation strategies. Oversees all Planning and Zoning activities; Finds and explores grant opportunities; works with Parks and Recreation Committee to improve and enhance community parks. Joe comes to the City from MEDC as a Redevelopment Ready Communities facilitator. Prior to the MEDC, he worked as a County Assistant Administrator in Antrim County. Joe has excellent contacts within the state department and knowledge of best practices for municipalities.

Bonnie Wessler – City Planner. Prepares and oversees execution of planning activities in the city. Provides staff support to the Plan Commission and Zoning Board of Appeals; works directly with regional planning and transportation initiatives and projects. Bonnie has been with the City of Ypsilanti for over five (5) years and has worked in public and private practice as a City Planner. She is the City's GIS Administrator and has great experience in mapping and data collection.

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Costs:

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The base pay of the existing Director is approximately \$57,000, but with benefits and retirement, the cost of the Director is \$85,000. The DDA budget still includes a part-time position which equates to approximately an additional \$24,000.

The proposed savings would be \$27,000 with just replacement of a director and \$51,000 if both positions are replaced by Community and Economic Development staff.

Overlapping functions:

As mentioned on several occasions and throughout all of the communications, the reason for creating this contract is to reduce overlapping functions and streamline processes. Both the City and the YDDA have a stake in ensuring the health and vibrancy of the largest business district in the City (YDDA – Downtown, Depot Town, and West Cross). Prior to February, both the YDDA and Community and Economic Development Department (CED) were tracking parking, meeting with interested businesses, discussing available incentives, seeking new revenue sources, providing lists of available properties.

Up until February, CED staff was providing the technical mapping functions to the DDA with no charge and not stipend. These were not assigned duties, GIS map creations were provided as assistance to the YDDA when time was available.

The CED was providing and keeping up the list of available properties and giving the listings to the YDDA for their website without compensation.

When the opportunity became available to seek additional compensation for work being done above and beyond the job description it was prudent to seek the compensation.

New Functions:

The new functions taken on by CED staff as part of this Contract are, downtown garage enclosure maintenance and planting/watering maintenance contracts, review of grant applications, preparation and review of YDDA budgets, and monthly bill payments and reconciliation.

Ultimate Goal:

By including the DDA in the CED department the ultimate goal is to ensure that all of the economic development efforts are heading in the same direction, streamlining services, and using the little services we have to the biggest advantages.

Staff compensation/Stipends:

The Attached chart shows the breakdown of staff compensations made effective February 18, 2016. The City Manager recommended and approved the use of stipends as the increased revenue for services was based on a contract. Each employee signed an agreement understanding the compensation was tied to additional work to be performed above and beyond their current assignments and compensation would only be provided based on maintaining the contract with the YDDA.

Changes to the attached stipend schedule:

1. There is no intern working on DDA assignments.
2. Rasheed Atwater is paid entirely from the DDA funds and works 24 hours a week for the DDA and not for Planning.

The internal method for reporting and tracking time is similar to what we do for grant hours that are billed as in-kind hours.

Current pay and hours dedicated to DDA:

If there was no overlapping functions based on staff assignment the following staff time would be considered lost:

Employee 1. \$25.48/hr x 15 hours = \$382.20 weekly
Employee 2. \$32.69/hr x 5 hours = \$ 163.45 weekly
Employee 3. \$23.08/hr x 2 hours = \$46.16 weekly
Employee 4. \$15.38/hr x 2 hours = \$30.76 weekly
Employee 5 \$25.02/hr x 2 hours = \$50.04 weekly
Total = \$672.61 weekly

City of Ypsilanti received \$10,000 annually from the DDA contract to cover any loss from non-overlapping duties.

Wage and Benefit Breakdown - Economic Development and Planning Department

Employee	Proposed Wages		Fed Tax	State Tax	Pension	Total Wage and Fringe	
	Hourly Rate	Annual Wage				Work Comp	
			7.65%	4.25%	6.13%	1.50%	
Ernat	\$ 32.69	\$ 68,001	\$ 5,202.11	\$ 2,890.06	\$ 4,168.49	\$ 1,020.02	\$ 81,282
Meyer	\$ 25.48	\$ 53,000	\$ 4,054.54	\$ 2,252.52	\$ 3,248.93	\$ 795.01	\$ 63,351
Wessler	\$ 23.08	\$ 47,998	\$ 3,671.85	\$ 2,039.92	\$ 2,942.28	\$ 719.97	\$ 57,372
Kochanek	\$ 15.38	\$ 31,999	\$ 2,447.90	\$ 1,359.95	\$ 1,961.52	\$ 479.98	\$ 38,248
Schuette	\$ 25.02	\$ 52,048	\$ 3,981.66	\$ 2,212.03	\$ 3,190.53	\$ 780.72	\$ 62,213
Atwater	\$ 12.00	\$ 12,480	\$ 954.72	\$ 530.40		\$ 187.20	\$ 14,152
							\$ 316,619

Employee	Current Wages		Proposed Increase	Total New Wage	Hourly Rate	Fed Tax	State Tax	Pension	Total Wage and Benefits	
	Hourly Rate	Annual Wage							Work Comp	
						7.65%	4.25%	6.13%	1.50%	
Ernat	\$ 32.69	\$ 68,001	\$ 7,500	\$ 75,501	36.30	\$ 5,775.86	\$ 3,208.81	\$ 4,628.24	\$ 1,132.52	\$ 90,283
Meyer	\$ 25.48	\$ 53,000	\$ 9,500	\$ 62,500	30.05	\$ 4,781.29	\$ 2,656.27	\$ 3,831.28	\$ 937.51	\$ 74,737
Wessler	\$ 23.08	\$ 47,998	\$ 4,000	\$ 51,998	25.00	\$ 3,977.85	\$ 2,209.92	\$ 3,187.48	\$ 779.97	\$ 62,178
Kochanek	\$ 15.38	\$ 31,999	\$ 4,000	\$ 35,999	17.31	\$ 2,753.90	\$ 1,529.95	\$ 2,206.72	\$ 539.98	\$ 43,047
Schuette	\$ 25.02	\$ 52,048	\$ 4,000	\$ 56,048	26.95	\$ 4,287.66	\$ 2,382.03	\$ 3,435.73	\$ 840.72	\$ 67,021
Intern			\$ 2,500	\$ 2,500	10.12	\$ 191.25	\$ 106.25		\$ 37.50	\$ 2,845
Atwater *	\$ 12.00	\$ 15,600	\$ 6,000	\$ 21,600	16.62	\$ 1,652.40	\$ 918.00		\$ 324.00	\$ 24,511
		Total Wage Inc.	\$ 37,500							\$ 364,622
		Total Fringe Inc.	\$ 10,503							

Total Wage and Benefit Change	\$ 48,003
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* 25 Hours



Resolution No. 2017-142
June 13, 2017

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: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE: