



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

I. CALL TO ORDER –

The meeting was called to order at 7:01 p.m.

II. ROLL CALL –

Council Member Bashert	(7:04)	Present	Council Member Robb	Present
Mayor Pro-Tem Brown		Present	Council Member Vogt	Present
Council Member Murdock		Present	Mayor Edmonds	Present
Council Member Richardson		Present		

III. INVOCATION –

Mayor Edmonds 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. INTRODUCTIONS –

None

VI. AGENDA APPROVAL-

Council Member Murdock moved, seconded by Mayor Pro-Tem Brown, to approve the agenda.

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

VII. AUDIENCE PARTICIPATION –

1. Robert Peto, Ypsilanti Police Department, 505 W. Michigan, stated he has concerns about the current contract negotiations. The negotiations have sparked a panic in the Police Department which could result in catastrophe to the department. He explained the department is understaffed and struggling, and potentially four to five officers could be leaving by the end of this month. He asked City Council to have a special meeting to address this issue immediately, and suggested the current contract be extended six months to a year because of possible changes that could occur in that time. He urged Council to look into the negotiations to understand what is causing the panic. The potential of losing five officers at the same time would leave officers with only five years of experience on the force. He explained among the officers that might leave are the training officers making it difficult to train new officers.

2. John Scharpenberg, 728 Harriet, stated he is concerned for the law enforcement of the City of Ypsilanti and potential cuts. He said if there aren't people to protect residents there is not much of a city. He said there must be other places in the budget to make cuts than police and fire. He worries about the safety of officers when there is so few. He says he is not certain where city money is going but he sees a lot of wasted dollars.

Mayor Pro-Tem Brown stated she had a strong reaction to the notion the Police Department might lose five experienced officers at the end of this month. She said the department is already operating with much fewer officer than it should. She said Council needs to take a pause and have further discussion. Something must be done before the City finds itself without an effective police force.

Council Member Richardson stated there are a lot of officers in attendance, and she would like to thank them and congratulate those that are retiring. She said for those she has known and worked with over the years she appreciates their hard work. She thanked Mr. Schrapenberg for attending and voicing his concerns. She said over the years Council has tried to do what it could for the Police Department. If city funds are really examined it would prove Council has done what it could. The problem is the state not participating in revenue sharing, and providing cities what is owed to them. She asked for citizens to call their representatives at the state to begin revenue sharing.

Council Member Bashert stated she hopes officers in attendance will stay for the discussions of the budget to see the efforts to try and make this budget work. She said Council is deeply committed to the safety of the City, which includes the Police Department. She stated there are possible developments in the works that could improve the economic viability of the City, but if those are successful they will not benefit the City for at least five years. She said on August 8th the City will hold a Water Street Debt Millage, which needs to be approved. However, even if approved the City will not see that money for another year.

VIII. PRESENTATIONS –

IX. REMARKS FROM THE MAYOR –

- Stated she is glad officers are here tonight, and understands this is not what they want to do on their off night. She thanked them for their service and encouraged them to stay for discussion and see how painful it is. She said formal amendments will be made tonight, one being to not cut the body camera program. She said Council will take it into consideration the role Council needs to play in ongoing contract negotiations.

X. CONSENT AGENDA –

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017 – 141, urging support for the conference report on State Bill 142.

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: Mayor Pro-Tem Brown

SECONDED BY: Council Member Murdock

City Manager Darwin McClary stated the state legislature has come to a tentative agreement on the budget, which does include a 2.5% increase in state revenue sharing. He said a correspondence was sent to the state informing them the City does support this increase, but it is still important to adopt this resolution and forward it to the state. He explained even if this increase is approved it does not restore the cuts that have taken place.

On a roll call, the vote to approve Resolution No. 2017-141 was as follows:

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

VOTE:

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

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.

Mr. McClary stated the analysis Council received from Fiscal Services include all the amendments made to the proposed budget thus far. The second page contains all proposed changes Council has made since the budget was submitted. At this point the City is looking at a budget shortfall of around \$69,000, which takes revenue estimates into account. Mayor Edmonds asked if that amount is assuming all proposed amendments are passed. Mr. McClary responded in the affirmative.

Council Member Robb proposed making amendments at the next regularly scheduled meeting on June 20th rather than a special meeting with little public attendance. Mayor Edmonds did not find an issue with that proposal.

Council Member Murdock stated he thought Council would have been provided greater information regarding the proposed amendments. He asked if the City Manager felt the Council proposed amendments were realistic. He explained the Police Department proposed budget has created difficulties in the union negotiations, but there is minimum requirements for staffing levels the City should meet. Mayor Edmonds agreed that the City Manager should provide his insight on Council proposed amendments. Mr. McClary responded that was his intention for tonight's meeting.

Mr. McClary stated the police body cameras is an annual expense of \$13,344 to purchase and maintain, which would require additional revenue or cut to offset the expense.

Council Member Murdock asked if the City decided not to participate in the program this year it becomes more difficult to catch up with the cost. He asked if it is the City Manager's intention to abandon the program completely. Mr. McClary responded the cost of the program will grow regardless of when the City is able to participate in the program. Mr. Murdock replied every year that goes by would mean the City would have more to replace. Mr. McClary responded the Chief has included equipment replacement and software upgrades in the cost projections. Mr. Murdock asked for clarification of why the City needs to discontinue the program. Mr. McClary responded to balance the budget, he explained direction to the department was to begin with the most discretionary items and move to less discretionary items. He stated this an item the Chief identified as an item that could be removed from the budget, not because it isn't a priority but because it isn't as high a priority at other items in the Department. Mayor Edmonds stated this is a non-negotiable item for many members of Council. Mr. Murdock stated Council has supported this program from its inception as has the Police Department. He asked if this item is removed from the budget is the body camera program eliminated. Council Member Robb stated it would be eliminated because of ever changing technology, and added in two years when the cameras become obsolete they become useless. Mayor Pro-Tem Brown asked if the current program continue with the current technology. Chief DeGiusti responded the program would be canceled, because the program requires ongoing software maintenance and licensing. He added in addition cameras would need to be replaced as they become damaged throughout the year. Mr. Murdock asked if putting this item back in the budget will maintain the program.

Mayor Edmonds asked for a review of what the police accreditation program is. Chief DeGiusti provided an overview of the program.

Mayor Edmonds asked what would be the value of the accreditation. Chief DeGiusti responded its recognition of the organization and includes kickback from insurance companies. Council Member Bashert asked for an estimate of the amount of the kickback. Mayor Pro-Tem Brown stated the Task Force heard many comments asking for the Police Department continuously and update police policy. Chief DeGiusti responded it will still be the responsibility of the Department to maintain those policies. Ms. Edmonds asked if there are other departments in the County going through this process. Chief DeGiusti replied not this particular accreditation but Ann Arbor is going through something similar. Ms. Edmonds asked if it will help to recruit or retain officers. Chief DeGiusti responded anytime the professionalism of a department is raised it can have that affect. Ms. Brown asked how a drop in staffing levels would impact the Police Department completing necessary updates to its policies. Chief DeGiusti responded the accreditation would only add to his workload.

Mayor Edmonds asked for overtime projections. Chief DeGiusti responded \$250,000 has been budgeted, but it will be very difficult to stay within that amount. Ms. Edmonds asked if the budget is amended to add another officer if the overtime could stay in that threshold. Chief DeGiusti responded any help the department can get would be appreciated.

Council Member Murdock stated the City has an intergovernmental agreement with the DDA to finance a DDA district officer. Council was informed that officer could no longer be allocated if staff levels were reduced, but if done it would violate that contract. He asked if the budget is increased to include an additional officer could that contract could be honored. Chief DeGiusti explained the shifts are staffed first and it would leave only two detectives, but the more officers that Council budgets for the more the Department can do. Mayor Edmonds stated the DDA also has budgetary issues and it would be unlikely for it to pay for a service it is not getting. Council Member Robb asked if the City does not provide a service in that contract can the DDA cancel the entire contract. City Attorney Barr responded if the officer is not provided it would be a breach of contract and the DDA could sue the City. Mr. Murdock responded the contract was a result in the approval of the Depot Town TIF approval, which would be void if the contract is revoked.

Mayor Pro-Tem Brown stated the City needs more officers, she wants the officers to stay healthy and feel supported. Council Member Robb asked if there are budget offsets for this proposal. Ms. Brown responded no. Mr. Robb asked if the goal is to have a balanced budget, and said the City is asking voters to pass a millage this August and the public is saying it does not trust Council with their money. He said it is very important Council has a balanced budget otherwise Council has no credibility. Ms. Brown agreed with the importance of balancing the budget, but Council's credibility is wavering regardless of a balanced budget. She said safety is a great concern for all residents and if an increase is made to provide greater safety she is okay with that because it shows Council cares about the residents and not just about numbers. Mr. McClary stated there are structural and one time budgetary shortfalls, and operational reoccurring expenses need to be balanced. The \$69,000 shortfall can be offset by management of proposed capital expenses, however, the City does not have much in terms of funding for these projects. Mayor Edmonds replied the \$69,000 shortfall is based on the acceptance of all proposed amendments, which she does not support. She said if there is a consensus in Council regarding policy decisions offsets can be provided during the next stage of budget approval. Mr. McClary responded then this conversation would need to happen all over again, ultimately priorities are set be Council and it must make those final decisions.

Mayor Pro-Tem Brown asked if the Police Department accreditation process could begin next year of it is funded. Chief DeGiusti responded in the affirmative. Ms. Brown stated she would be willing to remove her proposal to add the accreditation process to this budget if it could be revisited in the future. She said her greatest concern is body cameras and an additional officer.

Council Member Murdock stated the Water Street Debt has not been thought of as an operational expense over the past several years. He explained Council decided to hold two years in payments of that debt as part of the fund balance. He said he believes the City can use some of the fund balance to fund services in the meantime. Council Member Bashert stated she agrees the budget should be balanced but believes there is enough room to do that. She said she does not agree with every line item that was presented and does not foresee the \$69,000 shortfall as the final number.

Council Member Vogt asked if the projections for revenues and expenditures are realistic. Mr. McClary responded he has no reason to question the accuracy of the projections, and he believes they are conservative. Mr. Vogt responded he is cautiously optimistic the projections are low and might turn out to be more positive. He suggested the City continuously assess all of its fees and fines to ensure they are effective. Mayor Edmonds asked if City Clerk McMullan was comfortable with the proposed fines and estimations proposed by Council Member Robb. Ms. McMullan responded in the affirmative, and explained staff has begun to request estimates from title companies and temp agencies and match those projections. Ms. Edmonds asked if time to get these items in place are factored into the estimations. Ms. McMullan responded it is attainable. Council Member Murdock stated this budget does not assume any changed fees. Ms. McMullan replied she believes the residential parking permit increase is included in the proposed budget.

Council Member Murdock stated Council Member Robb is proposing a surcharge be attached to all parking tickets. Council Member Robb responded no, that is what he wanted to be included in the

request for proposals for a parking collections agency. He said his proposed amendment is calculated by assuming an increase in meter tickets and residential parking tickets. The amendment is based on his numbers and once a fee schedule is submitted for approval he will propose changes to these parking fines. Mr. Murdock asked if the fee scheduled will be submitted for approval soon.

Council Member Vogt stated he believes the fee for police accreditation should be differed, but it seems there is a choice to alter projections slightly higher. Council Member Robb asked what the rationale for that increase is. Mr. Vogt responded because those changes are planned to be made.

Council Member Murdock asked if there were recommendations in fee changes. Ms. McMullan responded in the affirmative. Mr. Murdock asked if the fee increases are included in the budget, and when the Fee Schedule is brought to Council he would like justification for the increases. Mr. McClary responded most of the Fee Schedule increases are not included in the budget. Council Member Vogt asked for projections including the proposed fees. Mr. McClary replied in the affirmative, but staff will still provide conservative projections with those assumptions.

Council Member Richardson stated she would like to see the budget balanced without dipping into the General Fund, or removing capital projects to cover budgetary shortfalls. Mayor Edmonds asked what proposed cuts would balance the budget. Ms. Richardson responded she isn't sure what cuts can be made but the budget must be balanced. She added the solution might not be to strike an entire line item, but reduce several line items.

Council Member Bashert asked if the City has received the funds from Mr. Barfield for the Parkridge Center. Mr. McClary responded the City just received a contribution from Mr. Barfield for the current year. Ms. Uy stated staff recently sent an invoice to Mr. Barfield. Mayor Edmonds asked if the invoice was sent for last year or the current year. Ms. Uy responded for the current year. Ms. Edmonds asked if previous years will be invoiced. Mr. Barr stated the contract was not approved until January of this year, so this year will be the first year of the contribution. Ms. Edmonds stated she recalls there was a whole in the budget because previous contributions were not made. Mr. Barr responded that is a possibility, however the contract was amended several times. Ms. Bashert asked if there was a line item in past budgets for this contribution. Ms. Uy responded last year the City was supposed to receive \$11,000. Ms. Edmonds asked if the City received that contribution. Ms. Uy responded no.

Council Member Bashert asked for clarification regarding the proposed removal of the Downtown Development Authority stipends. Economic Development Director Ernat responded she provided information on the contract the City holds with the DDA. The Community and Development Department made a proposal to the DDA for a stipend of \$10,000 in the General Fund. If the stipend was eliminated the contract as a whole would be eliminated, which would cease additional funding to the City because staff would no longer be willing to preform that work without a stipend. Council Member Robb stated the contract approved in February of 2016 did not include a stipend, and was not mentioned in the Request for Legislation for the contract. Ms. Ernat responded the City Manager at the time made the decision on how employees would be paid for the additional work. She added the stipend was included in the next memo sent to Council regarding that contract. Mr. Robb replied the contract was approved on February 16, 2016 and at the time there was no mention of a stipend and was not added into the budget until FY 2017. He said his goal is to balance the budget without an employee losing their job, and Community and Economic Development took no budget cuts this year. Mr. Robb stated he has other proposal and mentioned canceling the DDA contract removing the need for the stipends, DDA staff, and he would recommend removing the associate planner. The reason he is proposing that is because the City does not have money, and it is his goal to not have to lose employees. Ms. Ernat responded she does not see cost savings in eliminating the contract because the contract is 100% funded by the DDA. She explained the stipends are not coming out of the General Fund, and if staff is unable to perform the 120 hours of DDA tasks a week it would cancel the contract. Staff took on that work knowing they would be compensated through the stipends, and if that contract is canceled there is no net gain to the City. She said she understand the City is stretched thin, but the Associate Planner brings in significant amount of revenue, as it know performs the Historic District Commission functions, which doubled its performance

this year. The tax rates have begun to increase and if the City loses its Associate Planner that work will halt. Mayor Edmonds stated she does not agree with Council Member Robb. Council Member Vogt stated he feels it is a wash, which is his understanding of when the contract was negotiated. He said having less conservative fines and fees projections would balance the City's budget.

Council Member Robb stated the DDA pays the City \$58,000, which is what the City would lose if the contract was canceled. If there is no contract with the DDA the City will not need to pay the stipends that amount to \$29,000 creating a \$29,000 deficit. If there is not a DDA contract the DDA coordinator would not be needed saving the City \$25,298 annually. Ms. Ernat responded all of that comes out of the DDA contract of \$58,000. Council Member Bashert stated she does not feel it is a smart move for the City to eliminate the DDA. Council Member Vogt stated the DDA contract was an extremely difficult negotiation that took a great deal of balancing interests. He does not want to harm the relationships that have taken time to mend for something that is not necessary. Mayor Edmonds asked if anyone is in support of Council Member Robb's amendment. Mr. Robb stated he is going to move this amendment and is willing to share the numbers with Council.

Council Member Murdock stated it is difficult to envision the City staffing a DDA dedicated police officer without a budgetary shortfall. Mayor Edmonds asked staff to provide an implication of how the proposed Fee Schedule would affect the budget. Mr. McClary stated if there is still a shortfall once the budget is approved he will recommend removing the funds set aside for the Peninsular Dam. Mr. Murdock suggested using the money set aside for the debt payment to cover the shortfall.

Mayor Edmonds asked if there was a general consensus on adding \$95,000 to the budget for an additional police officer. Council Member Vogt and Mayor Pro-Tem provided agreed to the amendment. Ms. Edmonds asked if there was any additional support. Council Member Bashert stated she is both uncomfortable to add and remove it from the budget, and she would like to see what ramifications the proposed Fee Schedule will have on the budget.

XII. AUDIENCE PARTICIPATION –

1. Lee Tooson, 107 Middle, stated as a resident of this City he is concerned with safety, and he is not pleased in the direction the City Manager is taking the City. The Police Department must themselves be safe and secure in order to provide affective service to the City. He said if the situation continues in this direction he believes there will not be a Police Department to keep Ypsilanti residents safe. He said since the Supreme Court ruled in favor of same sex marriage hate crimes have increased, and Ypsilanti has a large gay community. If the Police Department is cut who will protect that population of the City. He implored Council to ensure the City will not lose any of its officers. The NAACP is calling for a meeting with the City Manager and Council as it pertains to this issue.

XIII. LIASON REPORTS –

- A. SEMCOG Update - None
- B. Washtenaw Area Transportation Study – Meeting next week
- C. Urban County – Ms. Ernat stated there will be a resolution on next week's Council agenda to make amendments to the Urban County Cooperative Agreement.
- D. Ypsilanti Downtown Development Authority – Meeting scheduled for Thursday, June 15th.
- E. Eastern Washtenaw Safety Alliance - None
- F. Police-Community Relations/Black Lives Matter Joint Task Force – Mayor Pro-Tem Brown stated Council stated they wanted to meet to discuss the formation of a review board. She said a date has never been proposed to work through that matter. Mayor Edmonds asked if Council would like to schedule a work session in July to discuss this matter.
- G. Friends of Rutherford Pool - None

- H. Housing Equity Leadership Team - None
- I. Economic Development Coordinating Committee – Mayor Edmonds stated there has been a great deal of progress from this body including; eastside business attraction, education and skills training, and equitable economic development.

XIV. COUNCIL PROPOSED BUSINESS –

Vogt

- He has spoken with DPS Director Kirton about the hidden driveways signs on Hewitt have disappeared.
- He requested an explanation from staff regarding the administration fee charged by Budget Towing.

Bashert

- Stated she recently purchased a “Black Lives Matter” flag to donate to the City to hang in the chambers.
- She and Council Member Vogt have a town hall meeting scheduled at the Senior Center for tomorrow night, June 14th at 7:00 p.m.

Richardson

- Asked for a street name just east of Park on Grove.

Mayor Edmonds stated it is Farmer St. Council Member Richardson asked for a sign to be put at that corner.

XV. COMMUNICATIONS FROM THE MAYOR –

None

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

- An offer has been extended to an applicant for the Human Resources position. During the June 20th meeting he will be requesting Council to restructure the position to be purely Human Resources and not Assistant City Manager/Human Resources.

Mayor Edmonds asked what the plan for the Assistant City Manager position is. Mr. McClary responded he will not be looking to fill the position.

XVII. COMMUNICATIONS –

Nominations:

Zoning Board of Appeals

Jake Albers
1533 Collegewood St
Ypsilanti, MI 48197
(Reappointment)

Francisco Garcia
26 N Huron St.
Ypsilanti, MI 48197
(Reappointment)

Jennifer Symanns
525 Fairview Cir
Ypsilanti, MI 48197
(New appointment)

John Bailey
514 Fairview
Ypsilanti, MI 48197
(Reappointment, **Alternate**)

Tom Roach
912 Pearl
Ypsilanti, MI 48197
(Reappointment, **Alternate**)

XVIII. REMARKS FROM THE MAYOR –

None

XIX. ADJOURNMENT –

Resolution No. 2017-142, 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

On a voice vote, the motion carried, and the meeting adjourned at 9:02 p.m.