

1. Council Meeting Agenda

Documents:

[JUNLY 18TH AGENDA.PDF](#)

2. Council Meeting Packet

Documents:

[JULY 18TH COUNCIL PACKET.PDF](#)

3. Council Action Minutes

Documents:

[ACTION MINUTES 07-18-17.PDF](#)



**CITY OF YPSILANTI
CITY COUNCIL MEETING AGENDA
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, July 18, 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 –

- Fiscal & Operational Improvement Report – SEMCOG Representatives Dave Boerger and Ray Riggs
- Medical Marijuana Update – Bonnie Wessler, City Planner
- 800 Lowell Update – Beth Ernat, Economic Development Director

IX. REMARKS FROM THE MAYOR –

X. CONSENT AGENDA –

Resolution No. 2017-162

1. Resolution No. 2017-163, approving appointment to Boards and Commissions.
2. Resolution No. 2017-164, approving minutes of June 6 and June 13, 2017.
3. Resolution No. 2017-165, approving the Tie Michigan Teal campaign in the City of Ypsilanti.

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS –

1. Resolution No. 2017-166, approving assignment of audit from Abraham & Gaffney, P.C. to Yeo CPAs & Business Consultants, and approving consent letter that audit records be transferred to Yeo & Yeo CPAs & Business Consultants.

2. Resolution No. 2017-167, approving renewal of property and liability insurance coverage for 2017 with the Michigan Municipal League (MML).
3. Resolution No. 2017-168, approving towing contract with Wall Street Towing, Inc.

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. 2017-169, adjourning the City Council Meeting.



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July 14, 2017

Darwin McClary
City Manager
One South Huron St.
Ypsilanti, MI 48197

Mr. McClary,

At your request, SEMCOG's Local Government Effectiveness Team has completed a Fiscal and Operational Assessment of the City of Ypsilanti, which was initiated at a meeting with you and your staff on May 9, 2017. Based upon the discussion at that meeting, we met with the department heads of the City's Police, Fire, Public Services, Community & Economic Development, Clerk, Human Resources, and Finance Departments with the intention of identifying recommendations to improve the effectiveness and efficiency of each department.

The enclosed report documents our findings and recommendations. Please note that each department head has reviewed and provided input on the contents of the report pertaining to their department.

Wherever possible, SEMCOG uses comparable benchmarks to assess the effectiveness and productivity of a local government when conducting an assessment like this. Measuring specific municipal performance indicators and collecting comparable data from other communities that exhibit both effective operations and efficient costs levels has allowed SEMCOG to develop benchmarks that can readily be used to accurately assess local governments. Benchmarks referenced in the attached report represent the best 20 percent of communities in Southeast Michigan, while the average data included is just that – the average of communities within the region. Through our work with more than 160 local governments across the region, SEMCOG also learns about and documents best practices put in place by other communities. As a result, in addition to the benchmark data, any applicable best practices from our database have also been incorporated into the report.

However, a word of caution must be given regarding benchmarks and best practices. There is a wide variety in service demands and services provided from community to community, so the benchmark and best practice information should be used as a guide rather than a hard and fast indicator. That being said, where a wide gaps exists between the benchmark or best practice and that of the City of Ypsilanti, it is wise to consider and investigate those areas carefully.

In order to realize the benefits of the enclosed recommendations, a disciplined approach to pursuing and tracking progress on each will be required. Scheduling regular meetings with the department heads to facilitate the process is suggested to address issues and recognize successes.

Thank you for inviting our team to Ypsilanti, for making the arrangements and providing the meeting facilities. Your community is to be commended for taking the preemptive actions necessary to address the challenges and opportunities you face. As a valued SEMCOG member, Ypsilanti incurred no cost for the services we provided.

We appreciate the opportunity to work with you and your team and look forward to presenting these findings at your July 18, 2017, Council meeting.

Sincerely,

Mike Spence



Policy Planner, Executive Office
Southeast Michigan Council of Governments
313-402-9380
Spence@semcog.org

Encl.

Cc: Dave Boerger
Ray Riggs

Ypsilanti Fiscal & Operational Assessment Report

Southeast Michigan Council of Governments

June 14, 2017

Introduction

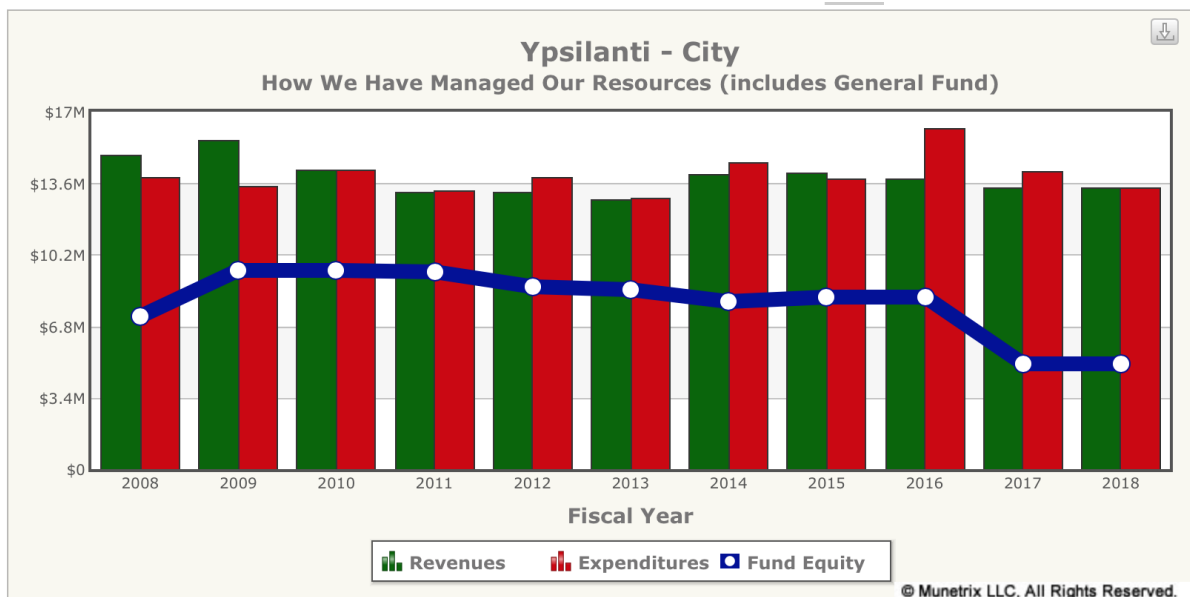
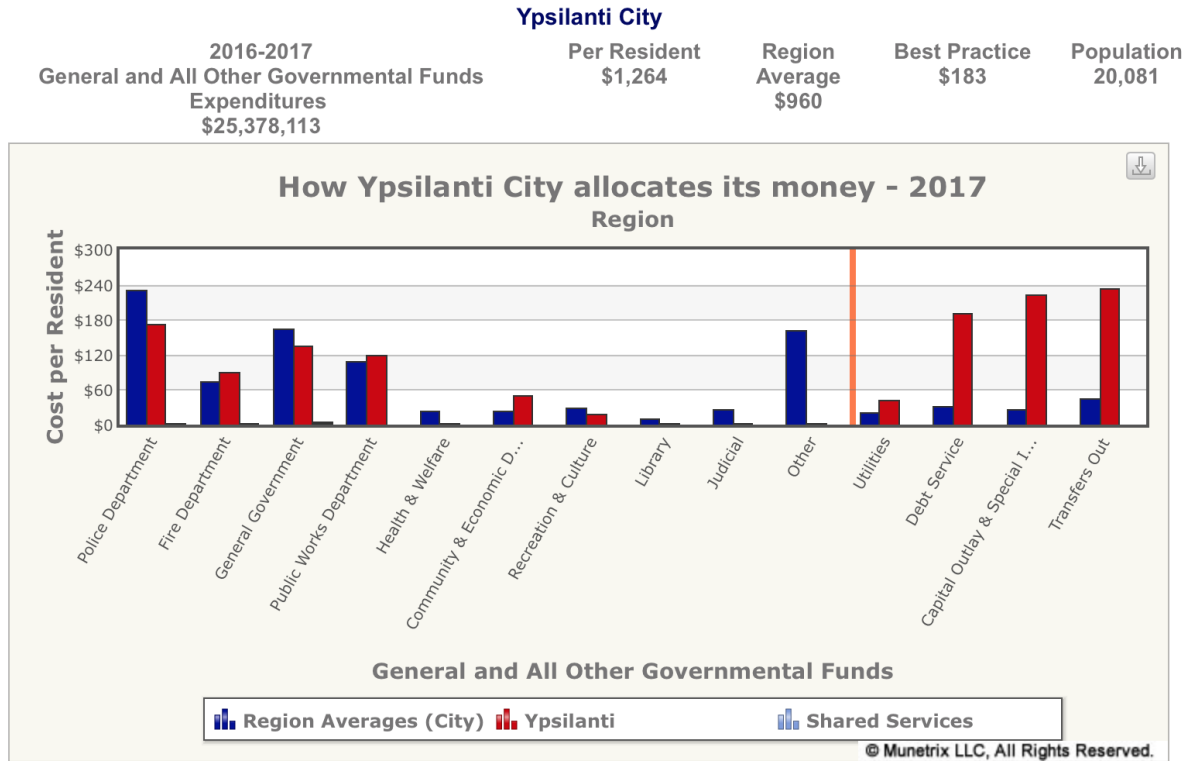
The City of Ypsilanti requested SEMCOG's Local Government Effectiveness and Collaboration team to provide a fiscal and operational assessment of the City as a whole along with each individual department. The process was begun on May 9, 2017 and completed on May 31, 2017. During that period, meetings were held with the City Manager, City Council and each department head, while also analyzing comparable performance indicators and best practices from top performing communities across Michigan to guide the assessment.

City-wide Assessment

As indicated in following chart, the City currently spends \$1,264 per resident annually versus \$960 for the average community within the region. Debt load, special items and transfers out represent the primary cost elements that are significantly higher than average. In order to help eliminate the structural deficits prevalent in recent budgets as shown in the second chart, and also to finance the City's staffing needs and capital improvement plan, the SEMCOG team recommends additional annual cost reductions and/or revenue enhancements of ~\$500,000. We also believe concurrently the services to your citizens can be enhanced by selective staff additions and capital improvements funded from these recommendations. In this regard, a citizen and business survey is recommended in order to help prioritize where to invest limited resources. SEMCOG can help in this endeavor.

The following department-specific reports include recommended actions that represent a roadmap to reach the above goals. The specific financial implications for each of the recommendations will have to be estimated by the appropriate department heads and Finance. After the department

recommendations, a number of comparable charts are provided to compliment and support our recommendations.



Departmental Recommendations

Administration

The City of Ypsilanti Administrative & General Government departments have a current budget of \$2,691,710 and are staffed by 10 full time personnel. The City's taxable value has grown 2.86% over the last year which indicates healthy economic activity; however, with the constraints placed on municipalities by the state due to reduced revenue sharing funds and Headlee/Prop A restrictions, revenues are not keeping up with expenses and as a result, the City continues it's structural deficit spending, although the gaps are decreasing.

These trends have had the greatest impact on capital spending, which has been and continues to be severely constrained. As a result, critical investments to improve services and efficiencies are not being made. That being said, City administrators have been very creative as they operate on razor thin budgets with outmoded facilities and equipment.

Administrative Benchmarks:

Measure	Benchmark	Regional Avg.	Ypsilanti
• Cost per capita	\$84	\$165	\$134
• FTE per 10,000 res.	22.4	36.4	5.0
• FTE per 100 municipal empl.	10.5	19.3	11.2
• Capital expenses per capita	\$73	\$146	\$17
• Base wage per avg. empl.	\$48,172	\$58,758	\$60,938
• Fringe ben. cost per avg. empl.	\$14,816	\$35,578	\$45,826
• Legacy cost per avg. empl.	\$9,723	\$11,722	\$22,502
• Fully fringed cost per avg. empl.	\$72,711	\$106,058	\$131,571
• TxV as percent of SEV	93.7%	84.2%	77.6%
• Fund bal. % of exp.	28%	17%	38%
• Fund balance ROI	0.75%	1.1%	0.2%
• Legacy fund ROI	10.3%	7.4%	6.5%
• Annual debt cost per capita	\$31	\$42	\$191
• Audit cost per \$1 mil of exp.	\$714	\$1156	\$1205
• Clerk revenues as % of exp.	56%	44%	57%
• Citizen satisfaction	90%	82%	NA

Based on the data, the Administrative department's cost levels are better than average while staffing is well below the benchmark. Capital expenses are well below average, while personnel costs are higher. Fund balances are higher than average while yielding a lower than average return. Citizen satisfaction cannot be compared since the City has not done a recent survey of its citizens and businesses.

Recall that the benchmarks represent data from the most effectively run communities, precluding those providing poor services as reflected in customer satisfaction survey results or poor fiscal indicator scores. The other supporting benchmarks presented can shed some light on the potential opportunities listed in the following section.

Recommendations

Re-quote all outside contracts and services by offering to extend the contract with current providers if costs can be lowered. Consider a 4-day, 10 hours per day city hall workweek schedule with at least one day open after normal business hours. Concurrently eliminate the individual stipends for DDA work in light of the benefit of a 4-day workweek and use the funds for much needed capital improvements. Make sure the Wayne County assessor is capturing accurate real estate values by working closely with the building department. Using John Kaczor's long-range financial plan as a basis, establish a multi-year budget with an integral and funded capital improvement plan. Update and amend at least twice a year. Mitigate double digit fringe benefit and legacy cost increases by working closely with outside healthcare providers and union officials. Transition to defined contribution benefits and Medicare retiree coverage for all new hires. Continue to pay down and restructure debt using available fund balances that are being invested at much lower yields than the interest rate on the debt. Show interest rates and term for each debt instrument in the budget documents. Diligently adjust all fees annually to factor in current fully accounted costs of provide such services, but do not overcharge. Gradually digitize all records for ease of searching and to save storage space. Shop for IT services since Washtenaw County's contract is expiring. Further consolidate functions and integrate roles and responsibilities within the Clerk/Treasurer

department. Council could pursue a charter amendment to fully integrate the two positions like many other communities in SE Michigan. Utilize lower cost part time personnel rather than incurring overtime or adding staff having costly benefits. Have all major purchases currently handled independently by other departments routed through a centralized purchasing representative to drive down purchased costs and commonize RFQ processes. Go to VOIP for telephone systems, having the carrier amortize the upfront costs via a long-term contract. Council could consider a Headlee over-ride vote where applicable to restore millages to original levels. Share more services with Washtenaw County, Ann Arbor, along with Superior and Ypsilanti Townships. Continue to aggressively sell city owned property to pay off the unfunded portion of the Water Street debt. Annually investigate debt-restructuring opportunities to reduce interest rates and extend terms, without incurring excess fees.

Community & Economic Development/Downtown Development Authority

The City of Ypsilanti CED/DDA departments have a current budget of \$1,320,250 and are staffed by 8 full time, 1 part time and 3 contract personnel. The City's taxable value has grown 2.86% over the last year, which indicates healthy economic activity made possible in part by the successful efforts of these departments.

CED/DDA Benchmarks:

Measure	Benchmark	Regional Avg.	Ypsilanti
• Cost per capita	\$43	\$76	\$66
• FTE per 10,000 res.	3.5	5.0	4.2
• FTE per 100 municipal empl.	7.0	10.2	9.4
• Cost per inspection	\$91	\$119	TBD
• % of bldg. perm. within 30 days	100%	56%	TBD
• Citizen satisfaction	90%	84%	NA

Based on the data, the department's cost and personnel levels higher than the benchmark, but below the average community. Citizen satisfaction regarding community & economic development cannot be compared since the City has not done a recent survey of its citizens and businesses.

Recall that the benchmarks represent data from the most effectively run communities, precluding those providing poor services as reflected in customer satisfaction survey results or poor fiscal indicator scores. The other supporting benchmarks presented can shed some light on the potential opportunities listed in the following section.

Recommendations

Develop a Citywide Community and Economic Development Long Range Plan to guide future activity and economic growth. Continue to aggressively market the developable property within the City and also sell city owned property to pay off the unfunded Water Street debt. Expand partnerships with other economic development agencies like SPARK, MEDC, Chamber of Commerce, EMU, Washtenaw County and neighboring communities. Parking will continue to be an issue as the economic development expands. Consider an RFP for an outside contractor to manage citywide-parking responsibilities including construction of a new parking facility. Digital recordkeeping and retention is inadequate and inefficient. Digitize more and more documents on-line or on upgraded servers, especially all newly created items, then gradually catch up digitization of records currently in storage. Pursue CED grants from multiple sources; many of which are documented on [SEMCOG's website](#). Contract with grant writing agencies for an indirect percentage of the funds eventually granted. Proactively target, invite & incentivize desirable business and commercial enterprises to locate in your City. Aggressively work to resolve issues with owners of long-term vacant buildings via blight control enforcement, fire inspections, condemnation, high-level meetings and other legal tactics to get action. Work with landlords to convert rental properties into owner occupied units. Have fire inspections performed by the Building department rather than handled by the Fire Chief. Eliminate overlap in responsibilities between the CED & DDA functions and make sure City is being compensated at a fully accounted level for services provided to the DDA.

Public Services

The City of Ypsilanti Public Services department has a proposed general fund budget of \$2,358,315, 4% lower than last year and is staffed by 21 full time personnel, essentially unchanged from the prior year. Energy efficiencies have been successfully implemented across the city by the Public Services departments, such as LED lighting, propane conversions, electric vehicle charging stations and solar panels to supplement electrical usage. The general fund subsidizes the refuse collection by \$102,000 while parking revenues do not cover expenses. Capital expenditures are restricted.

Public Services Benchmarks:

Measure	Benchmark	Regional Avg.	Ypsilanti
Cost per capita	\$54	\$107	\$117
Total FTE per 10,000 res.	14.8	30.4	10.5
Annual energy cost per sq. ft.	\$0.45	\$0.85	TBD
Refuse cost per capita	\$28	\$38	\$40
Fleet Maint. cost per capita	\$10	\$14	\$38
Water main breaks/leaks per mi.	0.14	0.28	TBD
Street PASER ratings	5.8	4.6	6.0

Based on the data, the Public Services department's cost levels are above average while staffing compares closely to the benchmark. Recall that the benchmarks represent data from the most effectively run communities, precluding those providing poor services as reflected in customer satisfaction survey results or poor fiscal indicator scores. Understanding why the costs are high while staffing is low will help to identify potential opportunities for cost savings. That being said, the other supporting benchmarks presented can shed some light on potential opportunities listed in the following section.

Recommendations

Service enhancements and cost reduction ideas for the Public Services department are presented in this section. The largest opportunity would be to obtain outside quotes for sanitation services that includes recycling and yard

waste pick-up since cost per capita for this area is well above the average community in SE Michigan. Similarly, pursue quotes for motor pool services from outside firms like Enterprise. Another area needing focus is the parking situation around the city. A detailed study is needed to improve this area. Making sure parking fees as well as other fees are adjusted annually to cover costs and avoid subsidies is suggested. Part time employees may provide needed help at lower cost than paying overtime to existing employees. Expand sharing of services with neighboring jurisdictions and EMU. And finally, continue pursuing grants, especially collaborative grants that have an 85% greater chance of approval than individual grant requests. Any cost savings accruing from these ideas should be channeled to capital improvements for the department, thus creating internal incentive to pursue cost savings.

Police

For the start of budget year of 2016-2017, the City of Ypsilanti police department was staffed by 32 sworn officers, 5 civilians as full-time employees (FTE) and 8 additional civilians as part-time employees (PTE). A mid-year budget adjustment resulted in a reduction of 3 FTE and 3 PTE. The FTE reduction all came from the number of sworn officers. The result is a current staffing level of 29 sworn officers and 5 civilians as FTE, and 5 additional civilians as PTE. Typically in emergency service provider organizations, when staffing reductions must be made in FTE, the staffing reductions should come from the civilian contingent so as not to reduce direct emergency service to the public. However, in Ypsilanti's case, the civilian staffing is at such a level that those cuts could not be made, and the cuts fell to the sworn officers.

When the last review was performed by SEMCOG in 2012, the police department FTE level was at 25 sworn officers and 4 civilians. This was a drastic reduction from 2010, when the department had 40 sworn officers and 9 civilians. While the current staffing level is an improvement over those in 2012, it continues to be well below the previous level.

Should the proposed staffing level for 2017-2018 be implemented, the levels will be reduced to 26 sworn officers and 5 civilians as FTE, with 5 civilian PTE. This

brings us very close to the 2012 levels. It's questionable whether the police department can operate effectively at these staffing levels.

Police Benchmarks:

Measure	Benchmark	Regional average	Ypsilanti
• Police cost per capita	\$169	\$329	\$239
• Personnel/10K population	11.8	24	15
• Personnel per 100 mun. empl.	22	24	34
• Operating costs per officer	\$98,423	\$168,739	\$154,830
• % of sworn to total police FTE	88%	80%	92%
• Police calls per 1000 population	301	575	703
• Violent crimes per 1000 pop.	1.3	4.4	8.3
• Property crimes per 1000 pop.	19	32	34
• Moving violations per 1000 pop.	198	147	92
• Calls dispatched per officer	287	287	455
• Police cost per call	\$343	\$588	\$340
• Cost per crime cleared	\$27,600	\$29,176	\$22,454
• Arrest per 1000 population	20	39.4	74
• Crimes cleared per officer	8	5.4	11
• % violent crimes cleared	79%	64%	29%
• % property crimes cleared	34%	27%	16%
• Training costs per officer	\$697	\$697	\$375
• Average age of police vehicles	4.6	3.7	3.5
• Avg. annual miles per vehicle	17,234	15,607	13,010
• Response times for priority 1	3.2	5.5	4.0

So where do we see the wide gaps, and how are they explained? We see that the police cost per capita is above the benchmark, but well below the regional average. The same is true for personnel per 10,000 population. So is that working; perhaps not as effectively as we would like?

First of all, the workload on the individual officers is excessive. While Ypsilanti police staffing per 10,000 population is 27% above the benchmark at 15 officers per 10K, it is well below the regional average of 24. When we look at the "Police calls per 1000 population", we see that Ypsilanti is 133% over the benchmark, and 22% over the regional average. Further, when we evaluate the "Calls

dispatched per officer”, Ypsilanti is 59% over the benchmark and the regional average. So we can see that each individual officer is extremely busy.

Busy doing what? The figure that really jumps out at us is the “Violent crimes per 1000 population”. There, Ypsilanti is experiencing a rate of 8.3, which is 538% over the benchmark and 89% over the regional average. Arrests per 1000 population in the City of Ypsilanti are above the benchmark and the regional average, 270% and 88% respectively. So the officers are doing all they can. However, despite their best efforts, they fall short in some significant categories.

Both the percentage of violent crimes cleared and property crimes cleared are well below the benchmark and the regional average. This seems to be due primarily to the lack of support in the detective division. Because of staffing issues, the patrol personnel on shift are responsible for investigating the majority of crimes, with the detective bureau handling only the major incidents. The sergeants are still responsible for road patrol and supervisory duties in addition to these investigations, and it is unreasonable to expect that he/she can perform all of these duties well.

We have just highlighted a few of the most significant benchmarks, but as one reviews all of them, gaps are typically explained by the high demand for service, and the low staffing. It must be remembered that the above benchmarks were calculated using the budgeted number of 31 sworn personnel. If calculated with the current 29 or proposed 26 sworn personnel, the gaps become even wider.

Recommendations

As demonstrated in the benchmarks, the major need for the City of Ypsilanti Police Department is additional staffing. While the major part of police response is reactive, responding to crimes or dangers in progress or investigating crimes that have occurred, another part of the mission of police departments is proactive. Crime prevention, community outreach, education, safety awareness are all part of the calling, and due to staffing challenges, very little of this is being done.

It would appear that the chief has done the best he can, given the circumstances. He has reduced overtime expenditures from \$409,000 in 2013 to \$250,000 currently without reducing the officers on the road by restructuring the

department. However the department is at the point where additional reductions would have a severe impact on service. As the benchmarks show us, the department is already struggling.

Officers being understaffed and working as hard as they do has predictable consequences. Ypsilanti may find itself as being a training ground for other departments as young officers gain experience, then leave for other departments where the workload is not as arduous. Morale will decline, which may result in difficulties in officer's personal lives as well as a potential liability to the city.

Additional needs besides staffing include capital expenses that have been deferred. The building that houses the police department is aging and in need of attention. While the age of vehicles that are in active road patrol is reasonable, the other vehicles that make up the police department fleet are older, high mileage vehicles. IT concerns should always be factored in when considering capital expenses, as technology changes so quickly. The biggest and most expensive component is typically dispatch, but the YPD has contracted out dispatch responsibilities to the County Sheriff Department, and this is going well.

Administrative help is another need the department has. The need for documentation and retention of records, FOIA compliance, etc. is voluminous. As a result of staffing reductions and workload, the lobby of the police department is closed to walk-in traffic for much of the week. Citizens need to come certain days at certain hours in order to be served. This does not result in high citizen satisfaction.

After review, the most pressing need of the police department continues to be staffing. When the chief was recently asked by council what number he would like if budget was not a concern, he presented a plan that would call for 41 sworn personnel and 9 civilian employees. This would seem to be the right size for this department based on the demand for service. It would result in 20 officers per 10,000 population, which is above the benchmark, but still below the regional average. It would bring the calls dispatched per officer down to 344, still above the benchmark and regional average, but it is a much more manageable number. This staffing level would enable more to be done on the proactive side of the equation, and would presumably increase the closure rate on crimes.

If staffing must be further reduced, the police department cannot be expected to maintain an adequate level of service. Other options such as collaborative efforts

with surrounding departments or the County Sheriff would need to be explored. If staffing is reduced and collaborative efforts are not incorporated, there will be predictable consequences. High turnover rate among officers, poor morale, inadequate service with the ensuing citizen dissatisfaction and higher crime rates would all likely occur.

Just as importantly, capital expenditures must be planned for. They can only be deferred for so long before the situation becomes untenable.

It is understood that the resources are limited and the decisions that must be made are difficult. However, the reality of the consequences must be considered.

Fire

The Ypsilanti Fire Department is staffed by 17 full-time firefighters, including the chief. The annual budget is \$2,656,720.

The department responds out of one station, which is able to cover the 4.5 square mile city within the NFPA (National Fire Protection Association) response time guidelines of 4 minutes, 90% of the time. The station houses 3 pieces of fire apparatus, two of them being front-line emergency response apparatus, one being a reserve engine, and a utility truck that serves as a first response vehicle for medical emergencies. Unfortunately, one of the front line apparatus was recently rear-ended on I-94. According to the appraiser, the vehicle is borderline fixable and likely will be totaled. Ypsilanti Twp. graciously lent the department their old reserve truck and the department also rented a 1989 open cab Pierce in case the Twp. truck goes out of service. Given those issues, Ypsilanti City Council has been very supportive with the fire department's efforts in this regard and took action to allocate \$454,000 to purchase a new engine, which is expected for delivery in October.

Another front line piece of apparatus, the aerial device, is frequently out of service. There have been many mechanical problems with this truck, and the city has sued the manufacturer under the "lemon law". The settlement resulted in the warranty being extended, but the truck continues to be a problem.

The department provides fire service, a higher level of basic life support EMS, and through co-operative teams hazardous materials and technical rescue response. In 2016, the fire department responded to 2202 calls for service. When dividing into two major categories of fire department responses into EMS response and non-EMS response, 74% of the runs (1624) were medically related, while the remaining 26% (578) were non-medical runs. This run distribution is typical within the fire service.

The fire department minimum daily staffing is 4 firefighters on duty per day. With 16 firefighters on the line working on 3 platoons, this results in 5 firefighters assigned to 2 of the platoons, and 6 firefighters assigned to the remaining platoon.

Confounding the above staffing issues, Michigan Act 289 is supposed to provide proper funding to communities delivering fire protection to state facilities such as Eastern Michigan University. Every year we are receiving less than 50% of the required funding for providing such service. It creates a \$400,000 hole in our already thin budget. The Chief is planning to address Eastern Board of Regents in an attempt to obtain financial assistance to compensate this gap. If granted this funding will be used for staffing or fire apparatus purchase.

Standards, laws and regulations

There are several outside agencies that weigh in on fire service response. Some of the agencies have regulatory powers, some are standards setting bodies with no enforcement ability. The major ones we will consider briefly are the NFPA (National Fire Protection Agency), ISO (Insurance Services Office) and MIOSHA (Michigan Occupational Safety and Health Administration).

The NFPA sets standards for various aspects of fire service delivery, fire safety programs, inspections and regulations, and other fire related issues. The standard that relates to fire response in terms of staffing and response time is NFPA 1710, relating to full-time fire departments. (There is a separate standard for paid-on-call or volunteer departments. We will not discuss this standard.) This standard sets the minimum fire department response time, broken down into components of response. It calls for 1 minute maximum call processing time by the dispatch center, 1 minute maximum turnout time by the fire department,

(the time from which the FD receives notice of the emergency until they are responding to the scene) and a maximum 4 minute response time once enroute. The fire department is required to meet this standard 90% of the time.

In terms of staffing, the standard calls for an initial response of a minimum of 4 personnel responding together and operating under the same officer, to arrive within the 4 minutes, and a full alarm assignment of 16 personnel to arrive within 8 minutes. The staffing portion of this standard has been the most criticized, as very few communities can afford the resources to comply with the standard. However, the need for this large response in order to rescue trapped occupants and/or stop property loss in structural fires has been validated in subsequent studies, most recently by the National Institute of Standards and Technology (NIST) in April of 2010. So how can a community like Ypsilanti, with a downtown area, a significant older building stock, and many multiple occupancy structures (dormitories, apartments, converted homes, etc.) begin to meet the standard, or come close?

Under the leadership of the current fire chief, effective January 1, 2015 the YFD has entered into an automatic aid pact with the fire departments of Ypsilanti Township and Superior Township.

The two major methods of inter-municipality fire response are mutual aid and automatic aid. They are both formal agreements between the communities, but there is a significant difference. When utilizing mutual aid, the fire department in the community that is having the emergency arrives on scene, and the incident commander judges the situation to be larger than his/her resources can handle. He/she then calls for mutual aid and mutual aid partners respond. In the case of automatic aid, the automatic aid partner responds upon the dispatching of the call, and does not wait to be summoned by the incident commander. There can be differing criteria for implementing automatic aid, such as hazardous occupancies, difficult geographical location, etc., but in this case it is based on dispatch information. The dispatcher will ask three questions: are there flames visible, is there heavy smoke, and are people in the building? If the answer to any one of those questions is yes, automatic aid is implemented. In this method, the YFD can typically comply with the NFPA standard and offer excellent fire response service to its community in a very efficient manner.

If an incident is larger than what can be handled by the fire department even when using automatic aid, the fire department, along with neighboring communities have implemented a system of mutual aid they call a “box alarm” system. The communities involved in this agreement are The City of Ypsilanti, Ypsilanti Township, Pittsfield Township and the City of Ann Arbor. This is an excellent way of delivering service.

Both the automatic aid agreement and the box alarm agreement are predicated on each community supplying a certain number of apparatus and firefighters. Should the YFD fall below the 4-person minimum for daily staffing, these agreements would be in jeopardy.

NFPA is a standards setting body and has no enforcement power, other than being the standard by which departments are measured. This could potentially be an issue should litigation involving the fire department occur.

The ISO groups fire departments into fire protection classifications that are rated 1 through 10, with 1 being the best rating and 10 the worst. These classifications then may be used to determine insurance rates for businesses and residential property throughout the district. Having a lower classification has no direct benefit to the local government, but the business owners and citizens are directly affected, making communities with lower ratings more attractive places to do business and reside. The YPD is rated at a class 4, which for a department of its size is commendable. They have been able to maintain the class 4 rating as the department has decreased in size due to the automatic aid agreement they have entered into.

The ratings are based on three factors: The fire department, communications, and water supply. For the fire department, credit is given for items such as adequate training, sufficient staffing, quality of equipment, and station placement and response time.

The ISO is an organization that provides information to insurance companies, assisting them in determining the risk in insuring properties within a jurisdiction. It has no enforcement power other than impacting the insurance rates in a community. It should be noted that not all insurance companies utilize ISO ratings when determining rates.

MIOSHA Part 74 has to do with firefighting. It covers areas regarding equipment type and usage, tools used by the fire service, etc. However, it is in MIOSHA Part 451, Respiratory Protection that we see what has become a huge impact on the fire service.

Part 451 contains the regulation that has become known as “two in, two out”. In essence it states that when emergency personnel enter an atmosphere that is immediately dangerous to life or health, (IDLH), they must do so in teams of at least two, and while they are in the IDLH there must be a team of at least two standing by to perform rescue of emergency personnel should they become endangered. It states that one of the two potential rescuers must be dedicated exclusively to this task, while the other(s) may be involved in other activities, provided those activities can be immediately abandoned to participate in the rescue efforts without endangering the other personnel on scene. An exception to this rule is allowed in the case of the need for immediate rescue of human life, but not for fire suppression.

Therefore, in order to conduct interior firefighting operations, a minimum of 4 personnel must be on scene. Many argue that the minimum is 5 personnel, as leaving the fire pump panel unattended presents a danger that could be interpreted to endanger personnel on scene.

MIOSHA possesses enforcement power. Communities can be fined for not complying, and if that non-compliance results in serious firefighter injury or death, the fines could be crippling to a community, and would sure to be followed by civil litigation.

Fire Department Benchmarks

Measure	Benchmark	Regional avg.	Ypsilanti
• Fire & EMS cost per capita	\$64	\$132	\$132
• Personnel per 10,000 pop.	7	12	8
• Personnel per 100 mun. empl.	14	12	19
• Operating cost per firefighter	\$101,681	\$132,000	\$156,277
• Cost per \$1000 of property	\$1.17	\$1.72	\$8.63
• Fire incidents per 1000 pop.	2	5.4	5.5
• EMS runs per 1000 pop.	59	92	81
• Cost per fire & EMS response	\$1,049	\$1,355	\$1206

• % of commercial buildings inspected annually	57%	38%	28%
• Inspections per 1000 pop.	56	28	23
• Inspections per FTE inspector	513	385	393*
• Response time priority 1 calls	5 min	7 min	3.5 min
• % of responses under 4 min.	90%	76%	75%
• % of fire code viol.clrd. <90 d.	86%	72%	80%
• % of fires confined to area	59%	45%	75%
• % of fires causedetrmd.	89%	72%	85%**

*At this point, the City of Ypsilanti does not have a full-time inspector. The fire chief does all inspections in addition to his responsibilities as chief.

**It should be noted that in addition to chief responsibilities and inspections, the chief also does the fire investigations.

Looking at the benchmarks, there are no large disparities that would draw our attention. For the most part, the YFD falls between the benchmark and the regional average. Again, much of this is due to the excellent automatic aid in place. Further staffing reduction would jeopardize the automatic aid agreement, and should be avoided.

Despite the efforts of the FD administration to provide a high level of service with limited resources, there are some areas that demand attention.

Recommendations

The YFD has made the investment to be able to respond adequately to the first fire or medical emergency (especially through the use of automatic aid), but if a second run occurs before the units are in service, there is no back up. Typical medical emergencies are a two-person, one truck response, which depletes the on duty crew by half. The fire department would be able to respond to a second medical emergency, but little else. Auto accidents with injuries, fires, smoke investigations, and many other types of runs dictate a 4-person response that completely strips the community of fire response. No one would be available for the second run, and mutual aid would need to be dispatched resulting in a long response time, provided someone was available.

As noted earlier in the Benchmark section, the YFD does not have a full-time inspector. The chief performs this function, along with fire investigations. This results in either one job being done well while the other is neglected, or in both jobs being done to less than optimal. There are only so many hours in a day, and one person cannot adequately perform the duties expected out of both positions.

A situation we see as a serious issue is the dispatch situation. We applaud and many times recommend outsourcing dispatch to another entity, typically the County Sheriff, due to the high demands of training and the constant need to update hardware and software to maintain a modern dispatch center. This makes sense.

However, in this case, the county takes the original 911 call, and as soon as it is determined to be a fire or EMS call, the caller is re-routed to Huron Valley Ambulance (HVA) dispatch center. For medical emergencies, this may make sense, as HVA is equipped to do emergency medical pre-arrival instructions for the caller, and a HVA ambulance will be responding as well to provide the advanced life support and transport. But in dispatching fires, we see a real problem.

Once the call is forwarded to HVA, the county is no longer involved. There have been cases where there have been significant delays. Recently there was a 3-minute delay in dispatching a fire in a 24 unit, 3 story apartment building for a working fire. The county dispatched the police department immediately, and 3 minutes later the fire department was dispatched by HVA. Three minutes is a very long time, considering that a fire increases in size exponentially each minute.

In another instance, YFD responded to a working fire in a high rise. Needless to say, multiple calls came in. After several calls, the dispatcher upon hearing minimal information would simply say “we’re on the way” and move on to the next call. A handicapped person was trapped in their room and attempted to notify the fire department through 911, and that information was never relayed to HVA dispatch or the fire units on the scene.

Another thing to consider is that police and fire, when handled through the same dispatch center, have another set of ears listening to what is happening on the scene. If a unit gets in trouble, both departments know of it immediately. With

the current system, this does not happen. Something must be done about this situation before there is a tragedy, and the city finds itself in a difficult position.

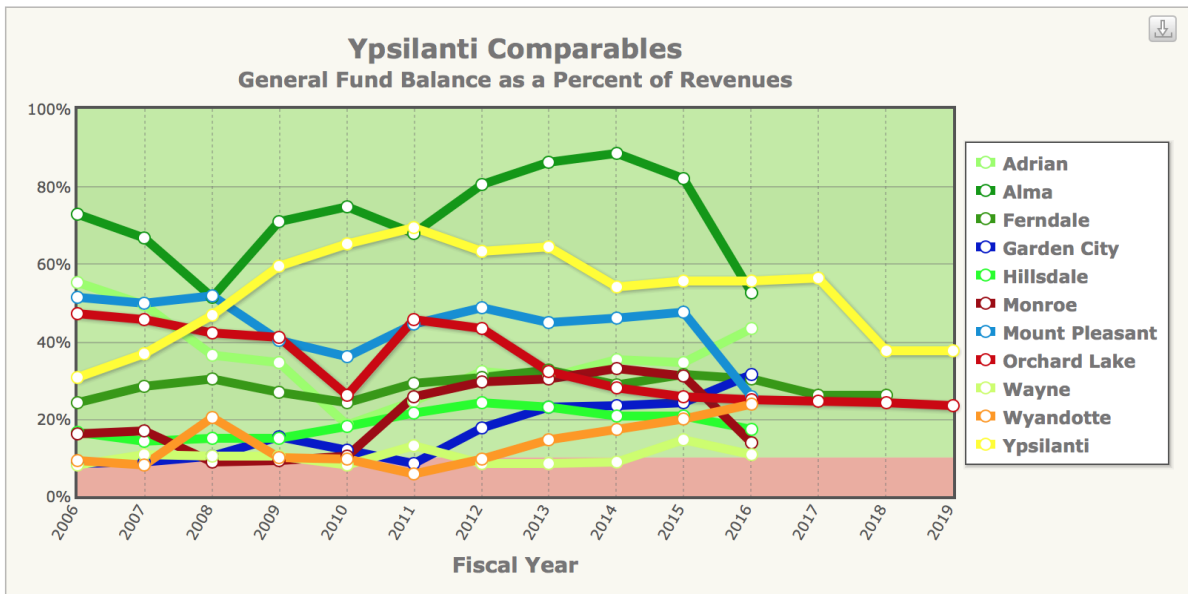
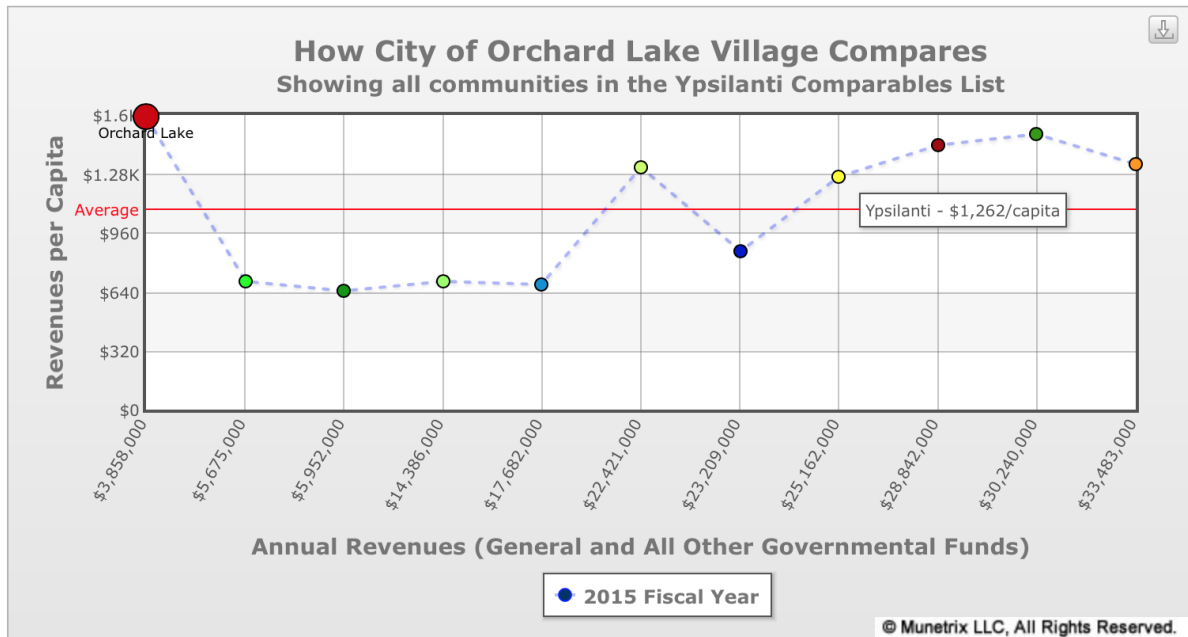
The fire department is very thin in regards to back-up apparatus. If a front-line truck has major mechanical problems or is involved in an accident, there is no sufficient replacement. This should be address as part of the capital expense plan.

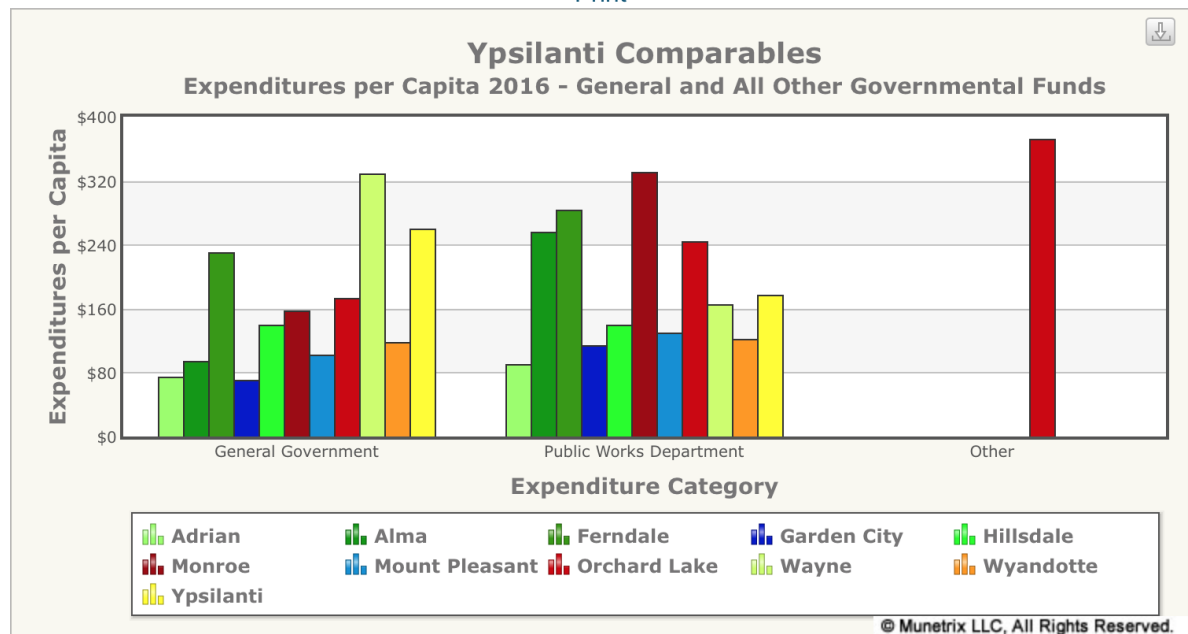
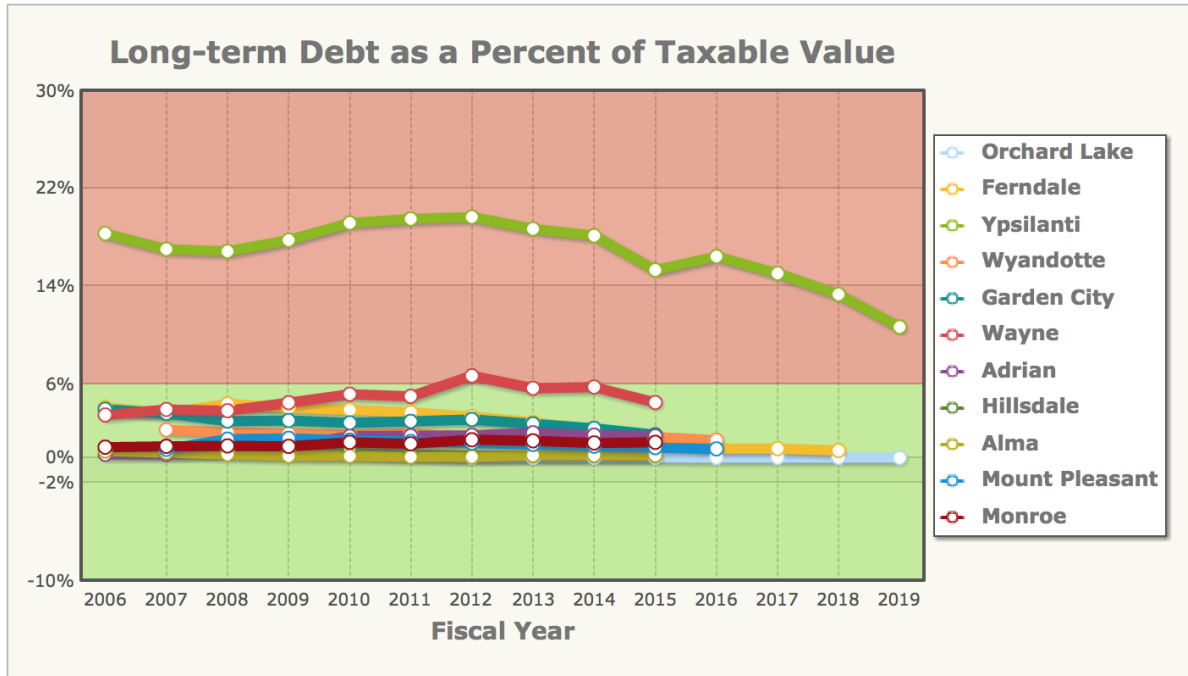
The Ypsilanti Fire Department is doing an excellent job of providing service with very limited resources. This is due in no small part to the leadership of the chief, and his desire to provide the best service possible. The result has been an improvement in fire service delivery to Ypsilanti, as well as the communities acting as automatic aid partners. But do not take this as an endorsement that staffing levels are adequate. They are not. However the fire department is doing all that they can with the resources provided and is doing this with no margin for error. The 4 person minimum must be maintained in order to make these agreements work. As soon as economically feasible, staffing should be increased.

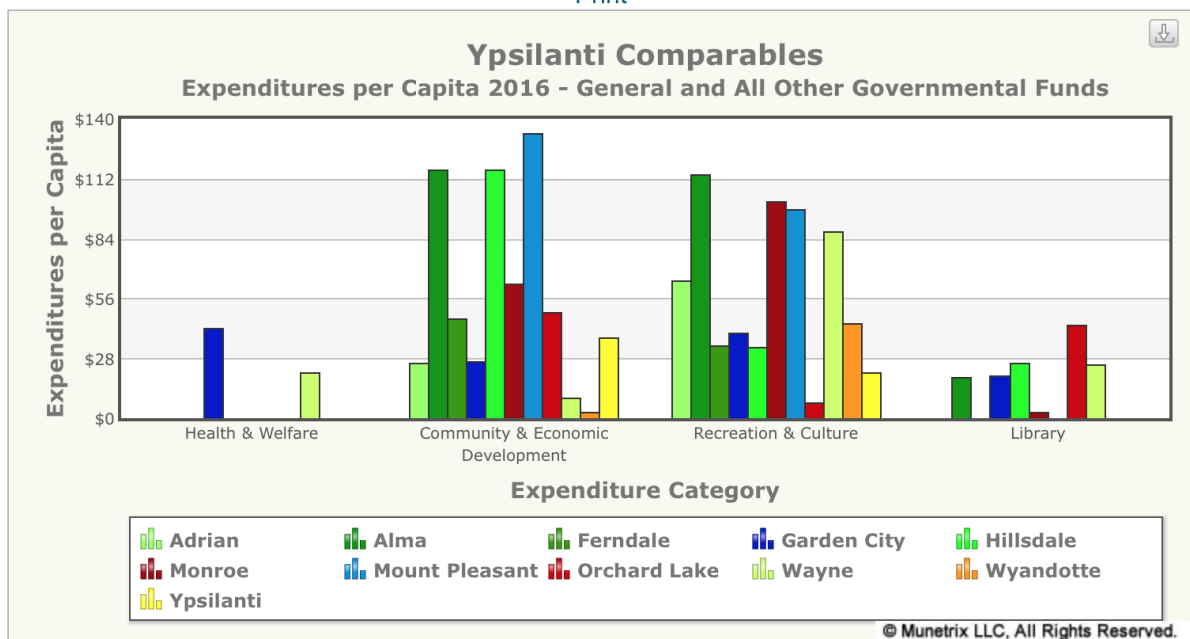
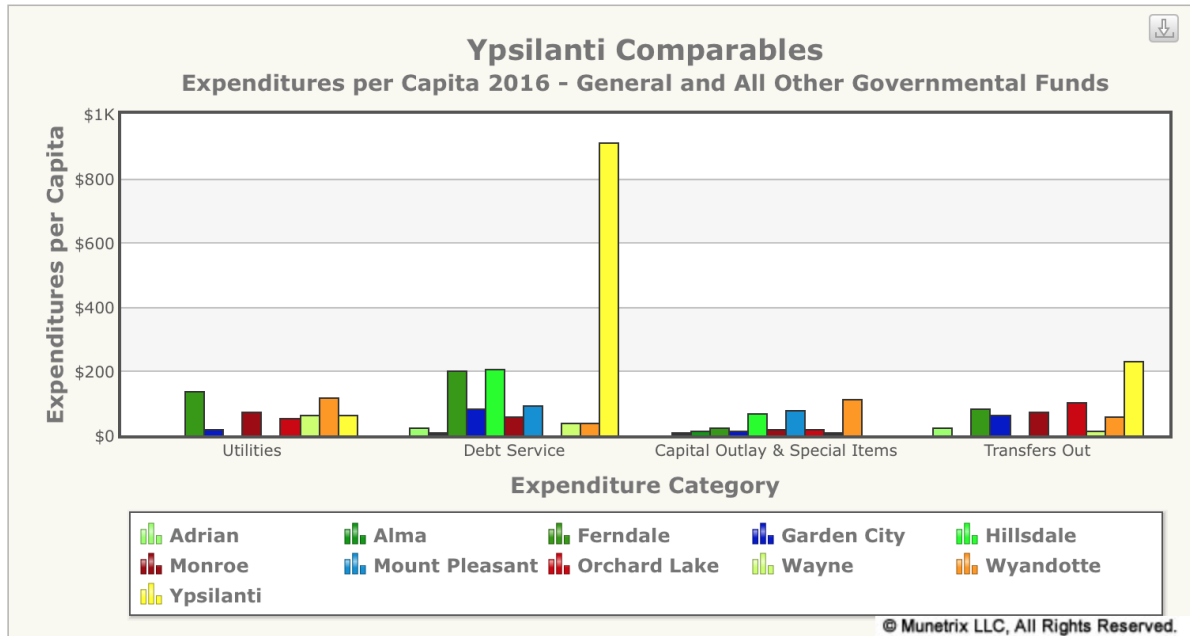
In addition to the collaboration with other communities, the chief has aggressively sought out and won grants in order to provide service. Over the past 3 years, the department has been awarded approximately \$1.5million in grant funds. Researching available grants and writing the grant proposals is difficult and time consuming. Considering the responsibilities of inspections, investigations, and chief, it is remarkable that he has been as successful as he has in the grant application process.

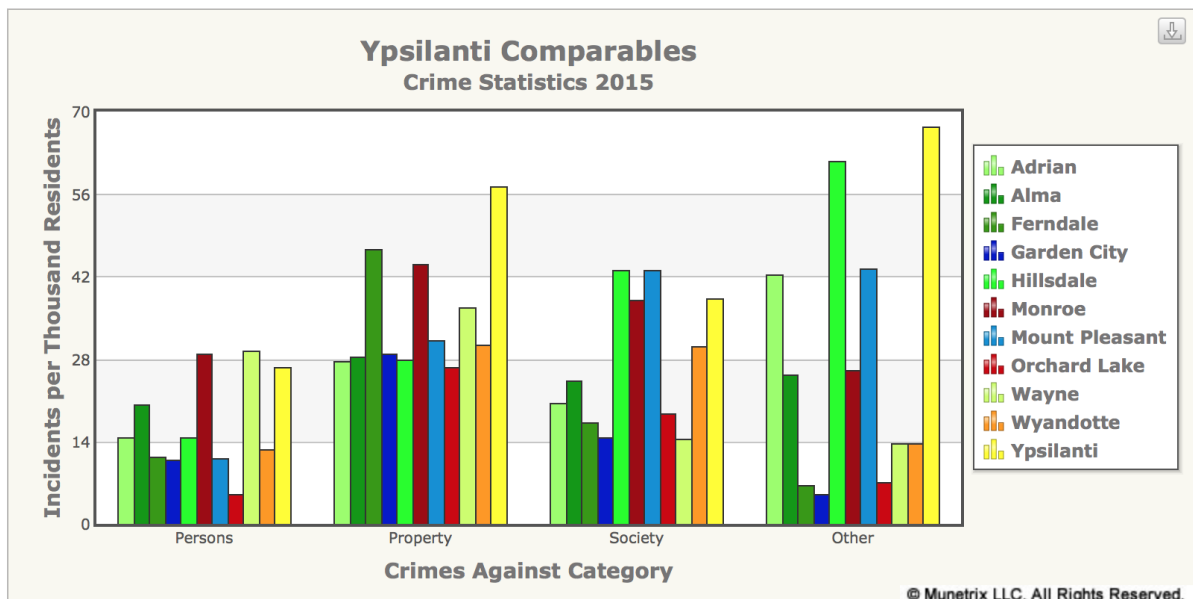
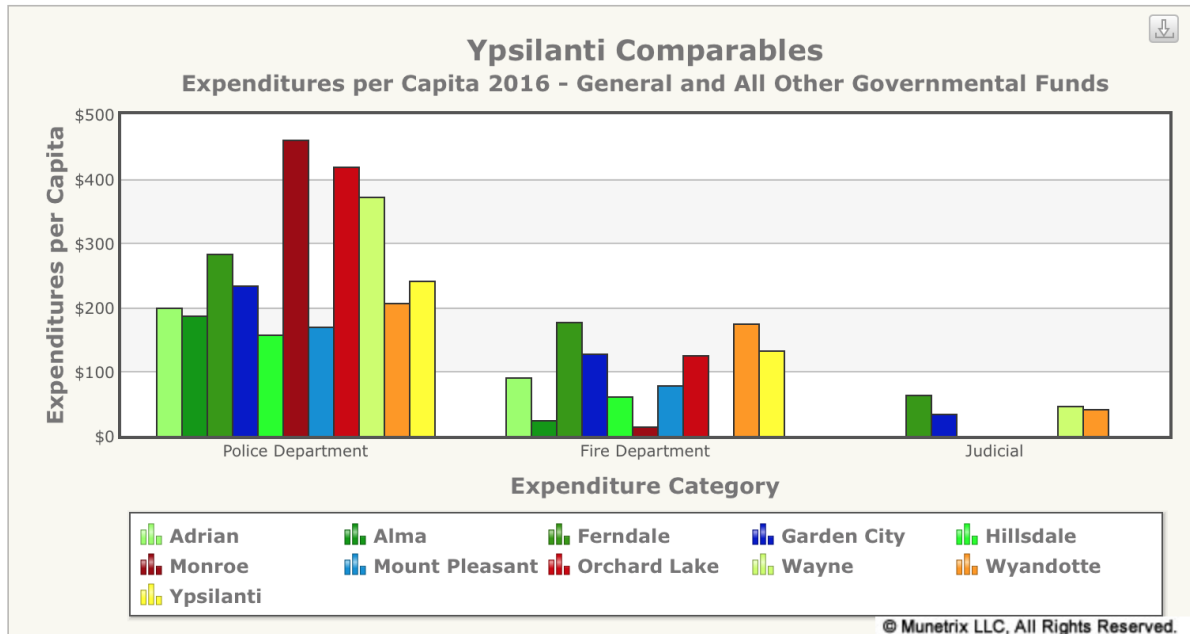
The deficiencies noted above should be evaluated and as much as possible corrected. Especially urgent are the secondary response and dispatch issues.

Comparable Community Analysis









Local Government Effectiveness

Fiscal & Operational Assessment Recommendations

City of Ypsilanti

Dave Boerger & Ray Riggs
July 18, 2017



Southeast Michigan Council of Governments

Discussion Topics

- Fiscal & Operational Assessment Process
- Comparable Analysis
- Citywide/Administrative Recommendations
- CED/DDA Recommendations
- Public Services Recommendations
- Police & Fire Recommendations

Fiscal & Operational Assessment Process

At the request of a member community, SEMCOG's Local Government Effectiveness Team meets with the city manager and key department heads to:

- Learn about their current fiscal and operational challenges
- Perform a comparable analysis using benchmark data from other communities across the region
- Develop recommendations based upon findings, gaps to benchmarks and best practices learned from other communities
- Provide a comprehensive report showing the data and recommendations

Comparable Analysis

Ypsilanti City

2016-2017
General and All Other Governmental Funds
Expenditures
\$25,378,113

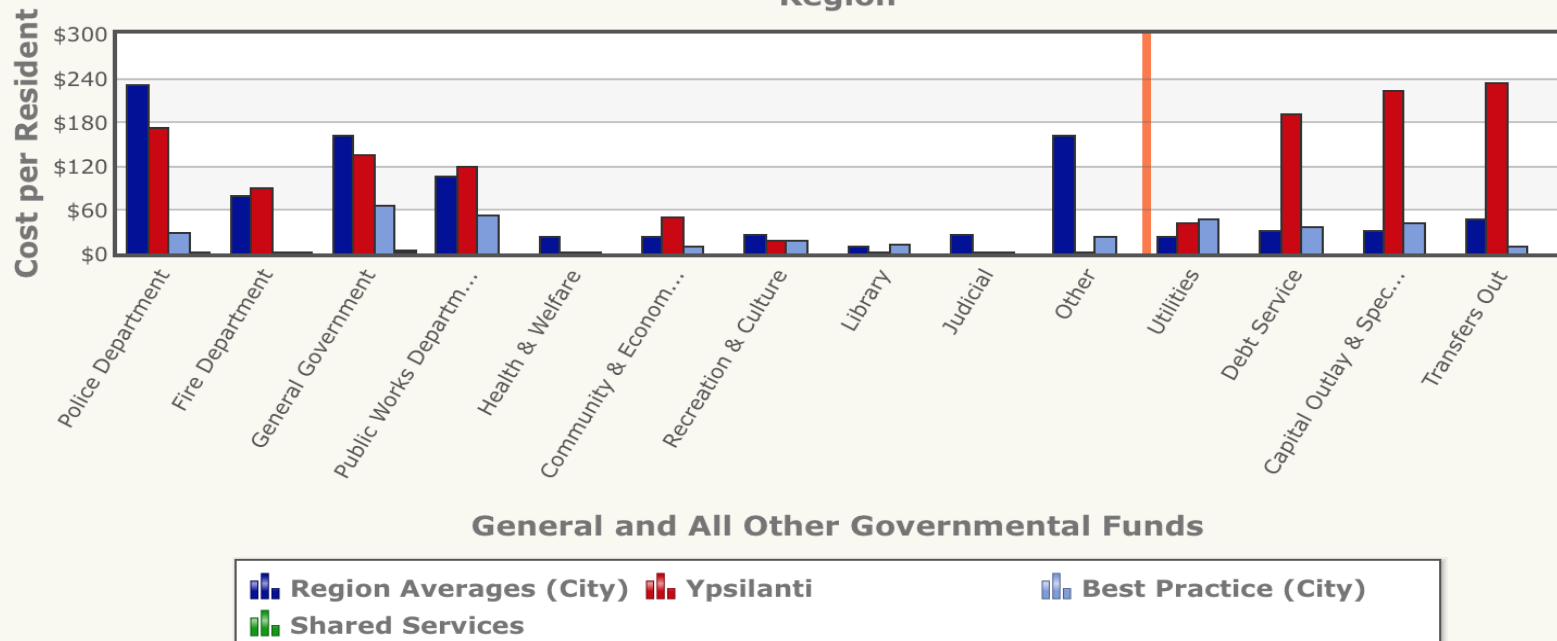
Per Resident
\$1,264

Region
Average
\$957

Best Practice
\$177

Population
20,081

How Ypsilanti City allocates its money - 2017 Region



Comparable Analysis (cont'd)

Fiscal Resiliency Survey Results (1-5 scale)

<u>Question</u>	<u>Ypsilanti</u>	<u>Regionwide</u>	<u>Difference</u>
Bond Ratings	3.3	3.9	-0.6
Fund Balance	2.7	4.0	-1.3
Capital Impr. Plan	2.9	3.5	-0.6
Asset Management	3.0	3.2	-0.2
Problem Solving	3.0	3.0	-0.3
Effective Technologies	3.1	3.3	-0.2
Education & Training	2.6	3.1	-0.5
Benefit/Legacy Costs	3.7	3.8	-0.1
Online Services	2.9	3.1	-0.2

Citywide/Administrative Recommendations

- Re-quote all outside contracts and services
- Establish a multi-year budget with a capital improvement plan.
- Mitigate double digit fringe benefit and legacy cost increases by working closely with key stakeholders
- Continue to pay down debt using available fund balances
- Share more services with neighboring local governments
- Further consolidate roles and responsibilities in Clerk/Treasurer office
- Utilize lower cost part time personnel without costly benefits
- Consider a Headlee over-ride to restore lost millage

CED/DDA Recommendations

- Develop a CED/DDA Long Range Plan
- Continue to market the developable property
- Expand partnerships with other economic development
- Consider an RFP for an outside contractor to manage citywide-parking
- Digitize departmental documents and records
- Pursue CED grants – leverage SEMCOG website
- Target desired businesses to invest in your community
- Resolve issues with vacant and blighted businesses
- Convert rental properties to owner-occupied units
- Have Fire Inspections performed by Building Dept.

Public Services Recommendations

- Obtain outside quotes for all sanitation and motor pool services
- Perform a detailed parking analysis
- Utilize part time employees to reduce overtime
- Expand sharing of services with neighboring jurisdictions and EMU.
- Continue pursuing grants.
- Channel any cost savings to capital improvements for the department

Police Recommendations

- Additional staffing is needed to enhance crime prevention, community outreach, education, safety awareness
- Additional staffing reductions would have a severe impact on service.
- Capital expenses for building and vehicles need to be enhanced
- IT investments are necessary.
- The need is not being met for digitized documentation
- Expand the police lobby hours of operation
- Explore collaborative efforts with surrounding departments or the Sheriff.

Fire Recommendations

- Back-up response capabilities must be enhanced.
- Somehow fund a full-time fire inspector.
- Streamline the dispatch response process
- Acquire back-up apparatus
- The 4 person minimum staffing must be maintained
- Continue to aggressively seek out grants

Additional information

Dave Boerger & Ray Riggs

Local Government Effectiveness & Collaboration

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Medical Marijuana: Zoning

CITY OF YPSILANTI, MI
18 JULY 2017

Current Medical Marijuana framework

Michigan Medical Marihuana Act (MMMA – MCL 333.26421 et seq)

- Qualifying patient must have written certification of debilitating medical condition from physician to be issued registry ID card from LARA; limitation on amount of usable marijuana, number of plants, may only designate one caregiver
- Primary caregiver must be 21 years of age, not be convicted of a felony within past 10 years, never been convicted of felony involving drugs or assault; limitations on amount of usable marijuana, number of plants, and number of caregivers.

MMMA did not address medical marijuana businesses

- Statute and subsequent case law limited any sale of marijuana from caregiver and their specific patient.
 - Patient-to-patient sales specifically prohibited
 - Caregiver-to-patient only authorized if patient tied to that specific caregiver

Newly Adopted State Statute

Medical Marijuana Facilities Licensing Act (MMFLA – MCL 333.27101 et seq)

- Effective as of December 20, 2016
- No licenses will be issued until after December 15, 2017
- Five types of licenses
 - **Grower**
 - Class A – 500 plants
 - Class B – 1,000 plants
 - Class C – 1,500 plants
 - **Processor**
 - Purchases from grower, creates and sells marijuana-infused products to provisioning centers
 - **Provisioning center (dispensary)**
 - Buys from growers and processors and sells to patients
 - **Safety compliance (testing facility)**
 - Tests marijuana for contaminants and cannabinoids
 - Functions for both facilities and primary caregivers
 - **Secure transporter**
 - Stores and transports marijuana for facilities
 - Required for transfers of marijuana, aside from provisioning centers to patients
- **Per latest information from State, licenses may be “stacked” (several licenses, one owner) or co-located, provided the local unit permits it.**

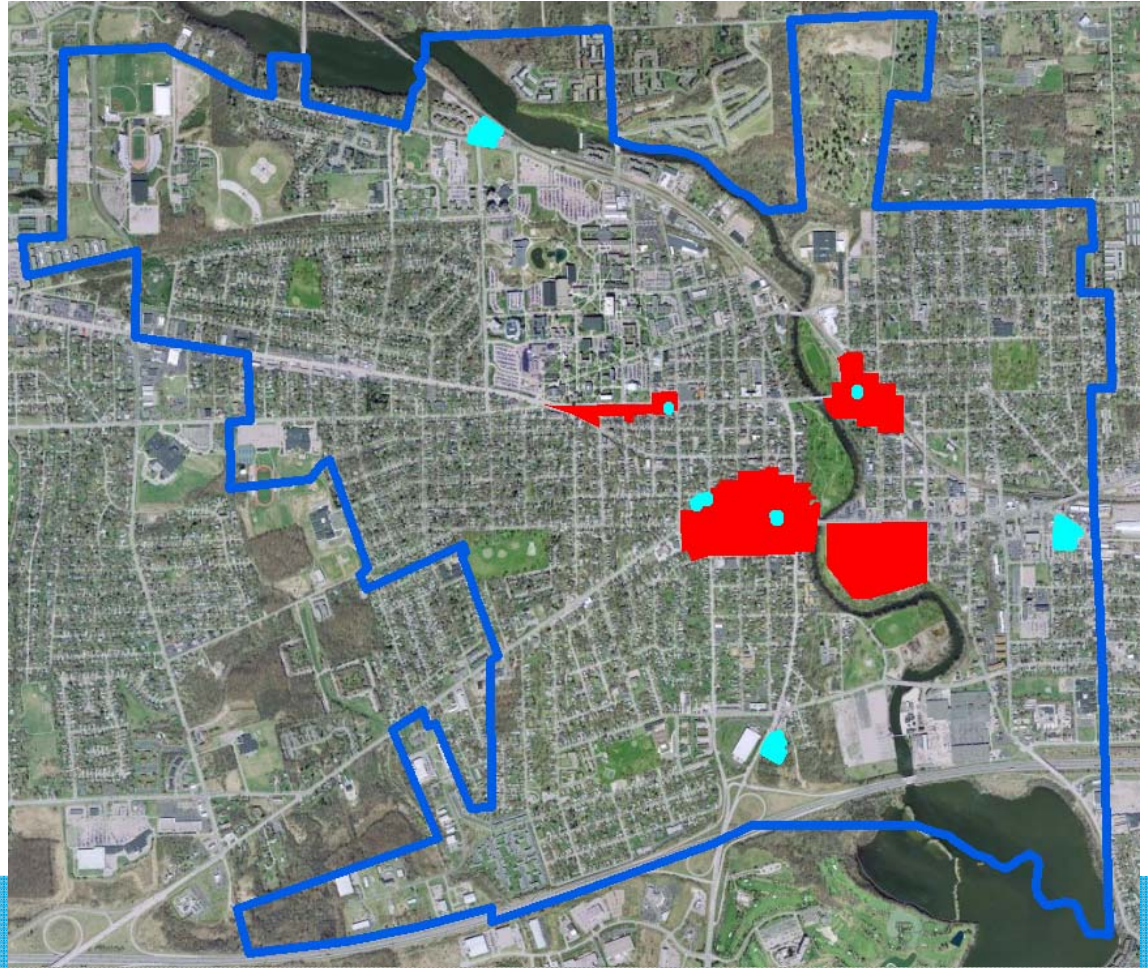
Current Zoning in the City: Dispensaries

Dispensaries (§122-532):

- May be located in the Center District (Downtown, Depot Town, West Cross); permitted use (no site plan or Special Use permit needed)
- Must be located 500 feet from other dispensaries or grow facilities; 1000 feet from grade schools.
- Drive-throughs not permitted
- No use permitted within the dispensary
- All business must be done within the facility, nothing outdoors
- Cannot grow / cultivate at the facility
- Must be licensed by the City
- If ceases operation for 60 days, all approvals expire
 - Note: this conflicts with the licensing provision: licenses terminate if operation ceases for 90 days or more
- **Must be open to inspection by the City at the request of Building Official, Fire Marshal, or other City Officials at any time;**
 - Must keep an accurate logbook/database with information on amount of marijuana on-hand, amount dispensed, with patient and caregivers identified.
 - Must allow up to quarterly inspections by City to maintain license;
 - Inspections shall be conducted to ensure compliance with local and State laws and regulations

Current Zoning in the City: Dispensaries

- **7 dispensaries**
 - 3 in General Corridor (nonconforming)
 - Nonconforming uses cannot expand; may have difficulty financing building improvements
 - 4 in Center



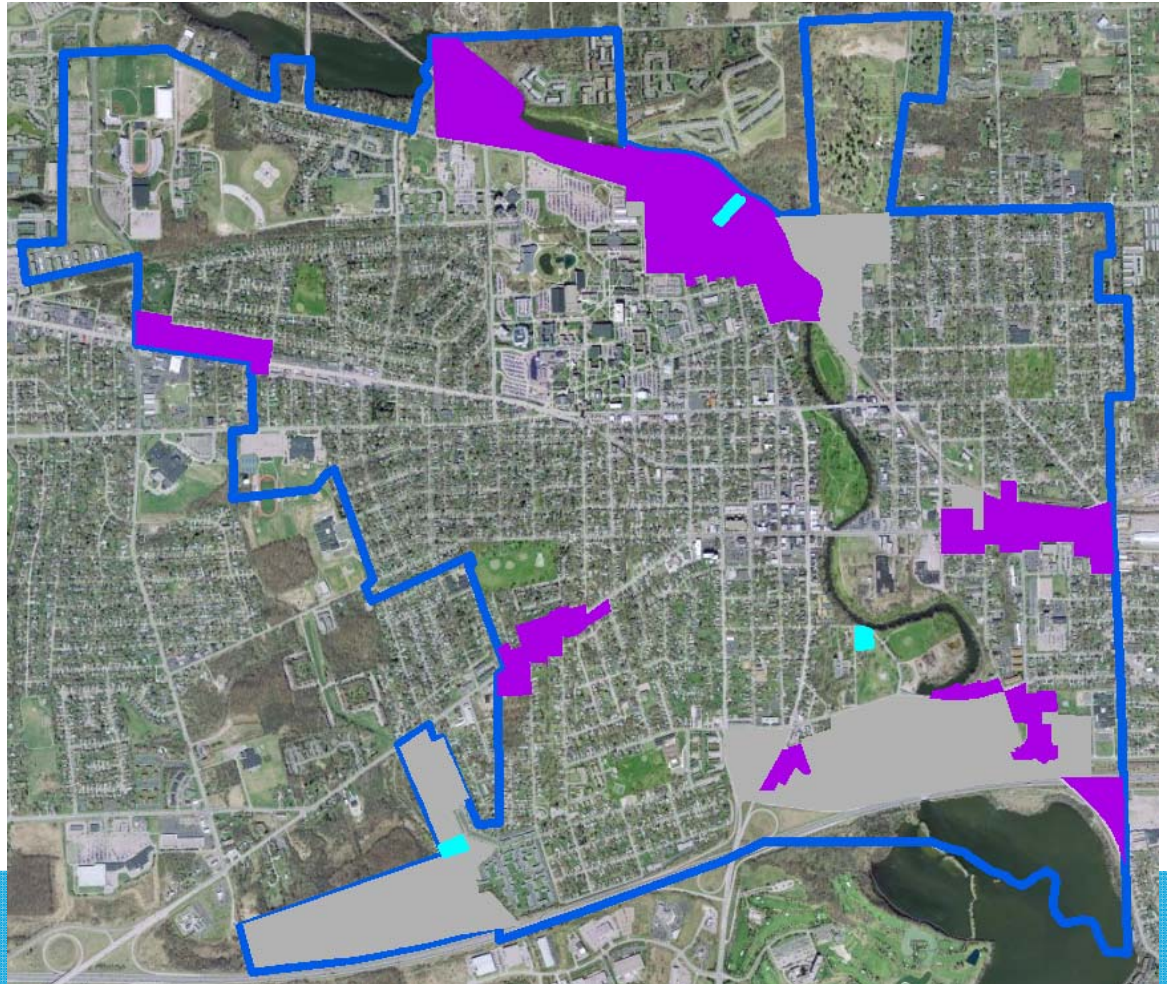
Current Zoning in the City: Growing Facilities

Grow Facilities (§122-533):

- **May be located in the PMD (industrial) or GC (general corridor) districts; must obtain a Special Use permit (public hearing)**
- **Must be located 500 feet from other dispensaries or grow facilities; 1000 feet from grade schools.**
- **Drive-throughs not permitted**
- **No use permitted within the facility**
- **All business/growing must be done within the facility, nothing outdoors**
- **Must be licensed by the City**
- **If ceases operation for 60 days, all approvals expire (including Special Use permit)**
 - Note: this conflicts with the licensing provision: licenses terminate if operation ceases for 90 days or more
- **Must be open to inspection by the City at the request of Building Official, Fire Marshal, or other City Officials at any time;**
 - Must keep an accurate logbook/database with information on amount of marijuana on-hand, amount dispensed, with patient and caregivers identified.
 - Must allow up to quarterly inspections by City to maintain license;
 - Inspections shall be conducted to ensure compliance with local and State laws and regulations.

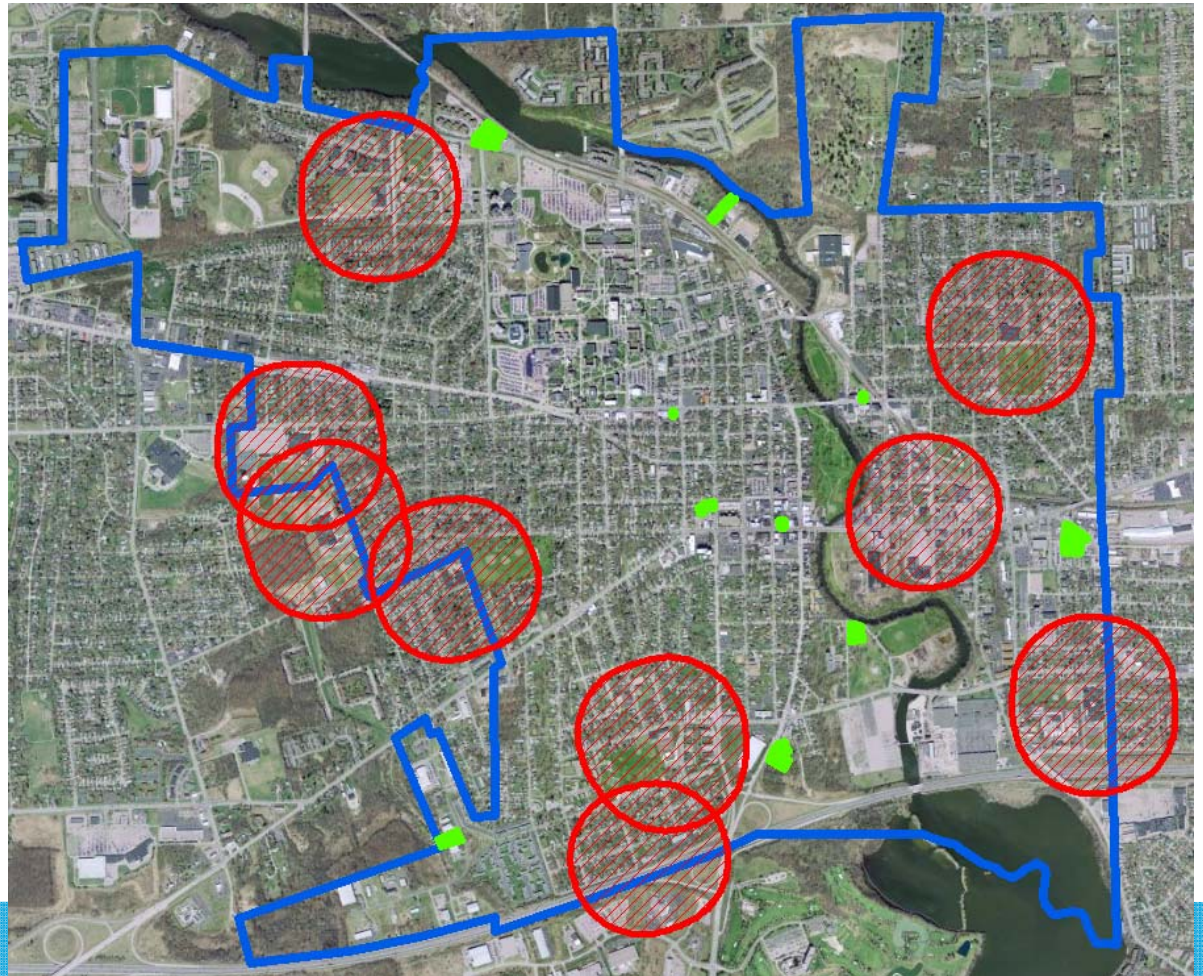
Current Zoning in the City: Grow Facilities

- **3 grows**
 - 1 in General Corridor
 - 1 in PMD
 - 1 in Core Neighborhood (nonconforming)
 - Nonconforming uses cannot expand; may have difficulty financing building improvements



Proposed Zoning

- Maintain 1,000-foot exclusion zone around grade schools (all facility types)



Proposed Zoning

Permit all five facility types:

- **Growing: industrial zoning, 200' exclusion for non co-located facilities**
 - Currently permitted in PMD and GC/industrial, explore permitting in PMD only
- **Processing: industrial zoning, 200' exclusion for non-co-located facilities**
 - Explore permitting in PMD only
- **Testing: industrial & commercial zoning (analogous to laboratories currently permissible in industrial and commercial), no exclusion area from other facilities**
 - Explore permitting in PMD, GC/commercial and GC/industrial
- **Transporting: industrial zoning (analogous to fleet operations currently permissible in GC, PMD), no exclusion area from other facilities**
 - Explore permitting in PMD only
- **Dispensaries: commercial zoning, 500' exclusion from other provisioning facilities**
 - Currently permitted in Center (C); explore permitting in GC/commercial

Proposed Zoning

Explore alterations to GC &/or NC:

- **GC currently provides for a mix of industrial and commercial uses. Many of the permissible uses in GC would not be good fits in more than three-quarters of the GC-zoned area. It permits for larger building types, including “large single-story commercial building” and “commercial/mixed-use large” and “multiple story”.**
 - Examples: Commercial greenhouse, vehicle storage &/or towing, craft production (no size limit), warehousing and distribution (no size limit), homeless shelter, substance abuse treatment facilities, laundromats/dry-cleaners more than 16,000 square feet
 - Conversely, the following are *not* permitted in GC: Museums & libraries; primary & secondary schools; religious institutions/private assembly; bed & breakfasts.
 - GC is largely the result of two older zoning districts being combined: Commercial-Industrial (CI) and General Business (B4); these areas were generally concentrated north of campus along Huron River Drive and on East Michigan near Ecorse.

Proposed Zoning

Explore alterations to GC &/or NC:

- **NC provides for a mix of small-scale businesses and craft-level production. It does not permit the quasi-industrial uses of GC, but does permit some limited production, such as brewing, warehousing/distribution, and skilled trade offices/shops.**
- NC is roughly analogous to a combination of the earlier Neighborhood Business (B1) with Community Business (B2), with some allowances for Workshop-Studio (WS) type uses. B1 was initially developed for neighborhood level use/needs, but grew to encompass Washtenaw and West Michigan. B2 included South Huron, South Grove, and West Michigan; it incorporated most of the uses in B1, but also more regional uses, such as gas stations and pet food stores.
- NC includes these areas as well as portions of Ecorse, Harriet, East Michigan, and Lincoln.
- NC permits smaller commercial buildings as well as some multifamily building types.

Proposed Zoning

Explore alterations to GC &/or NC:

- The prime difference between the intent of GC and the intent of NC is that of size and intensity. GC is meant to host larger and/or more intense uses (uses at a City scale) than NC, which is intended to accommodate neighborhood-scale uses.

Proposed Licensing

Current License Cap: 6 dispensaries, 3 growing facilities.

Proposed License Cap

- **Grower**
 - Class A – 500 plants: 3
 - Class B – 1,000 plants: 3
 - Class C – 1,500 plants: 3
- **Processor**
 - 10
- **Provisioning center (dispensary)**
 - 10
- **Safety compliance (testing facility)**
 - 10
- **Secure transporter**
 - 5

Possible procedure changes

- Give preference to facilities already located within the City

Proposed Stacking & Co-location

- **Stacking** (several businesses, one ownership): Permit it.
 - Functionally, this has little effect on the day-to-day operations. It does make for one trail of accountability, rather than several.
- **Co-location** (several businesses, one location): permit it, with like facilities
 - Growing, processing, transporting, and testing may all be co-located with each other, zoning permitting
 - Testing with any other: unlikely, due to State-level rules (must be under separate ownership from other facilities) and appearance of impartiality/marketing
 - Transportation with any other: unlikely
 - Growing (single or multiple) & processing: very likely; have heard several proposals for combination facilities
 - Growing & growing & growing...(several growing licenses under one roof): very likely; primary limitation is facility availability
 - Dispensaries to stand alone- no co-location with processing, growing, etc.



INFORMATION MEMORANDUM

To: City Manager, Mayor, Council, and City Attorney

From: Beth Ernat, Director of Community and Economic Development

Date: July 18, 2017

Subject: Presentation – Potential Development, 800 Lowell

At the July 18th regular Council meeting, representatives and contract purchaser of 800 Lowell will make an informational presentation to Council.

Urban Campus Communities ("UCC") are seeking the purchase of 800 Lowell, the former industrial park located between North Huron, Lowell, and Jarvis, adjacent to the EMU campus. There have been several interested parties in the 8 + acre parcel over the last two years, but due to outside factors, none of the proposals have been brought forward for action. UCC has been completing due diligence on the parcel for over six months. Due to the location, all of the proposals have been for modern student housing. The Weaver Family owns the property and has divided two plus acres from the property for a fire truck storage warehouse and townhouse units. The Weaver Family are the owners of the Ypsilanti Firetruck Museum. The proposal was approved by the Planning Commission in 2016.

UCC is seeking to present the development for discussion and direction from Council based on their incentive package request. The presentation is for discussion and not binding.

The current Taxable Value of the site is approximately \$630,000. The proposed development for 156 units of student housing (316 beds), and approximately 6,500 square feet of commercial space, is estimated at \$10,000,000 to \$11,000,000. The current taxes are estimated around \$62,000.

The developer will be seeking a Brownfield TIF for remediation and clean-up activities and is proposing a Commercial Rehabilitation Act (CRA) District and Certificate. The CRA, or Public Act 210, is very similar to the OPRA but can be used outside of downtown districts.

The Commercial Rehabilitation Act, PA 210 of 2005, as amended, affords a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division.

The developer has provided the attached information for review and will likely provide additional information at Council.

Due to recent requests and discussion for additional public comment, this matter is being proposed for discussion at Council prior to a request for action.

Union on Lowell

The Union portrays a cross section where students come together; the paths students take while at school that determines what their future has in mind for them and what direction they will lead after graduation. The Union represents the place where student's lives come together; friends, future, school, and success.

Urban Campus Communities ("UCC") presents an opportunity to invest in an off-campus student housing development serving the campus of Eastern Michigan University in Ypsilanti, MI.

Development Overview

UCC has purchased 8.9 acres at 800 Lowell St. in Ypsilanti, MI, directly across the street from Eastern Michigan University. The Eastern Michigan University shuttle is available less than a block from the development site giving students the option to walk or take the bus to campus. Downtown Ypsilanti offers restaurants and night life, which are a 15 minute walk to the south and the east of the project. The entire Ypsilanti downtown is enjoying a resurgence of home and business renovation, increasing the popularity of the area.

Union on Lowell will be a two phase development. The first phase will be 132,088 square feet comprising 156 units and 316 beds with 6,000 sq. feet of common area and 6,500 square feet of retail.

The property will offer numerous amenities to enhance its position in the marketplace. Safety will be a high priority for the project, which include interior built corridors with secured access points and security cameras at all access points as well within the building. The project will also have wifi throughout the building, a clubhouse with lounge, fitness center, meeting rooms for group study, and fully furnished units with a TV. All utilities including cable, electricity, and heat will be included in the rent. No other property around Eastern Michigan University offers an all-inclusive rent, which will set the Union on Lowell apart from other apartments. Students will have the convenience to write one check and not have to worry about splitting utility bills amongst themselves. All leases will be leased by the bed and guaranteed by a parent.

The 6,500 sq feet of retail will have a student focus. Some tenants that will be considered are coffee shops, sandwich shops, and retail focused on a millennial demographic.

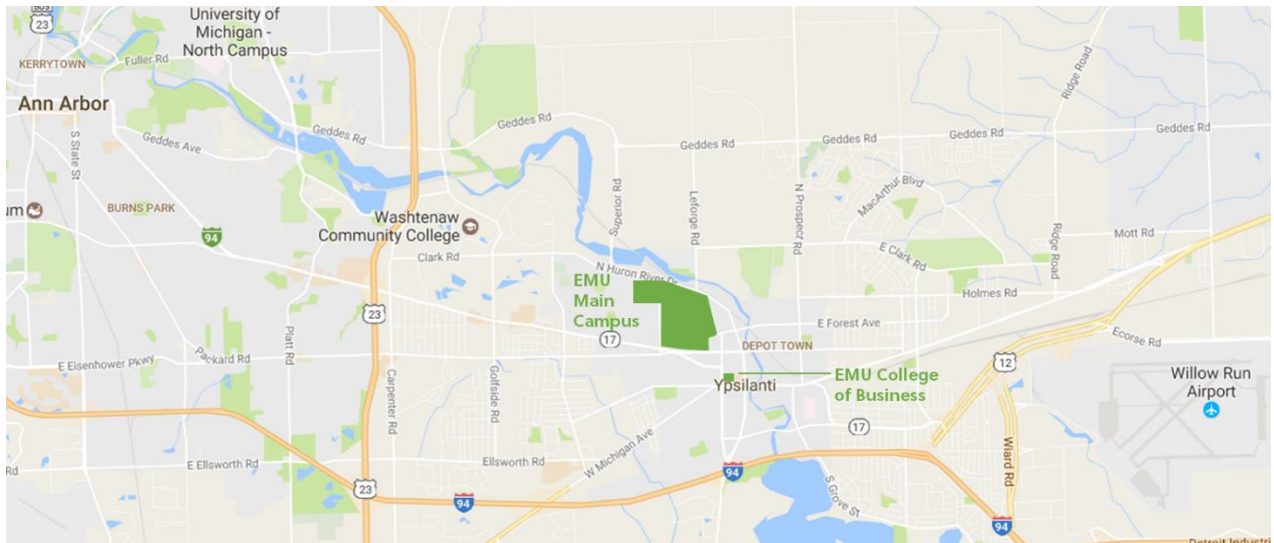
In addition, the Union on Lowell will have the ability to draw in students from Washtenaw Community College. Washtenaw Community College is 3 miles away from the property and serves 13,000 students. The Union on Lowell will also have the opportunity to target residents and other medical training staff at the 537 bed St

Joseph Mercy hospital, which is 2.5 miles from the property. St. Joseph has a 340 acre campus and has been named a top 100 hospital.

Eastern Michigan University

The University and Ypsilanti Campus

EMU, established in 1849, is one of 15 state-supported universities in Michigan. Its primary campus is located in the City of Ypsilanti spread over 800 acres, with twelve resident halls, and over 120 buildings. The University is home to over 21,000 undergraduate and graduate students and employs nearly 2,400 individuals. EMU is a Mid-American Conference (“MAC”) member with 21 NCAA Division I varsity sports. EMU’s General Fund expense budget for FY 2016-2017 is \$312.3 million (\$311.7 million in FY 2015-2016).



University Strategic Goals

The University’s top priorities include:

1. Engineering programmatic growth
2. Continued development of the College of Health and Human Services
3. On campus student experience

The University is committed to further development and expansion of key programs including its College of Health and Human Services and College of Technology.

The University is exploring renovation and further development of its College of Technology and expects the renovation to drive student credit hour growth.

Specifically the University's engineering programs are seen as key opportunities to drive growth in enrollment at the University.

The College of Health and Human services grew by 23% on a per student credit hour basis from Fall 2010 to Fall 2015, mainly driven by the growth of the College's Nursing related programs. The University expects the College to continue to lead the University in growth potential in upcoming years.

The University is also exploring the further renovation of its Recreation and Intermural building to enhance the student experience on campus while developing relationships within the community. This may require an additional parking garage to support new customers.

At the April 2017 Board of Regents meeting, the Board unanimously approved the President to launch a comprehensive fundraising plan which will further support the development of the above programs as well as its athletic facilities. The University currently has a commitment for the largest donation in school history, which will support the athletics facilities.

The University perceives a partnership with a parking operator to be a catalyst for improving the financial health and liquidity of the University while also further developing strategic programs on its campus.

University Enrollment

Undergraduate enrollment totaled 17,541 for the fall 2016 semester, while graduate enrollment added 3,564 students for total enrollment of 21,015.

Strategic initiatives to increase enrollment, invest in future

Eastern Michigan University has undertaken many strategic initiatives in recent years to solidify and expand their enrollment base and invest in their future growth. These initiatives are directed in three areas: 1) capital investments; 2) academic programs; and, 3) student recruitment initiatives.

A breakdown of each follows:

Capital investments

Over the last several years, more than \$200 million has been invested in new building, construction, renovation and infrastructure upgrades to ensure the University meets the expanding needs of students, faculty and staff. These include:

- Significant investments in the physical and life sciences, expanding their ability to attract and enroll students interested in growing STEM (Science, Technology, Engineering and Math) fields.
- Planning for future upgrades to facilities in their College of Technology will meet the increasing need among future mechanical engineers, information security, and other growing fields.
- Additional upgrades and renovations continue in their residence halls and dining services areas, creating new interest and excitement among students.
- Future planning includes renovations to our REC/IM building, an important hub of student intramural and recreational activity.
- Increase environmental stewardship and sustainability through substantial investments in energy conservation.

Academic programs

New academic programs continue to be introduced that meet the needs of today's students and employers in Michigan and throughout the region. These programs, which meet market needs, will continue to bring new students to EMU in the years ahead. An example of these include:

- Mechanical Engineering
- Physician Assistant
- Fermentation Science
- Data Science and Analytics
- Neuroscience
- RSN to BSN nursing completion program
- Special Education Major K-12 Autism Spectrum Disorders Endorsement
- Masters in Athletic Training
- Doctor of Nursing Practice
- Geospatial Information Science and Technology

Student recruitment initiatives

Strategic efforts to recruit new students and expand EMU's enrollment base extend beyond the introduction of new academic programs listed above. The University has

introduced many efforts to recruit students beyond the University's traditional footprint. These efforts include:

- Specific tactics to encourage enrollment of international students, including the launch of the #YouAreWelcomeHere initiative
- Engagement and travel to China to engage universities and prospective students
- Broader outreach to the region beyond Michigan and Ohio -- they now have active programs underway to recruit students from Pennsylvania and Indiana
- Offering in-state tuition to out-of-state students

Significant commitment to programs to boost student retention rates, reducing the number of students who stop attending.

Additionally, local economies have experienced significant growth over the past 10 years. The State of Michigan experienced difficult financial times following the financial crisis of 2008, leading to working-aged people leaving the state to seek employment. This exodus, along with the impact of the declining birth rates, led to decreases in population since 2007. Over the past 5 to 7 years, the greater southeast Michigan area has experienced significant financial investment and economic stability, evidenced by significant capital investments in Metro Detroit and surrounding areas, which has led to job growth and reduced unemployment. These factors will contribute to the growth of the population base as citizens in the State feel more stable when deciding to start a family.

Market Overview

A survey of the Eastern Michigan University campus rental market was conducted by Integrity Student Housing Consultants in February of 2015. The study showed the market occupancy at 97%. Part of the conducted study included the 3,900 beds, in both dormitories and married housing as well as 7,700 market-rate apartments within a 5 mile radius of campus. Other than Ethernet and cable, the University offers few amenities. The same can be said for the vast majority of off-campus housing. Most of the off-campus units are over thirty years old, are relatively energy inefficient, and are in various states of repair and maintenance. Only one large, purpose built project has been built in the last ten years and that is Peninsular Place.

Majority of the market does not include an all-inclusive rent. An all-inclusive rent includes, cable, internet, electricity, water, trash, and furniture. On average the total cost for utilities are \$124 per person that is included in rent. The breakout is the following:

Furniture - \$40

Internet - \$12

Cable - \$22
Electricity - \$35

Water - \$12
Trash - \$3

Peninsular Place is the most appropriate comparative property in the market because it's student specific. As of June 2017 the rents on a per bed basis not including electricity are:

- 1 Bedroom 1 Bath - \$759 (waiting list)
 - \$789 if electricity is included
- 2 bedroom 2 bath - \$614
 - \$649 if electricity is included
- 3 bedroom 3 bath - \$519
 - \$554 if electricity is included
- 4 bedroom 4 bath - \$509
 - \$544 if electricity is included

Industry standard for electricity is \$35 a bed, the Union at Lowell proposed rents per bed including all utilities are:

- 1 bedroom 1 bath - \$790
- 2 bedroom 2 bath - \$670
- 3 bedroom 3 bath - \$605
- 4 bedroom 4 bath - \$595

The Union at Lowell rents on average are \$30 more for a new product in the market with updated amenities and better access to the University.

Below are rent comparables as of June 2017 for properties within a 3 mile radius of the property. The market is 96.3% occupied.

						Average Rent Per Unit				Average Rent Adjusted for Utilities			
Property	Year Built	Miles from Property	Vacancy	Units	Average Size	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
The Meadows	1998	2.7	5.3%	114	717	\$ 806	\$ 934	NA	NA	\$ 930	\$ 1,182	NA	NA
The Villa Apartment Homes	1974	2.7	1.1%	382	752	\$ 749	\$ 835	NA	NA	\$ 873	\$ 1,083	NA	NA
River Drive Apartments	1968	1.1	2.2%	277	798	\$ 744	\$ 875	NA	NA	\$ 868	\$ 1,123	NA	NA
Lexington Club at Ann Arbor	2002	2.5	9.7%	154	752	\$ 748	\$ 825	NA	NA	\$ 872	\$ 1,073	NA	NA
Covington Apartments	1965	1.9	5.8%	86	774	\$ 595	\$ 862	\$ 1,010	NA	\$ 719	\$ 1,110	\$ 1,382	NA
Campbell Street Apartments	1965	1.6	1.7%	60	663	\$ 531	\$ 639	NA	NA	\$ 655	\$ 887	NA	NA
University Green Apartments	1971	0.7	4.1%	468	876	\$ 619	\$ 731	\$ 975	NA	\$ 743	\$ 979	\$ 1,347	NA
Peninsular Place	2005	0.2	0.0%	183	1,003	\$ 759	\$ 1,228	\$ 1,467	\$ 2,036	\$ 794	\$ 1,298	1,572	2,176
Average			3.7%	216	792	\$ 694	\$ 866	\$ 1,151	\$ 2,036	\$ 807	\$ 1,092	\$ 1,434	\$ 2,176
Union at Lowell	2019	0	NA	156	850	\$ 666	\$ 1,098	NA	\$ 1,884	\$ 790	\$ 1,350	NA	\$ 2,380
Difference in Market					58	(28)	232	NA	(152)	(17)	258	NA	204
Difference in Peninsular Place					(153)	(93)	(130)	NA	(152)	(4)	52	NA	204
Per Bed Difference from PP						(93)	(65)	NA	(38)	(4)	26	NA	51

Based on the market as a whole the Union on Lowell is competitively priced for a new development. In terms of purpose built student housing the rent comparison between Peninsular Place and the Union on Lowell is on average \$24 per bed.

Proposed Deal Structure

The Union on Lowell has a total development cost of \$20.8M. The project site is eligible for numerous tax incentives due to the site being designated as a Brownfield site. The project will approach the city, county, and state for incentives to make the deal financially feasible. Under current Brownfield designations the site will be reimbursed via tax incentives for any remediation of soil clean up, as well as commercial rehabilitation, which will put a freeze on current taxes. The project will have a better determination in July 2017 on exact amounts to be possibly awarded.

The offering for Union on Lowell will consist of an 8% preferred return on \$5.8M of equity. Once a preferred return is achieved the remaining cash flow will be distributed 65/35, 65% of remaining cash flow to the investors and 35% of remaining cash flow to the sponsors.

If all incentives are received the first year return to investors with the 65/35 split will be 8.25% with a cumulative 5 year average of 8.7%



Resolution No. 2017- 162
July 18, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the following items be approved:

1. Resolution No. 2017-163, approving appointment to Boards and Commissions.
2. Resolution No. 2017-164, approving minutes of June 6 and June 13, 2017.
3. Resolution No. 2017-165, approving the Tie Michigan Teal campaign in the City of Ypsilanti.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2017 - 163
July 18, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

<u>NAME</u>	<u>BOARD</u>	<u>TERM EXPIRATION</u>
Adam Gainsley 409 N Adams Ypsilanti, MI 48197 (Reappointment)	Downtown Development Authority	July 1, 2021

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



Resolution No. 2017-164
July 18, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of June 6 and June 13, 2017 be approved.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



**CITY OF YPSILANTI
CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, June 6, 2017
7:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 7:05 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	P A
Mayor Pro-Tem Brown	Present	Council Member Vogt	P A
Council Member Murdock	Present	Mayor Edmonds	P A
Council Member Richardson (7:08)	Present		

Council Member Bashert moved, seconded by Mayor Pro-Tem Brown to excuse the absence of Council Member Richardson.

On a voice vote, the motion carried, and absence was excused.

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 –

Mayor Edmonds introduced the following individuals; City Manager Darwin McClary, City Attorney John Barr, Assistant City Attorney Dan DuChene, City Clerk Frances McMullan, Deputy City Clerk Andrew Hellenga, Finance Director Marilou Uy, Accounting Supervisor Rheagan Basabica, Police Chief Tony DeGiusti, Economic Development Director Beth Ernat, and Ypsilanti Housing Commission Director Zach Fosler.

VI. AGENDA APPROVAL-

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

Mayor Pro-Tem Brown moved, seconded by Council Member Bashert to remove Resolution No. 2017-137 and the OPRA presentation for 400 N. River, and for the Budget items to be moved to after Section No. XI.

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

VII. AUDIENCE PARTICIPATION –

1. Nathanael Romero, 413 W. Cross, stated he has lived in Ypsilanti for the last five years, and is slowly becoming more involved in local government. He expressed his support for the residents of Cross Street Village, and feels no one should have to struggle to stay in their housing. He explained he is low income making around \$16,000 a year and housing affordability is important to him. He encouraged Council to make affordable housing as its mission. He added any development to occur in the City should have affordable housing as an objective which raises concerns about the proposed Water Street development.
2. Beverly James, 958 Monroe St., stated the curb in front of her home has begun to crumble and recently destroyed her tire. She showed Council a piece of the curb and informed there are larger pieces she has removed from the street and placed in her yard. She asked when the City will do something to replace, or repair damage curbs. She stated in the last week, or two, gravel was dumped in her neighborhood but it was not padded down properly. She said she is not sure if it was City employees that dumped the gravel or a contractor but it needs to be fixed.
3. Mark Hergott, 111 Miles, stated a friend of his was on the gazebo at Riverside Park and a police officer approached him and asked "where his fishing pole was". The police officer then said he smelled marijuana. He said his friend is a minority and wants to speak up for him. He said other than the Chief body cameras assist in keeping police officers honest. He stated body cameras are being proposed to be cut from this budget, he urged Council not to cut that item.
4. Sylvester Smith, 212 S. Hamilton, stated Hamilton Rd. produces a great amount of traffic noise during the night making it difficult to sleep. He explained he has already brought it to the attention of the Police Department. He is not certain how MDOT's evaluation of the road ended up increasing the speed, and he does not know if a noise reduction as strategized. He said it is not reasonable for taxpayers to live like this and he hopes the City can find a resolution.
5. Sue Melke, 330 Chidester #409, stated police body cameras are a commitment the City made to the community that must be honored. She understands the City's fiscal concerns but that must continue to stay funded.

VIII. REMARKS BY THE MAYOR –

- Mayor Edmonds asked City Manager McClary to follow-up with Mrs. James regarding issues with her curb.
- Stated both Hamilton and MDOT continue to be a struggle in the City.

Council Member Richardson stated she understands the issue with Hamilton, and even though she lives a street away and there is a wall between her property and Hamilton she can still hear the traffic at night. She said she was shocked when MDOT informed the City speed limits on the street were going to be raised, and did all she could to inform them it was a residential area. She said she hopes the City will find a way to find relief for people living along that street. Mayor Edmonds suggested asking State Representative Ronnie Peterson for assistance on this matter.

Council Member Bashert stated there is an active conversation amongst Council about body cameras. She hopes everyone who has concerns about body cameras vote for the Water Street Debt Millage last August and will vote to approve it this coming August 8th.

Mayor Pro-Tem Brown asked Mr. McClary to keep Council informed about the curb issues brought up by Mrs. James.

IX. PRESENTATIONS –

- Resolution No. 2017-140, proclaiming the week of June 18th through June 24th as Gun Safety week in Ypsilanti.

WHEREAS, the City of Ypsilanti and the Ypsilanti Police Department are committed to enhancing the safety and well-being of all the residents and public safety can be increased by raising awareness and educating residents about how to keep themselves and their families safe; and

WHEREAS, educating the public and increasing knowledge about gun safety issues and encouraging responsible gun ownership can help protect our communities and our families, and provides a public service which benefits everyone, especially our children; and

Whereas, in Michigan, according to the AP and USA TODAY analysis, there were 49 accidental shootings involving minors age 17 and under that resulted in death or injury between Jan. 1, 2014 and June 30, 2016, and of those 49 shootings, 17 children were killed with 29 children and 3 adults injured; and

WHEREAS, though national attention is often drawn only to large scale tragedies, gun violence is a serious local, state, as well as national problem, with gun violence and injuries occurring daily throughout too many of our municipalities and the number of gun deaths in Michigan exceeding those caused by traffic accidents, and

WHEREAS, in Washtenaw and most Michigan counties, the majority of gun deaths are by suicide, and access to firearms in domestic abuse situations increases the risk of homicide by more than 5 times with guns the most commonly used weapon, recognition of early warning signs and knowledge of how to respond to potential suicide or domestic abuse situations can reduce gun violence and save lives; and

WHEREAS, according to the Center for Disease Control, Michigan aggravated assaults with a firearm at 7,679 were the seventh highest in the country in 2011 and according to the Michigan Dept. of Health and Humans Services between 2008 and 2013, which is the most recent state data available, 77 percent of all homicides in the state were gun related, and in 2015 Michigan firearm deaths rose to 1,164; and

Whereas, June 21st is National "Ask" Day (Asking Saves Kids) which encourages parents to help prevent gun injuries and deaths to our children by asking relatives, friends, and neighbors where children visit and play if guns are in the home and if so are they secured safely so that they cannot be accessed by children or young people; and

WHEREAS, during the week of June 18, 2017 through June 24, 2017 law enforcement agencies in Washtenaw County in order to increase the safety of our residents will be providing free gun locks and gun

safety information to members of the public and collaborating with community organizations to enhance public knowledge and promote gun safety; and

NOW THEREFORE BE IT RESOLVED that the City of Ypsilanti City Council in order to increase public safety and awareness about gun safety hereby declares the week of June 18, 2017 through June 24, 2017 as Gun Safety Week in the City of Ypsilanti.

OFFERED BY: Council Member Richardson

SECONDED BY: Mayor Pro-Tem Brown

Chief DeGiusti stated as in years past the City is participating in this countywide initiative. He emphasized the gunlocks are free and there is not a limit on how many locks a person can get. A press conference will be held on June 20th in front of the Washtenaw County Sheriff's Office at 10:00 a.m. He added on Saturday, June 17th the annual Interrupters information meeting in conjunction with the Sherriff's Department. The Interrupters are a volunteer group that walk door to door to provide information to interrupt violence in the City.

Council Member Richardson asked where people can pick-up gunlocks. Chief DeGiusti responded at the Police Department lobby. Mayor Edmonds asked what the lobby hours are. Chief DeGiusti responded normal lobby hours, Monday through Friday 8 am to 4 pm. Ms. Richardson asked where the Interrupters event will be held. Chief DeGiusti responded Grace Fellowship Church 1302 Harris Road. Ms. Richardson asked if there will be a gathering held inside City limits. Chief DeGiusti responded that is where a person would be registered but groups would operate in the City.

Mayor Edmonds asked for a press release to be completed regarding both this resolution and how to get a gunlock.

On a roll call, the vote to approve Resolution No. 2017-140 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

— Housing Commission Update – Zachary Fosler, Ypsilanti Housing Commission Director.

Ypsilanti Housing Commission Director provided a presentation regarding the Housing Commission.

Council Member Richardson asked if the Housing Commission has caught up on its PILOT payments. Mr. Fosler responded in the affirmative.

Mayor Edmonds asked for amount of units per location. Mr. Fosler responded in Commission has 342 units in its portfolio; 144 of those are Hamilton Crossing, Deborah Strong Housing is the second largest with 112 units, and has gone under two RAD conversions, Towner has 26 units, Hollowed Creek on South Grove has 24 units, and the remaining units are scattered throughout the City.

Council Member Richardson stated the original plans included single level building, which she does not see when she drives past the site. She asked if that is still going to be included in the construction. Mr. Fosler responded in the affirmative, but it would be included in a duplex. He explained the bottom unit would be handicapped accessible and another unit would be stacked on top. Ms. Richardson asked if the

original plan outlined standalone single units. Mr. Fosler responded no. Ms. Richardson asked who Hilyard Robinson is. Mr. Fosler responded a very prominent African American architect who designed the original Parkridge homes. Ms. Richardson stated Amos Washington was an Ypsilanti resident who was very prominent in bringing public housing to the City, and she has not heard his name mentioned. She asked if there are plans to acknowledge him at commission properties. Mr. Fosler responded there have been discussions at board meetings and he has reached out to his daughter if she would be interested in the community building being named after Mr. Washington. Beverly James stated Burton Ct. was originally named after Amos Washington and Andy Smith, and when John Burton was Mayor it was renamed Burton Ct. Ms. James stated there are some inaccuracies in how some of Ypsilanti's history was recorded. Ms. Richardson stated she wants to be certain there is a tribute to Amos Washington.

Mayor Edmonds asked for clarification on how the Housing Commission operates. Mr. Fosler responded there are a number of ways Housing Commissions are converting under the RAD program. The Ypsilanti Housing Commission converted its subsidy to project based rental assistance. Meaning the YHC no longer reports to HUD the property management companies do. Essentially, a limited partnership was formed between the investors, the properties, and the YHC. Now the YHC contracts out for much of its work rather than employ personnel for those jobs. Ms. Edmonds asked if this is a common model. Mr. Fosler responded it depends, and explained one of the reasons the YHC went to property management with tax credit experience is to achieve greater points when applying for tax credits, and because of staff capacity.

Mayor Edmonds asked about current waitlists for YHC properties. Mr. Fosler responded the waitlists were opened around a month, or two ago with a very robust marketing campaign. Ms. Richardson asked if former tenants would be first on the list. Mr. Fosler responded those individuals are not required to be on the list if they are current residents.

Council Member Murdock stated the organizational chart illustrates there are three layers between the Housing Commission and the housing complexes. Mr. responded in the affirmative. Mr. Murdock asked if the property managers would be responsible for the day to day operations of the properties. Mr. Fosler responded in the affirmative. Mr. Murdock stated years ago housing commissions were given funds from HUD in order to operate, and asked if that is no longer the practice. Mr. Fosler responded the YHC does not receive funding from HUD. He explained YHC revenue is generated by cash flow from the properties and developer fees.

Mayor Edmonds asked what opportunities this model would create. Mr. Fosler responded the YHC has been thinking about how it can further enhance the services it provides, maintain its properties, and assist in helping people remove themselves from poverty. The YHC is also looking for another site and there have been discussions about taking on a senior, or a veterans project.

Mayor Edmonds stated the YHC could be one of the City's biggest assets and has shown its capability of developing and maintaining assets.

Council Member Murdock stated the YHC has the ability to acquire new projects. Mr. Fosler responded in the affirmative, but explained the YHC would still need to solicit financing. Mr. Murdock asked if the YHC could enter a partnership, or take over an existing facility. Mr. Fosler responded in the affirmative, and said acquisition is something the YHC is interested.

— Bell/Kramer Environmental Testing Update – Beth Ernat, Economic Development Director.

Economic Development Director Beth Ernat provide a presentation regarding Bell/Kramer Environmental Testing.

Council Member Bashert asked when staff expects the results of the tests. Ms. Ernat responded between fourteen and twenty-one days.

Council Member Murdock asked how many locations agreed to testing. Ms. Ernat responded seven. Mr. Murdock asked if the properties nearest to the old site of the dump agreed to test. Ms. Ernat responded all but one, and explained staff was reached out in every possible form to get them to agree to test.

Council Member Bashert stated she appreciates how hard staff has worked to facilitate agreements for testing in the Bell/Kramer neighborhood. Ms. Ernat give credit to the neighbors and residents of the neighborhood who made this possible.

— Parking System / Administration Hearings Bureau Collections – City Clerk Frances McMullan & Assistant City Attorney Dan DuChene.

City Clerk McMullan and Assistant City Attorney Dan DuChene provided a presentation regarding parking ticket collections.

Council Member Murdock asked what the process is for when a person does not pay the fine. Mr. DuChene responded in order to begin "collections" of unpaid tickets first a court must enter a judgment. He said in his limited history representing the City a judgment has not been entered for parking citations. Mr. Murdock replied when the City oversaw parking citations in the past he does not recall the court being involved, however the City was still able to send tickets to a collections agency. Mr. DuChene responded he is not certain how the Credit Bureau proceeded with that collection, and it is possible it had the court enter a judgment. However, Duncan never received judgments, which is why it was only able to send letters for collections. Ms. McMullan added some of the data the City received from Duncan had unpaid tickets from the 1990s.

Council Member Bashert stated if a person has unpaid tickets in the City of Detroit that person cannot get their driver's license renewed. Mr. DuChene responded in the affirmative, and explained in order to do that the City would need to have judgments entered for unpaid tickets. Once a judgment is entered it can then be forwarded to the Secretary of State, and the City's issue is having the judgment entered by the court. Ms. Bashert asked if involving the court would require thousands of processes, or is there a way to automate making it more efficient. Ms. McMullan responded that is the ultimate goal, and added Ypsilanti is not the only municipality facing this issue. She explained Ann Arbor is going through the same problem.

Council Member Murdock asked in order to move to the proposed system what would be both the operating cost and capital cost. Ms. McMullan responded payment would either be a monthly fee or a percentage of what is collected.

Mayor Edmonds asked if there is a way to partner with other communities are regionalize parking collections. Mr. DuChene responded it is possible to use a shared vendor, or contract, but he doubts there is a possibility of a shared bureau. He added it would definitely not be possible to share a court because there is jurisdictional control.

Council Member Bashert asked how long it would take to execute this program. Ms. McMullan responded four to six months. Ms. Bashert asked how much staff time this would be required. Ms. McMullan responded three hours weekly.

Council Member Robb stated he would like to see the Request for Proposals (RFP) before it is issued. He stated he does not want a company to take parking revenue from the City. He suggested all costs be factored into the ticket as a surcharge, or administrative fee. Mr. DuChene stated that would be automatic and would not depend on the RFP. Mr. Robb responded he wants the RFP to be written to state the company would not be taking a 15% fee it would be taking a surcharge. Council Member Vogt stated he would also like court costs and collection fees to be included in the ticket. Mr. DuChene responded that would be assessed at time of collections and would not be necessary to be included in the ticket amount. Mr. Vogt stated a collection agency would want to tap on its 50%, and how would the City address that. Mr. DuChene responded essentially at each step fines would increase. Mr. Robb

stated the step increase will be included in his proposed fee schedule, and asked how waiting ninety days for a court judgment would affect his proposed step increases.

Council Member Robb asked if the backlog of unpaid tickets could be split into a separate RFP. Mr. DuChene responded that is the strategy staff is requesting. He explained one RFP would be for the Parking Bureau operations and one for collections, which would include the Administrative Hearings Bureau. Mr. Robb asked if the backlog includes all tickets the City can still statutorily collect, or does it include only the tickets written after the formation of the Parking Bureau. Ms. McMullan responded the backlog is 2010 through 2015 pre Parking Bureau. Mr. Robb asked who will collect fines owed from the time of the Parking Bureau's inception in December of 2015. Ms. McMullan responded any agency that submits a bid in response to the RFP will have a chance to bid on the collection piece. Mr. Robb stated until a new Fee Schedule is adopted the 15% surcharge does not exist. Mr. DuChene responded the City cannot retroactively add 15% to tickets already written. Mr. Robb responded the collection RFP should be in two parts; one to collect fines for backlog tickets and one for tickets and one for future tickets.

Council Member Bashert stated the RFP needs to include parking meter maintenance. Ms. McMullan this RFP would not include meter maintenance, in would include parking software and collections. She added that would need to be a part of union negotiations.

Council Member Murdock asked if a company could bid on just one of the pieces. Mr. DuChene responded in the affirmative.

Deputy City Clerk Hellenga provided a presentation regarding collection of overdue Administrative Hearings Bureau fines.

Mayor Edmonds asked what the difference is between informal and formal cases. Mr. Hellenga responded for informal cases the attorney is not present and formal cases the respondent is required to appear.

Council Member Murdock stated the Administrative Hearings Bureau at one time was referred to as "blight court" and was developed so the City would not have to rely on the district court in these matters. A power of the AHB is to assess liens based on failure to pay fines resulting from AHB judgments. He said it might be easier to employ a collections agency rather than increasing fines to cover costs of filing liens. Mr. DuChene responded it than would be assessed to the property taxes for payment. Mr. Murdock stated he believes several of these properties are going to either be vacant or foreclosed, and fees incurred through title searches would not be collectable.

Council Member Vogt asked if the judgments carry interest at a statutory rate. Mr. DuChene responded in the affirmative. Mr. Vogt stated he would not like to see fines decreased if paid within a certain amount of time. He added he feels all costs are not covered in current scheduled fines of the AHB such as software. Council Member Robb stated the title search is a threat and if the respondent pays within 30 days they will save \$200. Mr. Vogt stated the City cannot not afford any loses. Mr. Robb responded it would not be a loss because the City would not have expended that money.

Council Member Robb asked why a title search is necessary to file a lien. Mr. DuChene stated it is inadvisable to file a lien without insuring the person who owes the money is the owner of the property. If it is the incorrect owner a "cloud of title" could be created and the City would be susceptible to liability.

Council Member Robb stated he did not include the cost of staff time because it is an amount already paid in salary. It was his intention for staff to look into contracted labor to perform the tasks necessary to file the liens.

1. Resolution No. 2017-123, directing staff to issue a Request for Proposal (RFP) to locate a third party to collect outstanding fines.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, the Ypsilanti City Council amended Ypsilanti City Code Section 102-81 to establish a Parking Violations Bureau for the purpose of handling all alleged parking violations within the City of Ypsilanti pursuant to the Revised Judicature Act, Public Act 154 of 1968, as amended (MCL 600.8395); and

WHEREAS, the Ypsilanti City Council adopted Ordinance No. 1130 to establish an Administrative Hearings Bureau to address blight violations within the City of Ypsilanti pursuant to Section 4q of the Home Rule City Act, Public Act 279 of 1909, as amended (MCL 117.4q); and

WHEREAS, judgments issued by the Administrative Hearings Bureau for unpaid fines for blight violations and judgments issued by the 14A2 District Court for unpaid fines for parking violations may be collected upon according to law; and

WHEREAS, there are outstanding fines for both blight and parking violations within the City of Ypsilanti; and

WHEREAS, the City of Ypsilanti is interested in contracting with a third-party to collect upon judgements for such outstanding fines and to help increase efficiency in obtaining said payments and judgments;

NOW THEREFORE BE IT RESOLVED that staff of the City, the Parking Violations Bureau, and the Administrative Hearings Bureau are directed to issue a request for proposals to locate a third-party to provide such services, with a proposed contract from the successful bidder to be approved by City Council.

OFFERED BY: Council Member Robb

SECONDED BY: Council Member Vogt

On a roll call, the vote to approve Resolution No. 2017-123 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. Resolution No. 2017-124, directing staff to issue a Request for Proposal (RFP) to locate a third party capable of supporting the Parking Violations Bureau's need for hardware and software support.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, the Ypsilanti City Council amended Ypsilanti City Code Section 102-81 to establish a Parking Violations Bureau for the purpose of

handling all alleged parking violations within the City of Ypsilanti pursuant to the Revised Judicature Act, Public Act 154 of 1968, as amended (MCL 600.8395); and

WHEREAS, the Ypsilanti City Council adopted resolution No. 2016-005, approving the rules of the Parking Violations Bureau; and

WHEREAS, since its inception, the Parking Violations Bureau and enforcement officers have been utilizing Courts and Law Enforcement Management Information System ("CLEMIS") for its hardware and software needs; and

WHEREAS, CLEMIS has advised that they are phasing out its hardware for parking violations and has encouraged agencies to find other solutions to the parking needs; and

WHEREAS, the City is interested in contracting with a third-party capable of supporting the Parking Violations Bureau's need for hardware and software support, particularly to provide handheld devices and printers; software to track, find, store and share data between devices and agencies within the City, Courts and State of Michigan; and for increased efficiency, including the issuance of notices for payment of outstanding violations; and

NOW THEREFORE BE IT RESOLVED that staff of the City and the Parking Violations Bureau is directed to issue a request for proposals to locate a third-party to provide such services, with a proposed contract from the successful bidder to be approved by City Council.

OFFERED BY: Council Member Robb
SECONDED BY: Council Member Bashert

On a roll call, the vote to approve Resolution No. 2017-124 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

~~VIII. ORDINANCE FIRST READING~~ (Moved and Heard following Section XI)

~~Ordinance 1289~~

- ~~1. AN ORDINANCE TO AMEND BUDGET APPROPRIATIONS BY DEPARTMENT AND MAJOR ORGANIZATIONAL UNIT FOR THE FISCAL YEARS 2016—2017 AND 2017—2018 (Finance)~~

- ~~A. Resolution No. 2017—125, determination
B. Public Hearing
C. Resolution No. 2017—126, close the public hearing~~

~~Ordinance 1290~~

~~2. An ordinance entitled, "2017-2018 Tax Levy Ordinance". (Finance)~~

~~A. Resolution No. 2017-127, determination~~

~~B. Public Hearing~~

~~C. Resolution No. 2017-128, close the public hearing~~

IX. CONSENT AGENDA –

Resolution No. 2017-129

1. Resolution No. 2017-130, approving the minutes of May 9th, May 11th, and May 16th, 2017 be approved. (Clerk)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of May 9th, May 11th, and May 16th, 2017 be approved.

2. Resolution No. 2017-131, approving a Special Merchants License for Cool Restaurant Group LLC. (Clerk)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Cool Restaurant Group LLC has applied to the City of Ypsilanti and Michigan Liquor Control Commission requesting the following:

Adding a Specially Designated Merchant Liquor License, as defined by MCL 436.1111(13), is a business licensed to sell, at retail, beer and wine in the original package for consumption off the premises, and Sunday sales at 207 W. Michigan Ave, Ypsilanti, MI 48197, Washtenaw County; and

WHEREAS, a public hearing to consider the proposed Specially Designated Merchant was duly noticed and held on May 16, 2017.

NOW, THEREFORE, BE IT RESOLVED THAT the request of Cool Restaurant Group LLC for the property located at 207 W. Michigan Ave. be approved.

3. Resolution No. 2017-132, approving Ordinance 1288, An Ordinance to Repeal Article II of Chapter 114 "TAXICABS" of the Ypsilanti City Code and Replace with "LIMOUSINE, TAXICAB, AND TRANSPORTATION NETWORK COMPANY." (**Second Reading**) (Attorney)

RESOLUTION TO APPROVE an ordinance to Repeal Article I and II of Chapter 114 "Vehicles for Hire" of the Ypsilanti City Code and Replace with Limousine, Taxicab, and Transportation Network Company Ordinance

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that: An Ordinance entitled: An ordinance to Repeal Article I and II of Chapter 114 "Vehicles for Hire" of the Ypsilanti City Code and Replace with Limousine, Taxicab, and Transportation Network Company Ordinance, with provision prohibiting intent to defraud driver, etc., Be approved on second and final reading.

4. Resolution No. 2017-133, authorizing the City Clerk to submit a grant application for election equipment on behalf of the City of Ypsilanti. (Clerk)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti City Council wishes to apply to the Secretary of State for a grant to purchase a new voting system, which includes precinct tabulators, Absent Voter Counting Board (AVCB) tabulators, accessible voting devices for use by individuals with disabilities, and related Election Management System (EMS) software.

WHEREAS, partial funding for the new voting system will be provided by the State, and will include a combination of Federal Help America Vote Act and State-appropriated funds. Local funding obligations are detailed in the attached Hart Interactive quote.

WHEREAS, the City of Ypsilanti plans to begin implementation of the new voting system in 2017.

WHEREAS, the deadline for submitting the required State Grant Application is July of 2017.

NOW, THEREFORE, BE IT RESOLVED that the City Clerk is authorized to submit this Grant Application on behalf of The City of Ypsilanti, Washtenaw County on this day of June 6, 2017.

5. Resolution No. 2017-134, authorizing the City Treasurer to levy and assess the unpaid special assessments to the July tax roll. (Treasury)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That, the City Treasurer be authorized to levy and assess on the July 2017 tax roll the attached listing of unpaid bills totaling \$91,830.36

6. Resolution No. 2017-135, approving appointments to Boards and Commissions. (Mayor)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

<u>NAME</u>	<u>BOARD</u>	<u>TERM EXPIRATION</u>
Heidi Frankenhauser 217 Oak Ypsilanti, MI 48198 (Replacing Valerie Brannon)	Housing Commission	12/31/2018

OFFERED BY: Council Member Murdock
SECONDED BY: Council Member Richardson

On a roll call, the vote to approve Resolution No. 2017-129 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

X. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017-136A, granting permission for Ypsilanti Heritage Festival and Paratus Air of Ohio and Indiana to use the city's Frog Island Park for a temporary heliport for public helicopter rides as part of the 2017 Heritage Festival event. (City Manager)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Ypsilanti Heritage Festival is an important annual community event that provides activities and entertainment for people of all ages; and

WHEREAS, the Heritage Festival desires to provide public helicopter rides as part of the 2017 Heritage Festival event; and

WHEREAS, the organization has requested that the city grant permission for the use of the city's Frog Island Park as a temporary heliport for takeoffs and landings for a helicopter for public helicopter rides; and

WHEREAS, the city desires to grant permission for this use under certain conditions;

NOW THEREFORE BE IT RESOLVED BY THE CITY OF YPSILANTI that the City Council does hereby grant permission for Ypsilanti Heritage Festival and Paratus Air of Ohio and Indiana to use the city's Frog Island Park for a temporary heliport for public helicopter rides as part of the 2017 Heritage Festival event, and for the City Manager to execute the Property Owner Information section of the MDOT Temporary Field Permit Application (Heliports), with the following conditions:

1. Helicopter rides shall only be permitted between the hours of 9:30 AM and 7:00 PM on the following dates: Friday, August 25, 2017; Saturday, August 26, 2017, and Sunday, August 27, 2017.
2. Helicopter rides, including but not limited to designated flight paths, shall comply in all legal respects with Federal Aviation Administration (FAA) requirements.
3. Helicopters shall take off and land at a heliport location within Frog Island Park as approved by city administration, and the helicopter flight path shall follow as closely as possible the Huron River and commercially zoned areas of the city. The detailed flight path shall be submitted to the city not later than one (1) month prior to the event for approval.
4. Ypsilanti Heritage Festival and Paratus Air shall be responsible for obtaining all required permits and all other authorizations as may be legally required to provide public helicopter rides on city premises.

5. **Ypsilanti Heritage Festival and Paratus Air shall be responsible for taking all necessary safety precautions, installing appropriate safety barriers, and entrances to the rides to insure public safety.**
6. **Ypsilanti Heritage Festival and Paratus Air shall execute hold-harmless agreements as required by the city not later than two (2) weeks prior to the event that indemnify and hold harmless the city from any and all claims whatsoever related to the event.**
7. **Ypsilanti Heritage Festival and Paratus Air shall provide appropriate certificates of insurance for liability and property insurance coverage in amounts required by the city and naming the City of Ypsilanti as additional insured for the event not later than two (2) weeks prior to the event.**
8. **Failure to fully comply with the conditions and deadlines set forth above will result in the immediate revocation of approval of the use of city property for this event.**

OFFERED BY: Council Member Vogt
 SECONDED BY: Mayor Pro-Tem Brown

City Manager Darwin McClary stated the Ypsilanti Heritage Festival is requesting the City approve the organizations request to use Frog Island Park as a temporary heliport. Due to potential impact on surrounding properties he requested this item come before Council for approval.

Mayor Edmonds stated she would like to see residents informed this was going to take place.

Les Heddle stated this is approval is necessary for this activity to be included in this year's festival. He explained the flight path of the helicopter is to follow the river which is primarily commercial properties. He asked for approval in order for the board to get approval from the Department of Transportation and then finalize a contract with the company.

Council Member Bashert asked what elevation the pilot would be required to fly. Mr. Heddle responded he believes FAA regulations is 1,000 ft. Ms. Bashert asked what the fees will be and how many passengers. Mr. Heddle responded three people may ride at a time at \$20 per ride. He asked the resolution be amended to 9:30 a.m. rather than 10:00 a.m.

Council Member Murdock moved, seconded by Council Member Bashert to amend the resolution to have a start time of 9:30 a.m.

On a roll call, the vote to amend Resolution No. 2017-136A 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

Council Member Vogt asked for clarification of liability coverage. Mr. Heddle responded there are three layers of liability coverage; the festival has general liability, Paratus Air carries its own liability, and the Heritage Festival carries a policy with the City. Mr. Vogt asked the amount of the coverage. Mr. Heddle responded \$1 million. Mayor Edmonds added she is certain the helicopter company would carry liability insurance greater than \$1 million. Mr. Heddle agreed.

Council Member Richardson asked if other festivals that have had both balloon and helicopter rides. Mr. Heddle responded both companies have very well developed websites which list events they have done in the path.

On a roll call, the vote to approve Resolution No. 2017-136A as amended 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	No
Council Member Bashert	Yes		

VOTE:

YES: 6 NO: 1 (Vogt) ABSENT: 0 VOTE: Carried

2. Resolution No. 2017-136, requesting support for Cross Street Village residents. (Council)

Whereas the 210 West Cross Street is the former Ypsilanti City High School and a building of historical importance to our community

Whereas in 1998 the former high school was purchased from the Ypsilanti School District with the intention of creating affordable housing for senior people

Whereas MSHDA initially awarded \$934,941 with the intent of creating housing for fixed income elderly people in the Ypsilanti area and continues to receive annual similar financial benefits from this building and providing housing to senior residents

Whereas the residents of Cross Street Village are elders, many are disabled, and all are on fixed incomes

Whereas the City of Ypsilanti holds the stability and wellbeing of our senior and low income residents in high importance

Whereas Cross Street Village rent formula is based on an Average Median Income (AMI) of the county, is significantly higher than the City of Ypsilanti, causing residents to pay a higher rent than is reasonable for our community

Whereas the waiting list for affordable housing in Michigan is extensive and will cause economic and personal hardship to residents forced to move

Whereas the management of Cross Street Village has indicated intent to move to commercial rates and abandon the MSHDA program despite 17 years of tax credits and other benefits from the IRS

Whereas the City of Ypsilanti and MSHDA contracted and approved the Village in good faith assuming the 35 years of quality affordable housing

Now therefore be it resolved that The City of Ypsilanti requests that HUD and MSHDA seek solutions for the residents of this community including addressing the escape clause in the program that allowed this problem to occur.

Now therefore be it resolved that The City of Ypsilanti requests that MSHDA protect the interests of the community Ypsilanti and the residents of Cross

Street Village from the practices already mentioned by taking immediate action with the management of Cross Street Village.

OFFERED BY: Council Member Bashert

SECONDED BY: Council Member Richardson

Council Member Robb asked the source of “99 years of affordable housing”. He said it was a number brought up during audience participation but no evidence has been presented. Ms. Ernat responded 99 years is the standard with no opt outs. However, the City or the developer has the option to opt out. Council Member Bashert stated Council Member Robb has the option to make an amendment. Mr. Robb stated the resolution does not state the whole truth. Ms. Bashert responded it does because MSHDA and the City did not provide the tax credits with the idea that only seventeen years of affordable housing would be available. She said had the City thought the developer would have used its fifteen year opt out more than likely it would not have entered into a contract with the company. Mr. Robb responded what is codified is thirty-five years. Ms. Ernat agreed. Mr. Robb stated this is going through the state and he wants it to be factual. Ms. Bashert responded she is open to a friendly amendment.

Council Member Robb asked if the City is asking the state to reconsider the average median income (AMI). Mayor Edmonds responded the state does not have control over AMI that is set by HUD. Council Member Bashert asked that the resolution be changed to read 35 years instead of 99 and HUD instead of MSHDA. Council Member Murdock suggested leaving MSHDA in the resolution and just add HUD.

Mayor Edmonds stated she would like to strike “aggressively seek solutions...” because it could hurt the City and cause the opposite of what the resolution’s intent is. Ms. Ernat stated by changing the AMI it would affect others with a higher salary which would no longer be eligible for this assistance. Council Member Murdock stated the AMI hasn’t changed from last year and some of the rents at Cross Street Village have increased 40%. Ms. Ernat responded it has to do with the structure of the unit, and the purpose of the resolution is to protect Cross Street. She recommended postponing the discussion of AMI to a later meeting.

Council Member Richardson stated if Council does not address AMI to HUD now it must be a high priority in the future.

Council Member Bashert stated she is willing to remove the statement, “including the addressing of AMI and...”

Mayor Edmonds stated the County’s study on affordable housing states Ypsilanti does not need more affordable housing. She stated she challenges that at every meeting she attends. She warned against changing the AMI because it could hurt the City’s ability to preserve affordability. Mr. Robb added changing the AMI could also result in clustering of affordability rather than spread it throughout the County.

Council Member Murdock stated this conversation is specific to Cross Street Village, which currently is affordable housing and the City is about to lose that.

Council Member Richardson accepted the friendly amendment.

On a roll call, the vote to approve Resolution No. 2017-136 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

3. ~~Resolution No 2017-137, approving the City of Ypsilanti Social Media Policy. (City Manager)~~ **(Removed until June 20th)**

4. Resolution No. 2017-138, approving the Brownfield Plan for 400 N. River. (Economic Development)

RESOLUTION APPROVING BROWNFIELD PLAN FOR 400 N. RIVER STREET

WHEREAS, Washtenaw County established the Washtenaw County Brownfield Development

Authority (WCBRA) in accordance with the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act") to encourage redevelopment of contaminated, functionally obsolete or blighted property by providing economic incentives; and

WHEREAS, the property located at 400 North River Street (the "Property") has been determined to be a Facility, functionally obsolete by a Level III Assessor and deemed blighted by Council resolution, and located in a qualified local unit of government, thus the property is considered to be an eligible property as defined in the Act; and

WHEREAS, The Brownfield Plan for the Thompson Block Redevelopment (the "Plan") has been created to facilitate the redevelopment of the Property to include a 12,000-square foot commercial space on the first floor and portion of the basement and approximately 20 high end upper story residential units for an overall investment estimated at \$9,750,000 of which \$1,329,197 is proposed for brownfield reimbursement; and

WHEREAS, the Plan will allow application for a State of Michigan Brownfield Redevelopment

Michigan Business Tax Credit valued at \$175,578.31 to assist in the financing of the redevelopment; and

WHEREAS, the Plan must be approved by the City of Ypsilanti, then the WCBRA, with final adoption by the Washtenaw County Board of Commissioners; and

WHEREAS, neither Washtenaw County nor the Washtenaw County Brownfield Redevelopment

Authority will incur a financial note or bonded indebtedness.

NOW THEREFORE BE IT RESOLVED, that the Ypsilanti City Council approve The Brownfield Plan for Thompson Block Redevelopment for the property located at 400 North River Street as authorized by the Washtenaw County Brownfield Redevelopment Authority.

OFFERED BY: Council Member Vogt
SECONDED BY: Mayor Pro-Tem Brown

Ms. Ernat introduced John Carlson, Marilyn Crowley of Kincaid Henry, and Nathan Vought of Washtenaw County.

Council Member Bashert moved, seconded by Council Member Vogt to extend the meeting until 11:00 p.m.

On a voice vote, the motion carried, and the meeting was extended.

Ms. Ernat stated staff is requesting the brownfield plan be approved for 400 N. River, the "Thompson Block". She updated Council on the projects current state.

Council Member Robb stated the way this project is designed it will not be paid by City funds. He asked why this project amount is five times greater than the one proposed three years ago. Nathan Vought responded this project calls for a lot more demolition and stabilization inside the structure the previous team did not identify. Ms. Ernat added the plan approved three years ago yielded very little change to the building. Mr. Robb stated the proposed investment of the OPRA is \$8 million and the proposed investment of the brownfield is \$9.75 million. Ms. Ernat responded the difference is caused by the structure involves two lots, one in the DDA district and one that is not.

Council Member Bashert stated there is a requirement for a brownfield plan to have a public hearing, and asked if that will be provided by the county. Ms. Ernat responded the process is to hold a public meeting with the Washtenaw County Brownfield Development Authority, the City holds a public meeting, and the County Board of Commissioners holds a public meeting. Community Development Coordinator Joe Meyers added all the taxing jurisdictions are required to be notified.

Council Member Murdock stated basically this would require an OPRA and a Brownfield Plan to be approved simultaneously. He explained an OPRA would freeze the taxable value for its duration of twelve years, which result in zero taxes captured by the brownfield TIF. Ms. Ernat responded in the affirmative. Mr. Murdock stated after the OPRA expires the 95% captured by the TIF would go to reimburse the Brownfield Authority meaning the City would not generate additional revenue from this property for twenty-eight years. Ms. Ernat responded in the affirmative. Mr. Murdock asked how the City would get its Police and Fire Pension Millage from properties with similar restrictions. Ms. Ernat responded it is not included in the legislation. Mr. Vought added the legislation requires that all taxes be applied equally. Ms. Ernat stated the hope is with a building with greater value the TIF would be able to be paid off more quickly.

On a roll call, the vote to approve Resolution No. 2017-138 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

~~5. Presentation of the OPRA application for 400 N. River. (Economic Development)~~
(Removed until June 20th)

XI. ORDINANCE FIRST READING –

Ordinance 1289

1. AN ORDINANCE TO AMEND BUDGET APPROPRIATIONS BY DEPARTMENT AND MAJOR ORGANIZATIONAL UNIT FOR THE FISCAL YEARS 2016 – 2017 AND 2017 – 2018 (Finance)

- A. Resolution No. 2017 - 125, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled, "An Ordinance to Amend Budget Appropriations by Department and Major Organizational Unit for the Fiscal Years 2016-2017 and 2017-2018", be approved on First Reading.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

- B. Public Hearing

1. Kyle Hunter, 109 Ferris #4, stated he hopes there will be increased community engagement for the brownfield development. He said there is a possibility that the development of the Thompson Block would add to the gentrification of Ypsilanti.

Mayor Edmonds stated the County Board of Commissioners will meet Tomorrow with a public hearing for this item on its agenda.

2. Amber Fellows, 312 Maple, stated Ypsilanti has given up its public hearing for its brownfield plan. She asked if there would be a way to have the public hearing back in Ypsilanti, because it affects this community.

Council Member Robb responded the City has no authority so a public hearing carries no weight. Ms. Fellows asked if there will be multiple hearings or just Tomorrow, June 7th. Mayor Edmonds stated the project has been before the Downtown Development Authority and Council. Ms. Ernat added she will provide information of when the County Board of Commissioners will vote on the brownfield plan. Ms. Ernat explained the process for approval begin with the DDA on May 18th, which held a public hearing. The second meeting to discuss the topic occurs locally and a brownfield meeting was held on June 1st. There are two more meetings before final approval, tomorrow, which includes a public hearing at the Ways and Means Committee of the Board of Commissioners. The last meeting will be a final vote of the full Board of Commissioners.

City Manager McClary responded simply because the City does not hold a public hearing for this topic does not mean the residents of Ypsilanti do not have a voice. He explained City Council does make a recommendation to the Board of Commissioner and it is important to make your position known to Council. Ms. Fellows stated her issue is this issue was not made known to the public. Mayor

Edmonds responded with the lack of media presence it is important to read Council agenda packets. She added the City follows all legal noticing requirements.

3. Sam Jones-Darling, stated a budget priority for the City needs to be the public security of its citizens. By that he means the public security that is seen and the security that isn't seen. He explained police body cameras are essential and must be kept up-to-date so citizens can keep track of public safety. He stated not only to people need to feel safe they need to be secure in their public housing. When a community gives up its jurisdiction with regards to Public Act 381 means citizens no longer have the ability to hear things in their neighborhood. It is his recommendation as a Human Relations Commission and a citizen of the City that a policy be made to hold public meetings with regards to brownfield plans in City limits.

C. Resolution No. 2017 – 126, close the public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Public Hearing to consider an ordinance entitled, "An Ordinance to Amend Budget Appropriations by Department and Major Organizational Unit for the Amended Fiscal Years "2016 – 2017 and 2017 - 2018", be officially closed.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

On a voice vote, the motion carried, and the public hearing was closed.

Mayor Edmonds suggested the budget be tabled to allow time to review any amendments to the budget. Council Member disagreed, and suggested the budget be approved on First Reading, as always, and amendments be made before final approval on Second Reading. Ms. Edmonds responded this will allow people more time to review the budget. Mr. Robb replied there is no reason why the budget cannot be amended after being approved on First Reading. Mr. Robb asked the Attorney's Office opinion on why the budget should not be voted on for First Reading. City Manager McClary responded it is appropriate for the budget to be approved on First Reading, and hold a work session next week and provide amendments. During Second Reading the amendments can be voted upon and a vote held for final approval on Second Reading. He recommended this process so the budget can be approved by the June 20th meeting to have a budget in place by July 1st. Ms. Edmonds stated she would prefer not to vote on the budget tonight because she was provided information on the budget by Council Member Robb without time to review it. Mr. Robb responded after staff offers the budget to Council it is no longer in the possession of administration it is in the possession of the Council, and it is theirs to amend it the way Council sees fit. He added the amendment he provided to Council has not been offered and not voted upon therefore it is not part of the budget.

Council Member Murdock asked for clarification of the proposed "elimination of DDA stipend" offered by Council Member Robb. Council Member Robb replied it is to eliminate stipends City staff receives for completed DDA work, and would not result in anyone losing their job.

Council Member Bashert asked for clarification of "adding a Police Officer". Mayor Pro-Tem Brown responded she proposed that amendment, and explained the budget proposes the elimination of three officer. She stated this amendment would lower that to eliminating only two, the officer would act as the DDA officer to meet the requirement of the contract. Council Member Robb asked if budgetary offsets are being proposed. Ms. Brown responded not at this time.

Council Member Bashert stated she wanted to add the body cameras to the budget, as did other Council Members, but the program is cost prohibitive. Ms. Ernat asked if the additional parking revenue is based on the plan proposed earlier during this meeting. Council Member Robb responded no, it is based on increasing fines. Ms. Bashert stated she would like to see both revenues and expenditures of the propositions of the Parking Bureau and Administrative Hearings Bureau built into the budget. Council Member Robb stated the City has been collecting parking revenue in house since December of 2015. If the past twelve months, ending May 31st, are examined \$270,000 in tickets were written. He is confident the City has hit equilibrium as far as revenue, the majority of tickets written are either for expired meter or residential parking without permit. He said if the grace period is eliminated for expired meter and make it \$15 and increase parking without a permit to \$60 it will generate \$350,730 of revenue. He added his estimations are based on 75% of payment received for fines, which is based on discussions he has had with the City Clerk. He stated this amount is based on accountability he sees it as City revenue and he believes 75% is obtainable. Mayor Edmonds asked if the estimations detailed in the information sent to Council. Mr. Robb responded in the affirmative, and explained what his estimation does not consider is changes in the Fee Schedule which he is going to offer tier increase for parking tickets. He added he is confident the revenue he is estimating is lower than what will actually be achieved. Ms. Edmonds stated she would like expected expenses of these programs to be included in the budget.

Council Member Bashert stated the DDA stipend will be a contentious item on this budget. Mayor Edmonds asked for staff to have a presentation for this item at the June 13th Special Meeting. Ms. Ernat responded she would provide that to Council.

On a roll call, the vote to approve Resolution No. 2017-125 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

Ordinance 1290

3. An ordinance entitled, "2017-2018 Tax Levy Ordinance". (Finance)

A. Resolution No. 2017-127, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the proposed ordinance entitled "2017-2018 Tax Levy Ordinance", be approved on First Reading.

OFFERED BY: Mayor Pro-Tem Brown

SECONDED BY: Council Member Vogt

B. Public Hearing

C. Resolution No. 2017 - 128, close the public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on the proposed ordinance entitled "2017-2018 Tax Levy Ordinance", be officially closed.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

On a voice vote, the motion carried, and the public hearing was closed.

On a roll call, the vote to approve Resolution No. 2017-127 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

XII. AUDIENCE PARTICIPATION –

1. Kyle Hunter, 109 Ferris #4, stated he hopes there is a more consistent attempt to advertise public hearings.

Mayor Edmonds asked if he is a member of the listserv to receive notifications of public hearings. Mr. Hunter responded no. Ms. Edmonds replied to receive these notifications a person can sign-up. Mr. Hunter responded he understands there are things he can do, but his concern is promoting things to people that might not know what to do.

XIII. LIASON REPORTS –

- A. SEMCOG Update - None
- B. Washtenaw Area Transportation Study - None
- C. Urban County - None
- D. Ypsilanti Downtown Development Authority - None
- E. Eastern Washtenaw Safety Alliance - None
- F. Police-Community Relations/Black Lives Matter Joint Task Force - None
- G. Friends of Rutherford Pool - None
- H. Housing Equity Leadership Team - None
- I. Economic Development Coordinating Committee - None

XIV. COUNCIL PROPOSED BUSINESS –

Brown

- She's was invited to speak in honor of Mr. Agnew at Perry School regarding his years of service. She said it was a very beautiful celebration and Mr. Agnew is a wonderful person and an excellent community member.

Murdock

- The Council Information Letter listed an increase in the residential parking permits.

Ms. McMullan stated it is being proposed as a part of the Fee Schedule.

- He asked if the trail clean-up day ever happened.

Mr. McClary responded he will have an answer very shortly.

- Two weeks ago a copy of a letter he received regarding a police complaint and he has not heard a response.

Mr. McClary stated he will forward a response to Council.

Bashert

- She and Council Member Vogt will be holding a town hall meeting on June 14th, at 7:00 p.m. at the Senior Center. which will include a presentation about Penn Park. She added conversations will also focus on the Water Street Debt Millage.

XV. COMMUNICATIONS FROM THE MAYOR –

- Stated Ypsilanti is a Climate City and was mentioned on CNN.

Council Member Richardson moved, seconded by Council Member Vogt to extend the meeting until 11:05 p.m.

On a voice vote, the motion carried, and the meeting was extended.

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

XVII. COMMUNICATIONS –

- April 13, 2017 Ypsilanti Housing Commission Minutes.
- Community Development Block Grant Information Letter.

XVIII. REMARKS FROM THE MAYOR –

Nominations

Board of Ethics

Evan Dority
908 Pleasant
Ypsilanti, MI 48197
(Reappointment)

XIX. ADJOURNMENT –

Resolution No. 2017-139, 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 Vogt
SECONDED BY: Mayor Pro-Tem Brown

On a voice vote, the motion carried, and the meeting adjourned at 11:05 p.m.



**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.



Resolution No. 2017-165
July 18, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the *Tie Michigan Teal* campaign is sponsored by the Michigan Ovarian Cancer Alliance, and is an event held during the month of September to create awareness of ovarian cancer and its symptoms;

WHEREAS, ovarian cancer is the deadliest of gynecologic cancers and a leading cause of cancer-related death in women. There is no early detection test for ovarian cancer; It is referred to as "The Silent Disease"; and

WHEREAS, this is the 11th year of the campaign and the Michigan Ovarian Cancer Alliance would like to tie teal ribbons throughout the city, post awareness posters at establishments, and distribute information cards; and

WHEREAS, the Michigan Ovarian Cancer Alliance (MIOCA), will cover all expenses incurred by this campaign and there will be no cost to the city.

THEREFORE BE IT RESOLVED THAT the Mayor and City Council supports this national campaign and approves of teal ribbons being tied throughout the city September 1st - September 30, 2017, along with lawn signs, awareness posters and information cards being provided for establishments that are interested.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



REQUEST FOR LEGISLATION

FROM: Marilou T. Uy, Fiscal Services Director

SUBJECT: Approval of assignment of audit engagement from Abraham & Gaffney, P. C. to Yeo & Yeo CPAs & Business Consultants, and approval of consent letter that audit records be transferred to Yeo & Yeo CPAs & Business Consultants

DATE: July 18, 2017

Background:

On July 6, 2017, we were informed that Abraham & Gaffney, P.C. is splitting its business and decided to solely specialize in the tax and business practice. Alan D. Panter, Principal of Abraham & Gaffney, accepted the principal position at Yeo & Yeo effective July 31, 2017, and is hopeful that all his clients will follow him to Yeo & Yeo. All pricing of A&G will be honored by Yeo & Yeo. The FYE 2017 audit fee is \$44,150 less \$3,000 discount since no single audit will be provided this year. The preliminary audit for FYE 2017 was scheduled on August 18th, 2017. Due to a time constraint, we agreed with the suggestion of Alan Panter to assign the audit engagement to Yeo & Yeo.

The City Attorney's office reviewed the prior contract with Abraham & Gaffney and advised us to obtain an assignment of the contract with Abraham & Gaffney to Yeo & Yeo.

Attached please find Yeo & Yeo engagement letter dated July 10, 2017, outlining the services they will provide; the audit objectives, management responsibilities, audit procedures, audit administration, and fees for the annual audit for fiscal year ending June 30, 2017. Also attached is the consent to transfer files from Abraham & Gaffney to Yeo & Yeo.

Please feel free to contact me at 734-483-1105 or by e-mail at muy@cityofypsilanti.com if you have questions.

RECOMMENDED ACTION: Approval of Yeo & Yeo engagement letter, approval of the consent letter that audit records be transferred to Yeo & Yeo, authorizing the City Manager to sign the engagement letter, and authorizing the Finance Director to sign the consent to transfer files to Yeo & Yeo.

ATTACHMENTS: Abraham & Gaffney's transfer of files letter dated July 6, 2017, Yeo & Yeo engagement letters dated July 7, 2017 and July 10, 2017, Abraham & Gaffney 4-22-16 contract, emails from Alan Panter, Dan Duchene, Assistant City Attorney letter of Assignment Approval, and the Proposed Resolution.

CITY MANAGER APPROVAL: _____

COUNCIL AGENDA DATE: July 18, 2017

CITY MANAGER COMMENTS: _____

FINANCE DIRECTOR APPROVAL: _____



Resolution No. 2017-166
July 18, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, that the certain engagement letter between the City of Ypsilanti and Yeo & Yeo CPAs & Business Consultants, dated July 10, 2017, for the annual audit for the fiscal year ended June 30, 2017, is hereby approved, and;

WHEREAS, that the certain authorization to release files from Abraham & Gaffney to Yeo & Yeo dated July 6, 2017, is hereby approved.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is authorized to sign the engagement letter for, and on behalf of, the City of Ypsilanti, and;

BE IT FURTHER RESOLVED that the Finance Director is authorized to sign the authorization to release files for, and on behalf of the City of Ypsilanti.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

Principals

Dale J. Abraham, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

July 6, 2017

Marilou T. Uy, Finance Director
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

Dear Marilou,

It is with great pleasure to announce that I have accepted the invitation to join Yeo & Yeo CPAs & Business Consultants effective July 31, 2017. In recent months, Abraham & Gaffney made the decision to solely specialize in the tax and business practice that will now be splitting from the audit practice. I have enjoyed nearly 15 years with Abraham & Gaffney and now look forward to serving you through Yeo & Yeo.

The move to Yeo & Yeo will be seamless. You will receive the same quality service and high standards you have come to know and trust. However, in order to begin servicing your account through Yeo & Yeo, AICPA professional standards require me to obtain your consent to transfer your files to Yeo & Yeo.

Please provide consent to transfer files below and return via email to me at my new email address alapan@yeoandyeo.com. Your consent below authorizes the release of your files from Abraham & Gaffney to Yeo & Yeo, P.C. If no written consent is received within 90 days of the date of this letter, your consent will be presumed, and the files will be automatically transferred to Yeo & Yeo.

Authorization to Release Files

I hereby authorize the transfer of files to Yeo & Yeo.

Authorized Signature _____

Date _____

As always, I appreciate your business and am grateful for the opportunity to serve you. I will continue as the principal-in-charge of your engagement. I am very excited about the opportunity to join with the highly experienced professionals of Yeo & Yeo and their award-winning audit process. I will do everything in my power to ensure you of a highly efficient and smooth engagement process.

Again, thank you for your continued trust. If you have any questions or concerns, please do not hesitate to contact me at 517-204-3481 or via email at alapan@yeoandyeo.com.

Sincerely,



Alan D. Panter, CPA



July 7, 2017

Ms. Marilou T. Uy, Director of Fiscal Services
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

Dear Marilou:

Enclosed is the engagement letter for the City of Ypsilanti for the year ending June 30, 2017. Generally Accepted Auditing Standards require that we communicate, during the planning stage of an audit, certain information to the City Council. This information includes the auditors' responsibilities in a financial statement audit, and the planned scope and timing of the audit. The engagement letter includes the items which must be communicated to the City Council.

Therefore, please make copies of the attached engagement letter and forward the copies to each member of the City Council.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

If you have any questions, please contact me.

Sincerely,

Yeo & Yeo, P.C.
CPAs & Business Consultants

Enclosures

July 10, 2017

To the City Council
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

We are pleased to confirm our understanding of the services we are to provide the City of Ypsilanti for the year ended June 30, 2017.

We will audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Ypsilanti as of and for the year ended June 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Ypsilanti's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Ypsilanti's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's discussion and analysis
- 2) Budgetary comparison schedules
- 3) Pension information
- 4) Other postemployment benefit (OPEB) information

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Ypsilanti's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements.

- 1) Combining and individual fund financial statements and schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditors' report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section

2) Statistical information

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Ypsilanti's financial statements. Our report will be addressed to management and the council of the City of Ypsilanti. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements, compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

An audit is not designed to provide assurance on internal controls or to identify deficiencies in internal controls. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Ypsilanti's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

You agree to assume all management responsibilities relating to the financial statements, related notes, required supplementary information, and other supplementary information.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. GAAP, and for compliance with applicable laws and regulations and the provisions of contracts and agreements.

Management is also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements and grants, and for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles (U.S. GAAP). You agree to include our report on the supplementary information

in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for the presentation of the supplementary information in accordance with U.S. GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

With regard to using the auditors' report, if you request our written consent to reproduce or use our report in a bond offering, official statements, or other documents, additional procedures will be required, at an additional cost mutually agreed upon.

However, you are not required to request or obtain our consent. If you use the auditors' report without our written consent, the following statements must be included in the bond offering, official statements, or other documents:

INDEPENDENT AUDITORS

The financial statements of the City of Ypsilanti, as of June 30, 2017 and for the year then ended, included in this Official Statement, have been audited by Yeo & Yeo, P.C., CPAs & Business Consultants, independent auditors, as stated in their report appearing herein.

Yeo & Yeo, P.C., CPAs & Business Consultants has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Yeo & Yeo, P.C., CPAs & Business Consultants also has not performed any procedures relating to this official statement.

You acknowledge that as a condition of our agreement to perform an audit, you agree to the best of your knowledge and belief to be truthful, accurate, and complete in the representations you make to us during the course of the audit and in the written representations provided to us at the completion of the audit.

Engagement Administration, Prices, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request, and will locate any documents selected by us for testing.

We will provide copies of our reports to the City of Ypsilanti; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Yeo & Yeo and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision

of Yeo & Yeo personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Alan D. Panter, CPA is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in July, 2017 and to issue our reports no later than December 31, 2017.

Professional standards require us to be independent with respect to the Organization in the performance of our services. Any discussions that management has with personnel of Yeo & Yeo regarding employment could pose a threat to our independence. Therefore, we request that management inform the engagement principal prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement and for one year after its termination, solicit for hire as an employee, consultant or otherwise, any of the other party's personnel without such other party's express written consent. If the Organization desires to offer employment to a Yeo & Yeo employee and the employee is hired in any capacity by the Organization, a compensation placement fee of 25% of their salary may apply.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the price charged by us, and paid by you, for the services set forth in this engagement letter.

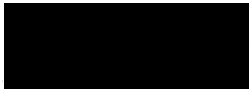
You acknowledge that we may collect your employees' personally identifiable information as part of the services that we are engaged to perform. We agree to indemnify you for any covered damages or claim expenses that may result from a data breach at Yeo & Yeo, P.C. as part of the terms of this contract.

Our price for these services will be \$41,150. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes past due and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above price is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If additional time becomes necessary to complete your engagement, we will discuss the issues with you and arrive at a new price estimate, which may or may not occur before we incur the additional time. Our price quoted above is also contingent on all items on the assistance list being completed by the due dates indicated and the audit being performed during the dates scheduled. If the dates are not met and the engagement needs to be rescheduled due to things in your control, then an additional price of 20% will apply. The reason for this is that we schedule our client work well in advance. When the job has to be rescheduled it causes a domino effect, as we likely have other clients scheduled in the new requested time slot, and our staff are likely scheduled on another client. As a result we may have to put you at the end of the line, and/or change staff. When our staff members finishing the work are not the same as those who started it, the audit is less efficient and more disruptive to your staff.

Our engagement will end upon delivery of your audited financial statements and our report thereon for the year set forth above. Any additional services that may be required will be part of a separate and new engagement. Should you wish to engage us to audit your financial statements for any other year, and should we accept such engagement, such engagement will be a separate and new engagement. A new engagement letter for any services beyond the scope of this engagement will govern the terms and conditions of the new engagement.

We appreciate the opportunity to be of service to the City of Ypsilanti and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Yeo & Yeo, P.C.
CPAs & Business Consultants

RESPONSE:

This letter correctly sets forth the understanding of the City of Ypsilanti.

By: _____

Title: _____

Marilou Uy

From: Marilou Uy
Sent: Wednesday, July 12, 2017 2:39 PM
To: Dan DuChene (dduchene@heritage.com)
Subject: FW: Audit

Emails chain . FYI.

Marilou T. Uy
Fiscal Services Director
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197
Office: 734.482.9832
Fax: 734.482.7784
muy@cityofypsilanti.com
www.cityofypsilanti.com
Pride. Diversity. Heritage

From: Marilou Uy
Sent: Friday, July 07, 2017 3:45 PM
To: 'Alan Panter' <apanter@agpccpa.com>
Cc: Rheagan P. Basabica (rbasabica@cityofypsilanti.com) <rbasabica@cityofypsilanti.com>
Subject: RE: Audit

Council next meetings are July 18 and Aug 1. We need the documents on July 12 or July 26 to be included in the council agenda. Thanks!

Marilou T. Uy
Fiscal Services Director
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197
Office: 734.482.9832
Fax: 734.482.7784
muy@cityofypsilanti.com
www.cityofypsilanti.com
Pride. Diversity. Heritage

From: Alan Panter [<mailto:apanter@agpccpa.com>]
Sent: Friday, July 07, 2017 12:00 PM
To: Marilou Uy <MUy@cityofypsilanti.com>
Cc: Rheagan Basabica <RBasabica@cityofypsilanti.com>
Subject: RE: Audit

OK. Very good. As a current partner with A&G and the engagement partner on the City of Ypsilanti's audit, I believe I have the authority to assign the engagement to Yeo & Yeo. This is based on the agreements that I have in place at A&G

and all 7 partners have signed that detail this separation. Those agreements go far beyond the scope of this assignment so I'd rather not have those go to Council. My thought is that based on this email the assignment can be deemed to have been made and the engagement letter can go to Council.

Thank you.

Alan D. Panter, CPA
Principal
Abraham & Gaffney, PC
3511 Coolidge Road, Suite 100
East Lansing, MI 48823
517-351-6836
517-668-7952 direct

From: Marilou Uy [<mailto:MUy@cityofypsilanti.com>]
Sent: Friday, July 07, 2017 10:54 AM
To: Alan Panter <apanter@agpccpa.com>
Cc: Rheagan Basabica <RBasabica@cityofypsilanti.com>
Subject: FW: Audit

Please see below advice from the City Atty. Office.

Marilou T. Uy
Fiscal Services Director
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197
Office: 734.482.9832
Fax: 734.482.7784
muy@cityofypsilanti.com
www.cityofypsilanti.com
Pride. Diversity. Heritage

From: Dan Duchene [<mailto:DDuchene@barrlawfirm.com>]
Sent: Friday, July 07, 2017 9:35 AM
To: Marilou Uy <MUy@cityofypsilanti.com>
Cc: John Barr <JBarr@barrlawfirm.com>; Darwin McClary <dmcclary@cityofypsilanti.com>
Subject: RE: Audit

Marilou,

My advice would be to contact Mr. Panter to obtain an assignment of the contract with Abraham & Gaffney to Yeo & Yeo that lays out the terms as discussed below. That would then go to City Council to accept the assignment. Please let me know if you have any questions, comments, or concerns.

Thank you,

Dan DuChene

Associate Attorney
Barr, Anhut & Associates, P.C.
105 Pearl Street
Ypsilanti, MI 48197
Ph: (734) 481-1234
Fx: (734) 483-3871

IMPORTANT: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS ATTORNEY PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE TO ARRANGE FOR THE RETURN OF THE ORIGINAL MESSAGE TO US VIA THE UNITED STATES POSTAL SERVICE. THANK YOU.

From: Marilou Uy [mailto:MUy@cityofypsilanti.com]
Sent: Thursday, July 6, 2017 3:20 PM
To: Dan Duchene <DDuchene@barrlawfirm.com>
Subject: FW: Audit
Importance: High

Hi Dan,

This is why I called your office. See below.

Marilou T. Uy
Fiscal Services Director
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197
Office: 734.482.9832
Fax: 734.482.7784
muy@cityofypsilanti.com
www.cityofypsilanti.com
Pride. Diversity. Heritage

From: Marilou Uy
Sent: Thursday, July 06, 2017 12:14 PM
To: 'John M. Barr' (jbarr@barrlawfirm.com) <jbarr@barrlawfirm.com>
Cc: Darwin McClary <dmcclary@cityofypsilanti.com>
Subject: FW: Audit
Importance: High

Hi Mr. Barr,

Our current auditor, Abraham & Gaffney's partners split and will no longer perform audit engagements after 7/31/2017. Our contract with them is through our FYE 2016-17. We do not have enough time to go out for bid. We originally have set up a preliminary audit in the middle of July and actual audit in first week of October with Alan Panter. Can we accept Alan Panter's suggestion to follow him with Yeo & Yeo for this last year's audit? I need your legal advice. Do we need to let Council know? I have attached A & G contract for your review.

Thanks!

Marilou T. Uy
Fiscal Services Director
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197
Office: 734.482.9832
Fax: 734.482.7784
muy@cityofypsilanti.com
www.cityofypsilanti.com
Pride. Diversity. Heritage

From: Alan Panter [<mailto:apanter@agpccpa.com>]

Sent: Thursday, July 06, 2017 11:13 AM

To: Marilou Uy <MUy@cityofypsilanti.com>; Rheagan Basabica <RBasabica@cityofypsilanti.com>

Subject: Audit

Marilou and Rheagan -

Just as a follow-up to our telephone conversation, this is to let you know that the firm of Abraham & Gaffney is splitting up and will no longer be in the audit business after July 31, 2017. The good news is that I have accepted a position as a Principal with Yeo & Yeo. It is my hope that all my current clients would follow me to Y&Y and that I'll be able to provide a seamless transition to the new firm. I would remain in charge of your audit and would continue to provide those services as I have all along. All pricing from A&G will be honored by Y&Y, which for the City of Ypsilanti would be \$41,150 (includes \$3,000 discount for no single audit). This price includes the City's audit and the Police & Fire Retirement System.

In case you are not familiar with Yeo & Yeo, the firm is quite a bit larger than A&G with over 220 employees, 9 offices, and over 30 partners. Yeo & Yeo has a significant governmental and non-profit audit practice that I will be joining. Staffing for your audit would be coming from Yeo & Yeo's offices in Ann Arbor and Auburn Hills. I'm very excited about the change and the new opportunity.

Please let me know if you or anyone else at the City has questions on any of this. I am on vacation starting on July 15th and will officially start at Y&Y on July 31st. I look forward to hearing from you. Thanks very much.

Alan D. Panter, CPA
Principal
Abraham & Gaffney, PC
3511 Coolidge Road, Suite 100
East Lansing, MI 48823
517-351-6836
517-668-7952 direct



**Barr,
Anhut &
Associates, P.C.**
ATTORNEYS AT LAW

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John M. Barr
Karl A. Barr
Daniel J. DuChene

Jesse O'Jack ~ Of Counsel
William F. Anhut ~ Of Counsel – Retired
Jennifer A. Healy ~ Legal Assistant

MEMORANDUM

TO: Marilou Uy, Finance Director
FROM: Daniel J. DuChene, Assistant Ypsilanti City Attorney
DATE: July 13, 2017
SUBJECT: Auditor Contract Assignment

You have asked me the proper procedure regarding the assignment of a contract for audit services and to review the proposed documents.

In April 2016, the City contracted with Abraham & Gaffney, P.C. for audit services for fiscal years 2015-2016 and 2016-2017. Our contact with the firm and the CPA conducting the audits under the contract was Alan D. Panter. The City was notified on July 6, 2017 that the firm was splitting up and would no longer be performing audits as of July 31, 2017. Mr. Panter provided that he would be moving to a larger firm Yeo & Yeo and is inviting his clients to move with him to the new firm under the same provisions of the previous contract, but with a reduced contract price for the City. You also informed me that the audit of the 2016-2017 fiscal year would need to begin quickly and as such there is no time to go out to bid on this contract.

Mr. Panter is suggesting what is called an assignment of the contract, from Abraham & Gaffney to Yeo & Yeo. This is generally permissible under law with consent of the other party. The City's other option would be to terminate and enter into a new contract with a different firm. Due to the time constraints and the reduced cost of the services under the previous contract, my advice was to move forward with an assignment. This would require approval by City Council. To that end, I have reviewed the supporting documents, a consent to transfer file and engagement letter, provided by Yeo & Yeo and believe that these will effectively assign the contract as discussed.

Please do not hesitate to contact me with any questions, comments, or concerns.

cc: City Manager, City Attorney

F:\docs\CITY\Contracts\Audit Contract memo 071317.doc

Principals

Dale J. Abraham, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

April 22, 2016

Ms. Marilou T. Uy, Director of Fiscal Services
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

Dear Marilou:

We are very pleased to perform the audit for the City of Ypsilanti for the years ending June 30, 2016 and 2017. Enclosed are two (2) copies of our proposed engagement letter to perform such audit services. If the terms are acceptable, the letters can be signed with one (1) copy being returned to us.

Thank you for the opportunity to provide services for the City of Ypsilanti. Please feel free to call if you should have any questions. We look forward to working with you and your staff again this year.

Sincerely,

ALAN D. PANTER, CPA
Principal

Enclosures

Principals

Dale J. Abraham, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



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April 22, 2016

To the City Council
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

Members of the City Council:

We are pleased to confirm our understanding of the services we are to provide the City of Ypsilanti for the years ending June 30, 2016 and 2017. We will audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Ypsilanti as of and for the year ending June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Ypsilanti's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Ypsilanti's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Budgetary comparison schedules.
3. Pension and other post-employment benefits schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Ypsilanti's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements:

1. Schedule of expenditures of federal awards.
2. Combining and individual fund financial statements and schedules.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Introductory Section.
2. Statistical Section.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the City Council of the City of Ypsilanti. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform tests of the City of Ypsilanti's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of Ypsilanti's major programs. The purpose of those procedures will be to express an opinion on the City of Ypsilanti's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the beginning of preliminary fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Abraham & Gaffney, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to an Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Abraham & Gaffney, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the Oversight Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in June of each year. We expect to issue our draft reports no later than December 1 with final reports issued by December 15. Alan D. Panter, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fees for these services will be based on the actual time spent at our standard hourly rates, plus out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. Our fees will be as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Total</u>
2016	\$ 43,075
2017	44,150

For purposes of pricing the Single Audit, the fee quoted assumes the City will have up to two (2) major federal programs. If additional major federal programs are required to be audited under the Single Audit Act in any given year, there will be an additional charge of \$1,500 per additional major federal program audited.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The cost is considered a firm price assuming the City records are in reasonable condition and that we are provided reasonable City staff assistance. If our team members spend more hours than the projected hours which are not due to unusual circumstances (i.e., unrecorded accruals, unbalanced records, inadequate staff assistance, etc.) then we will not bill for any amounts over the audit cost estimate. If unusual circumstances are encountered, we will discuss them with you prior to performing any additional services.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review is included as an attachment to this letter.

If any dispute arises in connection with the performance of our services under this agreement, or any other services we may perform, either party may, upon written notice to the other party, may terminate this agreement by providing notice within 60 days of completion of a particular year's audit, or the parties may request facilitated mediation. Such mediation shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute. Facilitated mediation shall conclude within 60 days from receipt of the written notice unless extended by mutual agreement.

In the event the aforementioned difference cannot be resolved by facilitated mediation (or the parties agree to waive that process) then such dispute shall be settled by arbitration. Arbitration shall be administered by and follow the rules of the American Arbitration Association (AAA) unless otherwise agreed upon by the parties.

Each party may disclose any facts to the other party, the facilitator, or the arbitrator, which it, in good faith, considers necessary to resolve the difference. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. The facilitator or the arbitrator shall not act as a witness for either party in any subsequent proceedings between the parties. Neither the facilitator nor arbitrator shall have authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. An award issued by arbitration may be confirmed by any federal or state court of competent jurisdiction. All costs of any facilitated proceedings shall be shared equally by both parties. If arbitration is required, all reasonable costs, of both parties, as determined by the arbitrator, shall be borne entirely by the non-prevailing party.

We appreciate the opportunity to be of service to the City of Ypsilanti and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copies and return one (1) copy to us.

Sincerely,

[Redacted Signature]

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the City of Ypsilanti.

By: Amanda Edmonds

[Redacted Signature]

Title: Mayor

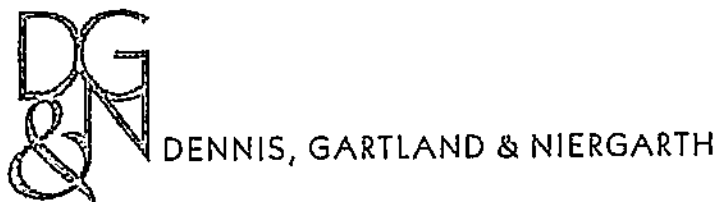
Date: 6/8/16

By: Frances McMullan

[Redacted Signature]

Title: City Clerk

Date: 6/6/2016



Business and Financial Advisors
Our clients are our business

Barbara E. Gartland, CPA
Greg A. Niergarth, CPA
James J. Gartland, CPA
Robert J. Niergarth, CPA
Thomas J. Niergarth, CPA
John J. Gartland, CPA
John J. Gartland, CPA
John J. Gartland, CPA
John J. Gartland, CPA

SYSTEM REVIEW REPORT

To the Shareholders of
Abraham & Gaffney, P.C.
and the Peer Review Committee of the
Michigan Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Abraham & Gaffney, P.C. (the "Firm") in effect for the year ended March 31, 2014. Our peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews*, established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Abraham & Gaffney, P.C. in effect for the year ended March 31, 2014, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Abraham & Gaffney, P.C. has received a peer review rating of *pass*.

July 29, 2014



Member of



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Traverse City, Michigan 49685-0947
231.946.1722, FAX: 231.946.2762
www.dgncpa.com



REQUEST FOR LEGISLATION
July 13, 2017

TO: Mayor and City Council
FROM: Frances McMullan, City Clerk
SUBJECT: Resolution to Approve MML Renewal Premium for 2017

SUMMARY & BACKGROUND:

The renewal premium for the Property and Liability insurance renewal for the City of Ypsilanti effective August 1, 2017-2018 with the MML Liability & Property Pool is **\$285,266** compared to the expiring premium of **\$273,075**. This is a premium increase of \$12,191 or 7.04%.

There are a few reasons for the change in premium:

- Annual Payroll -- \$6,418,654 (was \$5,963,498 in 2016) = \$455,156 or 7.6% increase
- Property -- \$22,143,958 (was same in 2016)
- Number of Law Enforcement Officers – 26 (was 29 in 2016) = 3 or 10.34% decrease
- Number of Vehicles – 63 (was 71 in 2016) = 8 or 11.27% decrease
- There was a slight increase in the property and liability rates
- The City's Experience Factor increased from 0.925 to 1.10.

The Board of Directors of the MML Liability & Property Pool voted to return another dividend in 2017 to renewing Members. The City's portion of the dividend return is **\$29,612**. The City will receive the dividend after paying your renewal premium.

RECOMMENDED ACTION: Approval
ATTACHMENTS: Resolution
MML Proposal

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: 07/18/2017

CITY MANAGER COMMENTS: _____

FINANCE DIRECTOR APPROVAL: _____

The City's Experience Factor increased from 0.925 to 1.10, based on the City's claim experience increase:

Policy Year	<i>Premium</i>	Dividend	Net Cost	<i>Incurred Claims</i>	Loss Ratio (Incurred Claims / Premium)
2016/2017	\$ 271,401	\$ 34,793	\$ 236,608	\$ 277,856	102.38%
2015/2016	\$ 280,972	\$ 43,563	\$ 237,409	\$ 652,399	232.19%
2014/2015	\$ 318,942	\$ 50,424	\$ 268,518	\$ 119,660	37.52%
2013/2014	\$ 342,641	\$ 46,254	\$ 296,387	\$ 109,899	32.07%
2012/2013	\$ 352,417	\$ 60,144	\$ 292,273	\$ 171,506	48.67%
TOTAL/AVG.	\$1,566,373	\$235,178	\$1,331,195	\$1,331,320	85.0%

*Loss Ratio is calculated by dividing 5 years of gross losses (*Incurred Claims*) by 5 years of gross *Premium* with no inclusion for the cost of reinsurance, operating expenses, or IBNR (Incurred but Not Reported) claims and no premium reduction for dividends.

2017/2018	\$ 285,266	\$ 29,612	\$ 255,654	New Policy Year	N/A
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The increase in incurred claims for the past two years caused the City's Experience Factor to increase.

Updated Claim Summary

Policy Year	8-1-2011/2012	8-1-2012/2013	8-1-2013/2014	8-1-2014/2015	8-1-2015/2016	8-1-2016/2017
Dividend History	\$ 65,487	\$ 60,144	\$ 46,254	\$ 50,424	\$ 43,563	\$ 34,793
Premium	\$ 369,755	\$ 352,417	\$ 342,641	\$ 318,942	\$ 20,972	\$ 271,401
# of Claims	16	14	32	13	14	14
# of Open Claims	0	0	0	1	1	8
# of Police Claims	0	1	1	0	0	0
Lines of Coverage where claims have Occurred	Auto - 6 Property - 2 E&O - 1 Gen. Liab. (GL) - 7	Auto - 4 Gen. Liab. (GL) - 9	Auto - 11 E & O - 2 Gen. Liab. (GL) - 18	Auto - 5 E & O - 1 Gen. Liab. (GL) - 7	Auto - 6 E & O - 1 Gen. Liab. (GL) - 7	Auto - 8 E & O - 1 Gen. Liab. (GL) - 5



Resolution No. 2017-167
July 18, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the premium for the Property and Liability insurance renewal for the City of Ypsilanti effective August 1, 2017-2018 with the Michigan Municipal League (MML) Liability and Property Pool be approved in the amount of \$285,266.00 be approved.

BE IT FURTHER RESOLVED THAT the City Manager is authorized to sign and approve payment of the invoice.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



michigan municipal league

Liability & Property Pool

Proposal

for the

City of Ypsilanti

.Presented By:

Judith A. Thomson-Torosian, CPCU, CIC, ARM
Meadowbrook® Insurance Group, Service Provider
(248) 204-6137

July 13, 2017

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This proposal is intended to be only a summary of coverages and services. For specific details on coverage terms and conditions, please refer to the Michigan Municipal League Liability and Property Pool coverage document.

Executive Overview

The Michigan Municipal League Liability and Property Pool is administered by the Risk Management staff of the Michigan Municipal League, and serviced by Meadowbrook Insurance Group. Since 1982, the Pool has been a stable source of comprehensive municipal insurance and risk management services. It is financially secure and positioned for long-term stability.

The ***City of Ypsilanti*** has been a Pool member since **August 1, 1983**.

The League administrative staff and the dedicated Pool staff at Meadowbrook Insurance Group are municipal insurance experts. Municipal risk management is our only business, and we're proud of it!

The Pool provides insurance coverage designed specifically for Michigan municipal exposures, combined with a package of loss control programs, claims administration, legal defense and membership services that you won't find anywhere else in Michigan.

This quotation is based on the limits of coverage requested by the **City of Ypsilanti**. Higher limits may be available, subject to underwriting review by Pool Management. Please submit requests for higher limits in writing to your Account Executive. Your request will be considered by Pool Management.

The insurance and related services described more fully in this proposal are being offered to the **City of Ypsilanti** for an annual premium of **\$285,266**. When compared to last year's cost of \$295,719, it represents a premium decrease of \$10,453, or 3.5%. (In addition, the MML Liability & Property Pool Board of Trustees voted to return another post-renewal dividend for Members renewing in 2017. The City's portion of the dividend return is \$29,612. The City will receive this dividend in the month following payment of your 2017 renewal premium.)

We encourage you to compare the Pool with our competition. Compare us based on price, coverage, service, financial security, experience and commitment to municipal risk management. When you do, the advantages of Pool membership become clear.

Thank you for being a Pool member. We look forward to servicing your risk management program for many years to come.

Our Mission

To be a long-term, stable, cost-effective risk management alternative for members of the Michigan Municipal League Liability and Property Pool.

Introduction

What You Can Expect Of Us

- ✓ A commitment to learn, understand and respond to your insurance needs;
- ✓ Continuous planning and innovation in product development and service delivery;
- ✓ Products that meet your needs in terms of price, coverage and service;
- ✓ Prompt, accurate, and courteous response to your questions, problems and claims; and
- ✓ Knowledgeable and professional staff serving your needs consistently and with integrity.

Your Pool Insures More Than . . .

- | | |
|--------------------------------|----------------------------------|
| ✓ 414 Public Entity Members | ✓ 19 Electric Utilities |
| ✓ 140 Fire Departments | ✓ 27 Municipal Marinas |
| ✓ 175 Law Enforcement Agencies | ✓ \$5 Billion of Property Values |
| ✓ 2,217 Police Officers | ✓ 195 Water Service Operations |
| ✓ 5,742 Miles of Streets/Roads | ✓ 215 Sewer Plant Operations |
| ✓ 6,617 Vehicles | |

Coverage and Cost Summary City of Ypsilanti

Effective 08-01-2017 to 08-01-2018

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Municipal General Liability (Coverage A)	\$2,000,000	N/A	\$0
Sewer Back-Up Sublimit	No Coverage	N/A	N/A
Personal Injury Liability (Coverage B)	\$2,000,000	N/A	\$0
Medical Payments (Coverage C)	\$10,000	N/A	N/A
Public Officials Liability (Coverage D)	\$2,000,000	N/A	\$0
Law Enforcement Liability (Coverages A, B, and D)	\$2,000,000	N/A	\$0
Employee Benefit Liability	\$1,000,000	\$1,000,000	\$0
Fire Legal Liability	\$100,000	N/A	N/A
Cyber Liability (Coverages A, B, and D)	\$25,000	\$50,000	N/A
Dam Liability	\$500,000	\$500,000	\$0
Marina Operator Liability	No Coverage	N/A	N/A
Automobile Liability (Coverages A and B)	\$2,000,000	N/A	\$0

# Vehicles	Comp	Coll
63	\$250	\$500

Agreed Amount, if applicable 4 Vehicles for a total of \$1,884,300

Coverages A, B, and D are provided with a combined single limit of liability. The most the Pool will pay for any one occurrence is \$2,000,000 regardless of the number of coverages involved in the occurrence.

Property

Property - Blanket Basis	\$22,143,958	N/A	\$250
Boiler and Machinery	Included	N/A	\$250
Building(s)	Included	N/A	\$250
Contents	Included	N/A	\$250
Property in the Open	Included	N/A	\$250
Protection & Preservation	Included	N/A	N/A
Property - Actual Cash Value	N/A	N/A	N/A
Property - Limited Replacement Cost	N/A	N/A	N/A
Property - No Coverage	See Schedule	N/A	N/A
Property - Replacement Cost	See Schedule	N/A	\$0
Accounts Receivable	\$100,000	N/A	\$250
Consequential Damage	\$100,000	N/A	N/A
Contractor's Equipment	\$1,038,038	N/A	\$250
Debris Removal - the lesser of 25% of physical damage loss or	\$5,000,000	\$5,000,000	N/A
Demolition & Increased Costs of Construction Limit	\$100,000	N/A	N/A

Coverage and Cost Summary City of Ypsilanti

Effective 08-01-2017 to 08-01-2018

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Earth Movement	\$2,000,000	\$2,000,000	\$5,000
Electronic Data Processing Equip	\$493,626	N/A	\$250
Expediting Expense	\$100,000	N/A	N/A
Extra Expense	\$100,000	N/A	N/A
Fine Arts	\$175,000	N/A	\$250
Flood (Except for Members located in Flood Zone A, AO, AH, A1-A999, AE, or AR)	\$1,000,000	\$1,000,000	\$5,000
Fungal Pathogens	\$25,000	\$25,000	\$250
Golf Cart Equipment	\$5,238	N/A	\$250
Loss of Income	\$100,000	N/A	N/A
Loss of Rents	\$100,000	N/A	N/A
Ornamental Trees, Shrubs, Plants or Lawn	\$5,000	\$10,000	\$250
Personal Effects & Property of Others	\$500	\$2,500	\$250
Police Equipment	\$17,049	N/A	\$250
Radio Equipment	\$11,712	N/A	\$250
Valuable Papers	\$100,000	N/A	\$250
<u>Comprehensive Crime Coverage</u>			
Employee Dishonesty Blanket/Faithful Performance	\$100,000	N/A	N/A
Depositors Forgery	\$100,000	N/A	N/A
Money and Securities Inside	\$100,000	N/A	N/A
Money and Securities Outside	\$100,000	N/A	N/A
Money Orders and Counterfeit Paper	\$100,000	N/A	N/A
<u>Bonds</u>			
Bond #: A Treasurer	\$100,000	N/A	N/A

Only one deductible applies to claims involving two or more property coverages.

The Michigan Municipal League Liability and Property Pool is pleased to offer all coverages and services described in this proposal for an annual premium of \$285,266.

Your Team of Experts



Judy Thomson-Torosian
Service and Sales Manager
(248) 204-6137



Michael J. Forster
Pool Administrator
(734) 669-6340



Ellen Skender
248-204-8582



Joan Opett
248-204-8579

Customer Service Representatives



Tom Weed
claims Supervisor
(616) 942-0311, ext. 4123



Rod Pearson
Loss Control Supervisor
(248) 204-8036

Benefits of Pooling with the MML

- ✓ Proven long-term availability and stability
- ✓ Broad coverage document written specifically for Michigan municipalities
- ✓ Services tailored to unique needs of Michigan municipalities
- ✓ Member assets controlled by an elected Board of municipal officials
- ✓ Equitable rating based on Pool experience in Michigan
- ✓ Aggressive defense strategy – positive impact on case law
- ✓ Professional, dedicated, and experienced local management, oversight and service
- ✓ Decisions made and problems resolved by a group of your peers
- ✓ Investment income and underwriting surplus used to benefit members
- ✓ Lower expenses through tax-exempt and non-profit status
- ✓ Special loss avoidance training sessions including:
 - ✓ Safety aspects of emergency vehicle operations
 - ✓ Accident investigation for supervisors
 - ✓ Confined spaces training

The advantages of pooling can be summarized by:

Service + Control + Value

City of Ypsilanti Has . . .

- ✓ \$6,418,654 Annual Payroll (was \$5,963,498 in 2016) = \$455,156 or 7.6% decrease
- ✓ \$22,143,958 of total values for real and personal property (was same in 2016)
- ✓ 26 Law enforcement officers (was 29 in 2016) = 3 or 10.34% decrease
- ✓ 63 Vehicles (was 71 in 2016) = 8 or 11.27% decrease
- ✓ 4 Fire Vehicles with agreed values totaling \$1,884,300 (was 4 in 2016)

Increased Liability Limits

We cannot guarantee the adequacy of any limit of liability. Due to the following factors, it may be prudent to consider higher limits:

- ✓ Increased jury awards in your jurisdiction
- ✓ Increased litigation trends
- ✓ Protection of tax base against judgments in excess of your policy limits

If you are interested in increasing your liability limits, please contact your Account Executive.

Highlights of Coverages Provided

Who Is Insured?

The Pool member entity, elected and appointed officials, employees and authorized volunteers, and any person officially appointed to a Board or Commission

General Liability

In addition to standard liability coverages (bodily injury, property damage, products and completed operations) the Pool provides coverages that municipalities need on an **occurrence basis with no aggregate liability limits**:

- ✓ Liability resulting from mutual aid agreements
- ✓ Premises medical payments
- ✓ Host liquor liability
- ✓ Watercraft liability, owned less than 26' and non-owned less than 50'
- ✓ Special events ***excluding*** -
 - Fireworks (unless endorsed)
 - Liquor Liability
 - Mechanical Amusement Rides
- ✓ Fire legal liability for real property
- ✓ Ambulance and EMT malpractice

Fireworks Coverage Options: (Fireworks application must be completed before coverage is endorsed)

1. The MML Liability & Property Pool is primary (the Member is not added as an additional insured on a pyrotechnician's coverage):

Annual Aggregate Sublimit
\$500,000
\$1,000,000

Additional Premium
Yes
Yes

2. The MML Liability & Property Pool is excess (the Member is added as an additional insured on a pyrotechnician's coverage):

NO ADDITIONAL PREMIUM

- ✓ Athletic participation liability
- ✓ Employee benefit liability
- ✓ Cemetery operations coverage
- ✓ Marina Operators coverage available
- ✓ Up to \$10 million in liability limits available
- ✓ Pollution coverage for Hazardous Response Teams
- ✓ Cyber Liability Coverage Sublimit—MML233 (07/13)

General Liability Exclusions . . .

The following is a partial list of general liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution (except for Hazmat operations).
- ✓ Nuclear energy / nuclear material hazards
- ✓ Aircraft Liability
- ✓ Breach of contract
- ✓ Failure of dams
- ✓ Backup of Sewers and Drains
- ✓ Criminal activity / Intentional acts with knowledge of wrongdoing
- ✓ Contractual Liability
- ✓ Failure to supply utilities
- ✓ Expected or intended injury
- ✓ Electromagnetic radiation
- ✓ Medical malpractice for doctors and physicians

Public Officials Liability Coverage

“Wrongful Acts”, including intentional acts, defined as any actual or alleged error, misstatement, act of omission, neglect or breach of duty including:

- ✓ Neglect of duty
- ✓ Zoning defense and land use litigation
- ✓ Malfeasance
- ✓ Violation of civil rights
- ✓ Discrimination
- ✓ Employment practices
- ✓ Misfeasance
- ✓ Cable TV broadcasting

Public Officials Liability Exclusions

The following is a partial list of public officials’ liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution and Nuclear Energy
- ✓ Fraud, dishonesty, intentional and criminal acts
- ✓ Failure to purchase coverage or adequate coverage
- ✓ Return of governmental grants or subsidies
- ✓ Intentional acts with knowledge of wrongdoing
- ✓ Eminent domain / takings
- ✓ Illegal profit
- ✓ Labor union actions
- ✓ ERISA violations
- ✓ Backup of Sewers and Drains

Personal Injury & Advertising / Broadcasters Liability Coverage

- ✓ Mental anguish and stress
- ✓ Libel, slander or defamation of character; violation of an individual’s right of privacy
- ✓ Proactive services for non-monetary damage claims

Police Professional Liability Coverage

Police Professional Liability coverage is contained within the General Liability and Public Official Liability Coverage Parts

- ✓ Discrimination
- ✓ Assault or battery
- ✓ Violation of civil rights
- ✓ Improper service of suit
- ✓ Jail operations
- ✓ Coverage assumes officers act with intent
- ✓ False arrest, detention or imprisonment, or malicious prosecution
- ✓ Wrongful entry or eviction or other invasion of the right of private occupancy

Property Coverage

In addition to covering buildings, contents and personal property, the Pool provides:

- ✓ Blanket coverage -- All member-owned property insured (unless specifically excluded)
- ✓ Coverage based on ownership rather than on a “schedule on file” avoids coverage gaps due to errors or oversight
- ✓ Property of others in custody of the Member for which the Member has an obligation to provide coverage
- ✓ Boiler & Machinery coverage, including Boiler certification inspections
- ✓ Replacement Cost or Actual Cash Value available
- ✓ Fungal Pathogens (Mold) Limited Coverage
- ✓ Demolition/increased cost of construction
- ✓ No coinsurance
- ✓ Valuable papers
- ✓ Loss of Rents
- ✓ Property in the open
- ✓ Extra expense
- ✓ Expediting expense

Property Exclusions

The following is a partial list of property coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Nuclear reaction/ contamination
- ✓ War
- ✓ Cyber Risk
- ✓ Fungal Pathogens (Mold) excess of sub-limit
- ✓ Failure to supply utilities
- ✓ Transmission Lines and Poles
- ✓ Dishonest acts
- ✓ Acts of Terrorism excess of Pool's Aggregate Sublimit -- MMLC TR (9/1/10)
- ✓ Wear and tear
- ✓ Computer failures/ viruses

Only one deductible applies to claims involving two or more property coverages.

Comprehensive Crime Coverage

- ✓ Employee Dishonesty/ Faithful Performance of Duty coverage provided on a blanket basis
- ✓ Loss Inside the Premises
- ✓ Loss Outside the Premises
- ✓ Money Orders/ Counterfeit Currency
- ✓ Depositors Forgery
- ✓ Position Fidelity Bonds

Automobile Coverage Highlights

What Is Covered?

Coverage is afforded while operating land motor vehicles, trailers or semi-trailers designed for travel on public roads.

Auto Coverages Provided

- ✓ Michigan No-Fault Coverage, includes mini-tort coverage for no extra charge
- ✓ Excess protection for use of personal automobile for municipal business
- ✓ Uninsured motorist for municipally owned vehicles
- ✓ Underinsured motorists
- ✓ Non-owned and hired auto
- ✓ Comprehensive - actual cash value basis
- ✓ Collision - actual cash value basis
- ✓ Volunteer firefighter auto accident liability coverage
- ✓ Agreed value coverage for emergency vehicles is available
- ✓ Fire or Rescue Vehicle Rental Reimbursement Coverage

Pool Risk Management Services

- ✓ Review and service of all municipal insurance matters
- ✓ Public entity experts address various liability issues
- ✓ Aggressive, member-oriented defense strategy
- ✓ Former police officials address law enforcement risks
- ✓ Physical inspection by municipal loss control consultants
- ✓ Law enforcement risk control programs (LEAF and LERC)
- ✓ Property appraisal services available

Online Services

www.mml.org (click on the *Insurance* button) – offers Pool members an outstanding resource for municipal risk management information and self-help tools in one attractive, simple-to-navigate location. File a claim on line. Download your renewal application. Request a loss control service visit. E-mail us a question. Other services available online:

- ✓ Online Forms (including Sewer Backup Sample Documents)
- ✓ Risk Resources:
 - ✓ Risk Control Solutions
 - ✓ Safety & Health Manual
 - ✓ Risk Management is Good Management Program
 - ✓ Law Enforcement Newsletters
 - ✓ Access to Safetysurance website -- <http://www.safetysurance.com/>
- ✓ MML Pool Audited Financial Statements
- ✓ Intergovernmental Contract
- ✓ Board of Directors, Pool Administrator and Staff Profiles and Contact Information

Membership Responsibilities

Membership in the Michigan Municipal League Liability and Property Pool provides numerous benefits. Likewise, individual members have certain responsibilities to the other members, which are detailed in the Intergovernmental Contract. The following is a summary of the membership responsibilities. Please refer to the Intergovernmental Contract, Articles 5 and 6, for more information.

- ✓ If a Member intends to leave the Pool, the Member must send a written notice to the Pool at least 60 days prior to its next renewal date.
- ✓ A Member must pay its premium when due. The Pool must give each member 20 days written notice of intent to terminate membership for nonpayment of premium. Payment of premium before the 20 days notice is effective will entitle the Member to reinstatement.
- ✓ Members must maintain membership or associate membership status in the Michigan Municipal League.
- ✓ A Member will allow attorneys employed by the Pool to represent the Member in defense of any claim made against the Member within the scope of coverage provided by the Pool. A Member will cooperate with the assigned attorneys, claims adjusters, service company or other agents of the Pool relating to the defense of claims for which the Pool is providing coverage.
- ✓ A Member will follow loss reduction and prevention measures established by the Pool.
- ✓ A Member will report to the Pool as promptly as possible all incidents that the Member reasonably believes may result in a claim against the Member.

REQUEST FOR LEGISLATION

DATE: July 14, 2017

FROM: John M. Barr, City Attorney

SUBJECT: Towing Contract

SUMMARY/BACKGROUND

The city has contracted with a towing company to do towing within the city for a number of years. The contract is to expire in August and the city went out for bids. Besides posting the RFP on the city's website, the application was also delivered on June 26, 2017 to three local towing companies: AAAA Towing Service; Lowell's Towing; and Wall Street Towing. The deadline for submittal was July 10, 2017 at 3:00pm. Only one bidder responded, Wall Street Towing, Inc., the previous contractor. The Ypsilanti Police Department prepared the specifications and by all appearances and evaluation, Wall Street Towing is more than qualified; and upon inquiry the submitted fees for the various services appear to be in line with industry standards and consistent with pricing of local agencies and we have prepared a contract according to the specifications and bid document. The contract is attached and approved for review and approval by city council.

ATTACHMENTS: Proposed contract and resolution of adoption.

RECOMMENDED ACTION: Approve towing contract.

DATE RECEIVED: _____ AGENDA ITEM NO. Resolution No. 2017-168

CITY MANAGER COMMENTS: _____

FOR AGENDA OF: _____ FINANCE DIR. APPROVAL: _____

COUNCIL ACTION TAKEN: _____



Resolution No. 2017-168
July 18, 2017

RESOLUTION APPROVING TOWING CONTRACT
WITH WALL STREET TOWING, INC.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that: the certain towing contract with Wall Street Towing, Inc., copy attached, is hereby approved and the Mayor and City Clerk are authorized to sign the same, subject to the approval of the City Attorney.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

CONTRACT FOR TOWING SERVICES

This contract is entered into this _____ day of _____, 2017, by and between the City of Ypsilanti, a Michigan home rule city of One South Huron Street, Ypsilanti, Michigan (hereinafter CITY), and Wall Street Towing, Inc, d/b/a Budget/Stadium Milan Towing, of 876 Railroad Street, a Michigan corporation of Ypsilanti MI 48197 (hereinafter CONTRACTOR), who agree as follows:

WHEREAS the City issued a Request for Proposals (hereinafter RFP) on June 26, 2017 for towing services; and

WHEREAS CONTRACTOR properly submitted a bid to perform such services for the CITY; and

WHEREAS the CITY is desirous of obtaining towing services and the CONTRACTOR desires to provide such services;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Both the RFP and CONTRACTOR's bid are attached hereto and incorporated herein by reference. In an event of a conflict between the language of this contract and either the RFP or CONTRACTOR's bid, the language and terms of this contract shall take precedence.
2. The term of this contract shall begin on August 1, 2017 and will expire August 1, 2020. This term may be extended for an additional two years at the discretion of the City of Ypsilanti Police Department.
3. CONTRACTOR shall provide services as set forth in the RFP faithfully and diligently.
4. Compensation is discussed in Section VIII of both the RFP and CONTRACTOR's bid. For clarity, the amounts as provided are as follows:
 - a. Base road service: \$75.00
 - b. Base Class A tow service charge: \$85.00
 - c. Base Class B tow service charge: \$105.00
 - d. Base Class C tow service charge: \$125.00 for two hours.
 - e. Base Class D tow service charge: \$175.00 for two hours.
 - f. \$25.00 per day per unit for storage that requires no more than a Class A rated tow truck.

- g. \$21.00 per day per unit for storage that requires no more than a Class B or C rated tow truck.
- h. \$45.00 per day per unit over 32 feet for storage that requires a Class D rated tow truck.
- i. Additional reasonable fees:

i	Extra Charge for Dollies	\$65
ii	Extra Charge for Disconnecting Linkages	\$45
iii	Extra Charge for winching (off roadway)	\$150-\$250
iv	Extra Charge for flatbeds	\$150
v	Abandons off private property	\$130 plus special equipment
vi	Motorcycles	\$185
vii	Non-Motorized, wheeled vehicle	Case-by-case
viii	Hourly rate for additional service	\$95
ix	Drop Fees	\$100
x	Hazardous materials fee	\$45
xi	Clean up	\$35

- j. Mileage: Mileage shall not be charged for towing from the point of origin to any point within the City. Towing from the point of origin to the towing company's yard shall be no charge. \$3.50 per mile may be charged for mileage driven in excess of five (5) miles from the point of hook up to any other destination.

- 5. Section VIII(E)(2) on page 16 of the RFP and CONTRACTOR's bid shall be amended to read:

CONTRACTOR shall provide free towing for Class A vehicles, road service and tire changing for all vehicles owned or leased by CITY during the term of this contract. CONTRACTOR shall provide towing for non-Class A vehicles at cost on a case-by-case basis.

- 6. Section III(A) on page 11 of the RFP and CONTRACTOR's bid shall be amended to strike the last paragraph and read as follows:

Upon request of The City of Ypsilanti, the Towing Company shall promptly dispatch suitable equipment to provide appropriate service to designated vehicles.

The City of Ypsilanti agrees to call the Towing Company to service all designated vehicles found within the City of Ypsilanti.

The City of Ypsilanti agrees to call the Towing Company to service all impounded vehicles.

7. This contract represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements, whether oral or written. Any modifications of this contract shall be mutually agreed upon written amendments signed by all parties.

IN WITNESS WHEREOF, the undersigned have set their hands this ____ day of _____, 2017.

WALL STREET TOWING, INC.

THE CITY OF YPSILANTI

Nabil Salamay, President

Amanda Edmonds, Mayor

Frances McMullan, City Clerk

APPROVED AS TO FORM:

John M. Barr P-10475
Ypsilanti City Attorney

ATTACHMENTS:

1. RFP
2. CONTRACTOR BID
3. CONTRACT ADDENDUM

ATTACHMENT 1

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

REQUEST FOR PROPOSAL
TOWING SERVICES
FOR
CITY OF YPSILANTI
POLICE DEPARTMENT

Prepared By:
Lt. Deric Gress
City of Ypsilanti
505 West Michigan Avenue
Ypsilanti MI 48197
734 483-9510

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

REQUEST FOR PROPOSAL
FOR TOWING SERVICES

May 30, 2017

The City of Ypsilanti is requesting Sealed Bids for Proposal for TOWING SERVICES.

Sealed Proposals: Bidder will deliver one (1) original and two (2) copies to the following address:

**Ypsilanti City Clerk
Attn: Towing Bid .
One South Huron Street
Ypsilanti, MI 48197**

by 3:00 p.m. July 10th, 2017

A bid opening will immediately follow in the Ypsilanti City Council Chambers. This submission shall include the entire Request For Proposal document, requested attachments, and any amendments if issued.

Proposals received after the above cited time will be considered a late bid and are not acceptable unless waived by City Council.

Please direct purchasing and procedural questions regarding this RFP to Lt Deric Gress at 734-482-9847.

Thank you for your interest.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

I. PROPOSAL

Definitions: "City of Ypsilanti" is the City of Ypsilanti, and/or the City of Ypsilanti Police Department, Washtenaw County, Michigan.

"Bidder" an individual or business submitting a bid to The City of Ypsilanti.

"Contractor" One who contracts to perform work or furnish materials in accordance with a contract.

Purpose of Proposal:

The City of Ypsilanti is accepting proposals for providing towing services to cover all requests generated by The City of Ypsilanti Police Department.

PROPOSAL TERMS

A. The City of Ypsilanti reserves the right to reject any and all bids, to waive or not waive informalities or irregularities in bids or bidding procedures, and to accept or further negotiate cost, terms, or conditions of any bid determined by The City of Ypsilanti to be in the best interest of The City of Ypsilanti even though not the lowest bid.

B. Proposals must be signed by an official authorized to bind the Contractor to its provisions for at least a period of 60 days. Failure of the successful bidder to accept the obligation of the contract may result in the cancellation of any award.

C. In the event it becomes necessary to revise any part of the RFP, addenda will be provided. Deadlines for submission of RFP's may be adjusted to allow for revisions. The entire proposal document with any amendments should be returned. To be considered, proposals must be at the Ypsilanti City Clerk's office on or before the date and time specified.

D. Proposals should be prepared simply and economically, providing a straight forward, concise description of the contractor's ability to meet the requirements of the RFP. Proposals shall be written in ink or typewritten. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal.

E. Pursuant City Ordinance 2-281, Contractor shall not be in default to the City of Ypsilanti. Contractor shall have their administrative fees paid to the Police Department prior to submission of their bid.

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F. By submitting a bid, Bidder agrees to the terms and conditions of the City's standard contract addendum, which is attached hereto as Exhibit 1, should Bidder win the contract.

CONTRACTOR INFORMATION

The proposal must include all the following information. Failure to supply any of this information could result in disqualification of the vendor.

A. Provide the total years in business and years in the towing business under the name stated on the Signature Page.

(Attach as Addenda A)

B. List names of employees who are currently employed to provide service specified in the RFP. Indicate how long employee has worked for the Bidder and how long each has worked in the towing business. List any training courses that the employee has attended that might be relevant to the ability to service this contract. Also, indicate the address of the office where each works at least 50% of each week. Also, list Date of birth, Driver Licenses Number and Endorsements of each employee. Attach a copy of Driver's License, medical card, driving record, and criminal history from the State Police of each driver.

(Attach as Addenda B)

C. Detail ability to provide service 24 hours per day.

(Attach as Addenda C)

D. State the location of the primary service point from which you will serve the City of Ypsilanti. Also hours of operation, storage, yard and lot information, and truck information. (Per pages 18-22)

(Attach as Addenda D)

E. References: List five (5) references for which the company has provided the services as specified in this RFP: Include company name, contact name and phone number.

(Attach as Addenda E)

IV. TOWING SPECIFICATIONS

A. Bidding contractor must be legally established as a towing business (i.e. registered with the County Clerk as an assumed name business, or registered with the State of Michigan as a corporation/ LLC) with a base of operations within the County of Washtenaw **PRIOR TO THE OPENING OF THE RFP.**

(Attach copy of supporting documents).

(Attach as Addenda F)

B. Bidding contractor must **OWN** or have **EXCLUSIVE**, signed lease to **SECURE** storage area that meets all zoning laws (see contract specifications) **PRIOR TO**

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submitting documents (deed with legal description, lease, etc.). If lease, must be valid through contract term. Please also indicate the size of the lot in terms of square footage and number of cars that can be stored there. (Attach copy of supporting documents; including a site plan or sketch of your property, and letter from the municipality showing zoning compliance).

(Attach as Addenda G)

C. If a bidding contractor owns more than one company it will be his or her option of having that company's trucks inspected and certified at the time of bid. After the bid is awarded, it will be his or her option as to which company's truck responds to a request for service and which yard he or she stores the vehicle at. The primary company will be responsible for dispatching his or her own trucks and it will be the driver's responsibility to notify the officer on the scene as to which yard the vehicle will be stored at so he or she can notify the LEIN operator on impounded vehicles.

Include the following information for each vehicle:

- a. Vehicle class
- b. Make, Year, Model and GVW rating of chassis
- c. Number, capacity and type (fixed or moveable - manual or hydraulic, etc.) of booms
- d. Number and size of winches
- e. Size and quantity of cable for each winch
- f. Lift type(s), i.e. sling, wheel lift, chassis lift, roll back, etc.
- g. Rear wheel/axle configuration, i.e. duels, tandem duels, etc.
- h. Furnish copy of each vehicle registration. If leased, furnish copy of lease
- i. Any additional equipment
- j. Photographs showing required lettering and registration plate and overall condition.
- k. Copy of certificate of compliance with the zoning ordinance.
- l. Copy of certificate of insurance for that vehicle.

(Attach as Addenda H)

E. Those companies wishing to bid for contract towing services must operate a place of business and storage area within the City of Ypsilanti, or within three miles of the City of Ypsilanti.

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V. BID POINTS

The towing contractor will gain or have points deducted from their score depending on their responses in the bid and any additional information that the City of Ypsilanti receives during the evaluation and inspection. A list of possible points that the vendor could have added or deducted from their score follows. The final award will be based in part by the number of points each vendor has accumulated by the end of the evaluation process.

Note: A + means the bidder could be awarded points for meeting this requirement. While a - means the bidder could lose points for these conditions. The number of points that could be added or deducted for each condition is indicated by number of + or - next to the condition.

A: RATE POINTS

Basic Service **BASIC RATE** for Tow (see contract for definition of basic service)

Contractor will receive or be deducted points for increases or decreases to the normal price range.

NORMAL PRICE RANGE: \$85.00 to \$90.00

++ For a decrease under the minimum normal price range the contractor will gain a point for each \$5.00 bid. Example a decrease in the normal rate to

(\$80.00 to \$84.99). Plus 1 point
(\$74.00 to \$79.99). Plus 2 points

For an increase over the maximum normal price range the contractor will lose a point for each \$5.00 bid. Example an increase in the normal rate to

(\$95.01 to \$100.00) Deduct 1 point
(\$100.01 to \$105.00) Deduct 2 points

FOR A: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED OR DEDUCTED) IS TWO (2).

B: LOCATION POINTS

Contractor will receive an additional point for each of the location conditions verified by The City of Ypsilanti.

+++++ 1. Business office is located within the City of Ypsilanti.
(Maximum 5 points)

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++ 2. Storage lot located in or easily accessible to contract area.

(Maximum 2 points)

+ 3. Business office located at or adjacent to storage lot.

(Maximum 1 point)

++ 4. Office and/or Lot staffed 24 hours per day, to provide vehicle release services. (Maximum 2 points)

++ 5. Dispatch staffed 24 hours per day, to provide dispatching services

(Maximum 2 points)

+ 6. Location is well lighted and easily accessible. (Maximum 1 point)

+ 7. Business is readily identifiable from the road with name and street address clearly marked. (Maximum 1 point)

**FOR B: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS
FOURTEEN (14).**

C: EQUIPMENT POINTS

Contractor will receive additional points as follows for equipment and drivers.

++ 1. One point for each additional truck available on a 24 hour basis, (in addition to the minimum contract requirement of two (2) trucks, (Maximum 2 points).

++ 2. One point for each additional driver available on a 24 hour basis, (in addition to the minimum contract requirement of two (2) drivers, (Maximum 2 points).

++ 3. Each additional Class "B" unit. (Maximum 2 points)

++ 4. Each additional Class "C" unit. (Maximum 2 points)

++ 5. Each additional Class "D" unit (Maximum 2 points)

+ 6. AUTHORIZED PROVIDER OF A NATIONALLY RECOGNIZED ROAD SERVICE. (Maximum 1 point)

**FOR C: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS
Eleven (11).**

D LICENSE POINTS

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To be awarded all five points for item -1.- all trucks listed in the bid must meet the following requirements. The bidder will be awarded fewer points for each declared truck that does not meet the requirement. For instance, a magnetic sign on a truck does not meet the lettering requirement.

+++++ 1. All equipment must be properly licensed, painted or vinyl lettering, numbered AND IN GOOD OPERATING CONDITION, (Maximum 5 points).

+ 2. Majority of vehicles inspected and certified by the State of Michigan (MPSC) (Maximum 1 point)

FOR D: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS
SIX (6).

E: CLEANLINESS POINTS

Contractor will receive or be deducted points based on the cleanliness and professional appearance of the operations.

+ 1. Majority of personnel in clean and neat uniforms including drivers, lot personnel and counter personnel. (Maximum 1 point)

+ 2. Majority of vehicles washed and clean. (Maximum 1 point)

+ 3. Majority of vehicles new or newly painted. (Maximum 1 point)

4. Majority of personnel not in clean and neat uniforms including drivers, lot personnel and counter personnel. (Maximum 1 point)

5. Majority of vehicles not washed and clean. (Maximum 1 point)

6. Majority of office and lot does not have a professional and clean appearance. (Maximum 1 point)

FOR E: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED or
DEDUCTED) IS THREE (3).

F. PERSONNEL

Due to increased costs associated with providing medical insurance benefits to employees, contractors will be awarded two points for providing medical insurance to their employees.

++ 1. Majority of employees are offered medical insurance benefits within 366 days of employment. Copy of proof of insurance bill will be supplied to the City of Ypsilanti every 6 months. (Maximum 2 points)

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FOR F: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS TWO (2).

PROFESSIONALISM

To ensure that the public is served by contractors that provide a good service through adequately trained personnel operating under standardized written procedures, points will be awarded to companies that have received a conditional or satisfactory safety fitness rating.

+++++ 1. Contractor has received a conditional or satisfactory safety fitness rating issued by the state or federal government.

2. Contractor has received an unsatisfactory safety fitness rating.

FOR G: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED or DEDUCTED IS FIVE (5).

VI. PROVISIONS FOR CONTRACTS

If a contract is awarded, the selected vendor will be required to adhere to a set of contract provisions that will become a part of any formal agreement.

I. DEFINITIONS

A. "Police Agency" refers to the City of Ypsilanti Police Department.

B. "Police Officer" is any sworn law enforcement officer employed by a law enforcement agency that is under contract for dispatch services with The City of Ypsilanti Police Department.

C. "Towing Company" includes the owner(s) of the contracting towing service and any and all employees of said towing service.

D. "Road Service" is simple service to vehicles requiring a jump, gas, tire change, vehicle lock out, or air to inflate a spare tire.

F. "Basic Tow" is the simple hook up and transport of a vehicle.

G. "Class A Towing" is towing of a vehicle (DOT Vehicle Classification Type: Light Duty Class 1 and Class 2) that requires no more than a Class A rated tow truck. See Appendix "A" for the definition of a Class A wrecker and Appendix "B" for the DOT Vehicle Type Classifications.

H. "Class B Towing" is towing of a vehicle (DOT Vehicle Classification Type: Medium Duty Class 3 and Class 4) that requires no more than a Class B rated tow truck. See Appendix "A" for the definition of a Class B wrecker and

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Appendix "B" for the DOT Vehicle Type Classifications.

I. "Class C Towing" is towing of a vehicle (DOT Vehicle Classification Type: Medium Duty Class 5 and Class 6) that requires no more than a Class C rated tow truck. See Appendix "A" for the definition of a Class C wrecker and Appendix "B" for the DOT Vehicle Type Classifications.

J. "Class D Towing" is towing of a vehicle (DOT Vehicle Classification Type: Heavy Duty Class 7 and Class 8) that requires no more than a Class D rated tow truck. See Appendix "A" for the definition of a Class D wrecker and Appendix "B" for the DOT Vehicle Type Classifications.

II. STORAGE AREA AND EQUIPMENT

A. Prior to bidding on this contract, and throughout the term of this contract, the Towing Company shall have a secure vehicle storage area of suitable size, properly zoned and adequately fenced. The storage area must be capable of holding a minimum of twenty (20) passenger size vehicles and at least two (2) maximum-size tractor-trailer combinations simultaneously. The vehicle storage area shall be located within the limits of the City of Ypsilanti or within three miles of any point within the City of Ypsilanti. The vehicle storage area shall be accessible only by the Towing Company. Documentation of zoning compliance and ownership or exclusive lease of the storage facility is required and shall be attached to this contract. The Towing Company is solely responsible for any damage or theft of vehicles and/or personal property while such vehicle and/or personal property is stored on the Towing Company premises.

B. If the Towing Company is unable to store a vehicle because there is insufficient storage area, the Towing Company shall immediately notify the appropriate Police Agency to remove the vehicle and all fees shall be waived.

C. The Towing Company shall maintain a minimum of two (2) Class A trucks and two drivers on call to respond to requests for services under this contract twenty-four (24) hours per day, three hundred sixty-five (365) days per year. The Towing Company shall maintain an effective means of communication with all trucks/drivers at all times. The Towing Company shall maintain all equipment in safe, legal operating condition at all times and shall equip all vehicles with rotating amber or red lights visible from three hundred sixty (360) degrees.

D. The Towing Company shall make its equipment and facilities available for inspection by The City of Ypsilanti or its designee at any time during normal business hours without prior notice.

E. If the Towing Company fails to maintain its equipment in good repair at any time during this contract, The City of Ypsilanti may immediately cancel this

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contract pursuant to Section XI (D).

III. SERVICE RESPONSE BY TOWING COMPANY

A. Upon request of The City of Ypsilanti, the Towing Company shall promptly dispatch suitable equipment to provide appropriate service to designated vehicles.

The City of Ypsilanti agrees to call the Towing Company to service all designated vehicles found within the City of Ypsilanti.

The City of Ypsilanti agrees to call the Towing Company to service all impounded vehicles.

To simplify the process of dispatching wreckers for the City of Ypsilanti Police Department, the Towing Company agrees to accept requests for service in their area for nationally recognized road service providers for whom they are authorized to provide service for. The Towing Company may provide this service themselves or may elect to contact another authorized provider, at their discretion. The Towing Company shall charge rates for this request associated with their nationally recognized road service contract.

B. Timeliness

1. Requests for service received by the Towing Company from The City of Ypsilanti, shall receive first response priority twenty four (24) hours per day, three hundred sixty-five (365) days per year.

2. If a call requesting service is canceled prior to the Towing Company's wrecker actually providing service, The City of Ypsilanti, the Police Agency, or owner/operator of the vehicle will not be obligated to compensate the Towing Company.

3. In the event that (a) the Towing Company notifies The City of Ypsilanti that it cannot immediately handle the call, or (b) the Towing Company does not respond to the call within a reasonable period of time after being notified by The City of Ypsilanti, or (c) the Towing Company, once on the scene, is unable to handle the tow in an expeditious manner, the Police Officer at the scene may request the another available towing company to provide the needed service. If the Towing Company is unable to respond and there is an emergency, the nearest available towing service may be utilized to right or stabilize vehicles whether or not it is under contract with The City of Ypsilanti.

4. If the Towing Company fails to answer its telephone in person after ten

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(10) rings or if the Towing Company indicates that it cannot immediately handle a call, The City of Ypsilanti shall notify the Towing Company in writing of noncompliance with this contract. Upon the occurrence of three (3) such written notices within a twelve (12) month period, The City of Ypsilanti shall have the right to immediately cancel this contract pursuant to Section XI (D).

IV. STORAGE OF PERSONAL PROPERTY OTHER THAN VEHICLES

A. The Towing Company is required to tow and store personal property which does not qualify as "vehicles" (as defined by MCL 257.79) at no cost to The City of Ypsilanti or the requesting Police Agency. The Towing Company shall store personal property in its storage lot, unless otherwise directed by The City of Ypsilanti, a Police Agency, or a Police Officer. The Towing Company shall immediately contact the Police Agency's property officer during normal business hours to arrange for the transfer of such items to a location designated by the property officer.

B. The Towing Company agrees to store evidence without charge upon the request of The City of Ypsilanti or a Police Officer.

C. An inventory of the contents of an impounded vehicle shall be made and signed by the Towing Company before removing the vehicle from the scene. The inventory shall be filed with the Police Agency and the Towing Company. Also see Section VII. "

V. COMPLIANCE WITH MICHIGAN SAFETY LAWS

A. As part of this contract, the Towing Company shall furnish a copy of its written policy as to its compliance with Michigan Safety Belt Law, MCL 257.71, Driving While Intoxicated and Reckless Driving Laws, MCL 257.625 et seq., and appropriate emergency lights, MCL 257.698 (5) (f). The written policy shall include documentation of the information the drivers must know, training techniques, and methods for monitoring compliance by all employees of the Towing Company with these laws as well as any policies regarding other safety laws that the Towing Company shall establish on its own.

B. The towing company shall comply with all federal, state, and local laws.

C. The Police Chief of The City of Ypsilanti or his/her designated representative may, at any time, inspect the records of the Towing Company to ensure that the documentation of training and compliance with this contract is current and complete.

VI. STORAGE AND REDEMPTION OF VEHICLE

A. Before towing any impounded vehicle from the scene as requested by a Police

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Officer, the Towing Company shall (1) obtain an identification of the vehicle from the Officer at the scene, and (2) take an inventory listing the contents of the vehicle. Verifying and signing an inventory initiated by the Police Officer shall be acceptable in lieu of an inventory taken by the Towing Company.

B. The Towing Company may not permit an owner to redeem an impounded vehicle or remove any of its contents without permission from the appropriate Police Agency. Failure to comply with this section is grounds for termination of this contract at the election of The City of Ypsilanti pursuant to Section XI(D).

C. The Towing Company may not assert a lien for storage or service against the personal property found in a vehicle. A lien may be asserted only against a vehicle itself. The towing company with approval from the Ypsilanti Police Department will release personal property in the vehicle. Personal property is defined, as anything not attached to the vehicle either bolted in or directly wired into the vehicle. Approval shall be a vehicle release form or phone authorization.

D. The Towing Company shall provide staffed facilities for the redemption of vehicles twenty-four (24) hours a day, three hundred Sixty-five (365) days per year.

E. Upon payment of charges (service, mileage, storage, etc.), if applicable, and the receipt of a signed Police Agency's standard release form, the Towing Company shall release any vehicle subject to redemption under MCL 257.252a-d to the registered owner.

F. The Towing Company shall notify The City of Ypsilanti and the appropriate Police Agency of all vehicles released to registered owners or for which the Towing Company has received a title under MCL 257.252a-g.

VII. RECORDS

A. The Towing Company shall maintain written records of all vehicles on forms acceptable to The City of Ypsilanti Police Department. The forms shall include the place and time of pickup, make, model, description of the vehicle, including details of any damaged, special or missing equipment. Additional information/records may be required by the Police Department.

B. The Towing Company's written records, including, but not limited to, all vehicles towed, tow bills, employee information, and equipment records shall be available for inspection and copying by The City of Ypsilanti or its designee at any time during normal business hours upon request and without prior notice.

C. The towing company shall supply The Ypsilanti Police Department, on a monthly basis, a chart of all police impounded vehicles. The chart will include the vehicle VIN number, date impounded, date released, total towing charges, total storage

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charges, the police case number if available, and the phone number of the owner or person picking up the vehicle.

D. Immediately upon any tow/storage bill reaching \$2,500 (two thousand five hundred dollars), a detailed copy of the bill will be immediately submitted to The Chief of Police for review. That bill will include the customer's name, address and phone number, and the reasons for charges.

E. The form of the invoice bill used by the Towing Company shall be subject to the approval of The Chief of Police, who may, at his or her sole discretion, request changes or revisions to its form and content detail.

VIII. COMPENSATION

A. In consideration of the services to be provided by the Towing Company under this contract as described in this Section below, the Towing Company shall be paid amounts as provided in this Section below by the registered owner of the vehicle serviced as provided in this contract or at the request of The City of Ypsilanti Police Department, or a Police Officer.

B. Basic road service is simple service to vehicles requiring a jump, gas, tire change, vehicle lock out, or air to inflate a spare tire. Basic tow service shall include hook up for tow on or immediately adjacent to normally maintained right-of-way or maintained private road, drive or parking lot, straight pull winching, clean-up at a collision scene requiring one employee to perform manual labor, and up to thirty (30) minutes on-scene standby.

C. Services not covered in the basic tow charge include, but are not limited to, excess winching, the use of dollies, recovery, towing/stabilizing a vehicle that is located beyond roadside ditch and unusual clean-up. Contractor is to itemize all other potential fees in Paragraph 8, below.

D. Charges

1. Base road service charge \$ _____

2. Base Class A tow service charge \$ _____

3. Base Class B tow service charge \$ _____

4. Base Class C tow service charge \$ _____

5. Base Class D tow service charge \$ _____

6. Mileage: Mileage shall not be charged for towing from the point of origin to any point within the City. Towing from the point of origin to the towing company's yard shall be no charge. \$3.50 per mile may be charged for

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mileage driven in excess of five (5) miles from the point of hook up to any other designated destination. All mileage charges shall be calculated based on one way mileage.

7. Storage: Class A Towing. **\$16.00** per day per unit that requires no more than a Class A rated tow truck.

Storage: Class B and C Towing **\$21.00** per day per unit that requires no more than a Class B or C rated tow truck.

Storage: Class D Towing **\$26.00** per day per unit over 32' requiring a Class D rated tow truck.

Each trailer unit constitutes a separate unit for storage fee purposes.

Storage fees shall be assessed for each calendar day, except that the Towing Company shall charge storage fees for only one (1) calendar day where less than twelve (12) hours have elapsed between the time of impound and the time the vehicle owner or the owner's representative arrives at the Towing Company with all necessary paperwork and funds to reclaim the vehicle.

8. Reasonable fees in addition to the basic charge may be charged by Towing Company for services performed in addition to the basic service as defined in B above.

- a. Long Term storage rates \$ _____
- b. Extra Charge for Dollies \$ _____
- c. Extra Charge for Disconnecting Linkages \$ _____
- d. Extra Charge for winching (off roadway) \$ _____
- e. Extra Charge for flatbeds. \$ _____
- f. Abandons off private property \$ _____
- g. Motorcycles \$ _____
- h. Non-Motorized, wheeled vehicle \$ _____
- i. Hourly rate for additional service \$ _____
- j. Drop Fees \$ _____
- k. Hazardous materials fee \$ _____

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I. Clean up \$ _____

9 The Towing Company shall be responsible for providing verifiable documentation to substantiate and justify any charges in excess of either the base charge or storage charges set forth in paragraph: D.1; D.2, D.3, D4, D5, D6 and D7 above.

E. Vehicles excluded from charges:

1. All towing, storage, and ancillary charges associated with investigations or impounds shall be without charge to the governmental entity requesting the tow. The owner of the vehicle or the owner's representative is not relieved of the responsibility to pay for towing and storage charges if the vehicle would have normally been towed irrespective of the investigative hold or if the owner or non-owner who uses the vehicle with permission of the owner is involved in criminal activity. Storage fees may be collected from the owner starting 24 hours after the vehicle is released from the investigative hold if the towing and storage charges are being waived.

The Towing Company may request that they be allowed to remove vehicles held for investigative purposes in excess of 60 days to a place designated by the police officer. If the vehicle is released from the Towing Company control the police officer shall be responsible for insuring that the Towing Company receives payment for any legitimate charges due them from the owner before the vehicle is released to the owner or the owner's representative. The police officer shall try to minimize the number of tows and the time the vehicle is held as much as practicable.

Note: It is the intention of this section to relieve The City of Ypsilanti and the police agencies from any reasonable fees associated with towing and holding vehicles for investigative purposes. It is not intended to require the Towing Company to provide free service to the vehicle owners or insurance companies that would normally have to pay for these services if the vehicle were not involved in an investigation, or from the financial consequences of criminal activity. It should, however, protect innocent owners from paying for towing and storage charges that is requested against their interest at the direction of the police.

2. The Contractor shall provide free towing, road service and tire changing for all City of Ypsilanti (owned and leased) vehicles during the term of this Agreement.

3. In the event a vehicle is towed and/or stored at the direction of The City of Ypsilanti or a Police Officer and subsequently The City of Ypsilanti, or the Police Agency, and/or a court has determined the vehicle was improperly

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moved, all charges (service, mileage and storage, etc.) shall be waived by the Towing Company.

4. The Towing Company acknowledges that it is its legal and contractual responsibility to clean up a crash scene and that normal clean-up is part of the basic service. Clean-up shall be done as quickly as possible and shall entail removal of all crash related debris including debris from scene policing. Such clean-up, however, shall not include the duty to clean up hazardous medical waste and/or hazardous materials except for normal fluids used to operate a vehicle. If the required clean-up necessitates the use of motorized equipment to pick up debris, the Towing Company shall be entitled to charge a reasonable fee as permitted in paragraph D.4 above.

F. Agencies under contract to The City of Ypsilanti shall make a good faith effort to utilize road assistance whenever such assistance is available.

IX. INDEMNIFICATION AND INSURANCE

A. The Towing Company shall indemnify and defend The City of Ypsilanti, the City of Ypsilanti Police Department, and all other agencies and governmental bodies who have been contracted with The City of Ypsilanti, their officers, agents, servants, volunteers and employees against any claim for any alleged loss incurred in connection with this contract in whole or in part from negligent acts or omissions of the Towing Company, or any statutory violation by the Towing Company, its employees, agents, representatives, or subcontractors. Such indemnification shall include legal fees and costs.

B. The Towing Company shall serve and maintain the following insurance at its own expense during the term of this contract that will protect, defend and indemnify the City of Ypsilanti, The Ypsilanti Police Department, and the parties named in the paragraph immediately above from any alleged loss in connection with this contract:

1. Worker's Compensation Insurance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$500,000 for each incident.

2. Comprehensive/Commercial General Liability Insurance (Garage Liability Form) covering products and completed operations and operation of non-owned and hired autos with a single limit of \$1,000,000 for each occurrence for bodily injury and property damage, including contractual liability.

3. Garage Keepers' Legal Liability Insurance covering vehicles in the care, custody or control of the Towing Company in the amount of at least

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\$50,000 on site and \$50,000 for comprehensive and collision.

4. Automobile Liability Insurance covering all owned and leased vehicles with Personal Protection Insurance and Property Protection Insurance to comply with the provisions of the Michigan No Fault Insurance Law, including residual liability insurance with a minimum combined limit of \$1,000,000 for each incident for bodily injury and property damage. If split limits are provided, the per person bodily injury limit must be at least \$1,000,000.

C All insurance policies shall be issued by well rated companies licensed to do business in the State of Michigan and acceptable to The City of Ypsilanti.

D. The Towing Company shall be responsible for payment of all deductibles contained in any insurance required in this contract.

E. The Towing Company shall submit certificates of insurance to the City of Ypsilanti Police Department for approval of compliance with the above coverage prior to execution of this contract. Certificates shall be sent to the City of Ypsilanti Police Department, 505 West Michigan Avenue, Ypsilanti MI 48197. No service shall be performed prior to the approval of the certificate by The City of Ypsilanti Police Department. The certificates shall specifically name as additional insured The City of Ypsilanti Police Department, its agencies including but not limited to The City of Ypsilanti, and all agencies contracting with The City of Ypsilanti. The certificates shall provide for thirty (30) day written notice to The City of Ypsilanti Police Department prior to cancellation of coverage.

F. If the above required insurance coverage is not maintained at any time during the term of this contract or if any of the above required insurance coverage expires without evidence of renewed coverage being submitted to The City of Ypsilanti Police Department, this contract shall be subject to cancellation at the sole election of The City of Ypsilanti pursuant to Section XII.

G. The Towing Company assumes responsibility for all applicable state and federal social security benefits and unemployment taxes for which it agrees to indemnify and protect The City of Ypsilanti, the Ypsilanti Police Department, and all other agencies and governmental bodies who have contracted with The City of Ypsilanti against liability.

X. COMPLAINTS BY TOWING COMPANY

A. If the Towing Company has any problem with The City of Ypsilanti, the Ypsilanti Police Department, a Police Officer, or any employee of the City of Ypsilanti, the Towing Company shall reduce its complaint to writing and submit a copy to the City of Ypsilanti and to the Ypsilanti Police Department within five (5) business days of the event that triggers the problem. Correspondence shall be addressed

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to Lt. Deric Gress for the Police Department, and to the City Manager for the City of Ypsilanti.

XI. DURATION OF CONTRACT

A. This contract shall commence upon the execution of this contract by all parties and shall terminate at midnight on July 31, 2020 unless terminated at an earlier date.

B. The Ypsilanti Police Department will evaluate the services provided by the Towing Company during the first ninety (90) days of this contract. In the event of unsatisfactory service at the end of ninety (90) days, The Ypsilanti Police Department may cancel this contract.

C. The contract may be terminated by any party to this contract without cause upon thirty (30) day notice to the other party.

D. The contract may be immediately terminated by the Ypsilanti Police Department for Towing Company's failure to comply with the terms of this contract. If The Ypsilanti Police Department terminates or cancels this contract for failure of Towing Company to comply with the terms of this contract, it must do so in writing, specifying the violated sections.

XII. LIST OF DRIVERS

A. Prior to rendering services under this contract, the Towing Company shall provide the Ypsilanti Police Department with a current list of its drivers. This list shall provide the full name, correct address, date of birth and driver's license number and a copy of the health card of each driver.

B. The Towing Company shall provide the Ypsilanti Police Department with a written update within five (5) business days of each time there is any change on this list.

XIII. ASSIGNMENT AND SUBCONTRACTING

A. This contract shall not be assigned or subcontracted without the prior written approval The Ypsilanti Police Department.

XIV. MODIFICATIONS

A. This contract represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements, whether oral or written. Any modifications of this contract shall be mutually agreed upon written amendments signed by all parties.

XV. NO THIRD PARTY BENEFICIARIES

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

This contract is not intended to, and does not, inure to the benefit of any third party.

XVI. CHOICE OF FORUM

Any litigation under the contract shall be filed in either the 14A2 Judicial District Court or the 22nd Judicial Circuit Court.

XVII. ATTORNEY FEES AND COSTS

If the City initiates litigation against the Towing Company to enforce the terms of the contract and the City prevails, the Towing Company shall be responsible to reimburse the City for its reasonable attorney fees and costs of litigation.

XVIII. TOWING COMPANY NOT A NATURAL PERSON

If the Towing Company is not a natural person, it shall affix to the bid and contract a corporate resolution, article of incorporation or by-law provision authorizing the natural person signing the bid and/or contract to act as the agent of the Towing Company.

VII. GENERAL TERMS

AWARD:

The Ypsilanti Police Department reserves the right to reject any and all bids, to waive or not waive informalities or irregularities in bids and bidding procedures and to accept or further negotiate cost, terms or conditions of any bid determined by the Ypsilanti Police Department to be in the best interest of The City of Ypsilanti even though not the lowest bid. If a proposal is selected, it will be the most advantageous regarding price, quality of service, the Contractors qualifications and capabilities to provide the specified service, and other factors that The City of Ypsilanti may consider.

The final award will be based in part by the number of points each vendor has accumulated by the end of the evaluation process.

The Ypsilanti Police Department reserves the right to award towing contracts based on several considerations, including, but not limited to, bid price, bid points, professional performance history, etc.

TERM OF CONTRACT:

The contract is for a term of three years starting **August 01, 2017** and ending on **August 01, 2020** and may be extended for an additional 2 years at the discretion of The City of Ypsilanti Police Department.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

All terms and conditions are to remain unchanged during the life of the contract except the compensation for the basic rate may be increased at the rate of the cost of living index for the second year of the contract provided the contractor shows evidence that such an increase is justified. The City of Ypsilanti shall have sole discretion whether such increase shall be given.

COST OF RFP:

The City of Ypsilanti will not be liable for any costs associated with the preparation, transmittal, or presentation of any materials submitted in response to this RFP.

INSPECTION OF FACILITIES:

The City of Ypsilanti Police Department, and/or designated representatives of The City of Ypsilanti, reserves the right before making an award to have the premise of the bidder inspected, or to take any other action necessary to determine fitness, reliability and ability to perform. The inspection could check the physical location, facilities, equipment, records and/or equipment for ability to comply with conditions of the RFP.

The City of Ypsilanti Police Department plans to send out a team to inspect the bidders' premises and vehicles prior to the awarding of the bid.

TIMELINESS:

It is the intention of The City of Ypsilanti Police Department to award the bid by July 18, 2017

PERMITS AND CERTIFICATES:

The Vendor shall obtain and pay for all necessary permits, certificates, and licenses required and necessary for performance of the work; and shall post all notices required by law and comply with laws and applicable ordinances.

INSPECTION OF WORK:

The City of Ypsilanti Police Department will on occasion make follow up inspections of the contractors premises to determine if the (but not limited to) operations, records, office, lot, trucks, personnel are in compliance with the RFP terms and conditions. If The City of Ypsilanti Police Department deems it expedient to correct the contractor's operation, condition of premises or other actions in accordance with the bid terms and conditions as stated, the Contractor shall make corrections expediently and at no additional expense to The City of Ypsilanti.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

PERSONNEL CHECK:

The City of Ypsilanti Police Department may request, and it shall be the Towing Company's responsibility to provide upon that request, a driving record and criminal history records check from the Michigan State Police for any employee. Failure to supply this information in a timely manner may result in cancellation of the contract.

IVIII. ON SITE CHECK LIST

LIST OF EQUIPMENT THAT IS EXPECTED TO BE ON EACH AND EVERY TOW TRUCK INCLUDED IN THE VENDORS' PROPOSAL. VEHICLES SHOULD HAVE THE LISTED EQUIPMENT AT THE TIME OF THE INSPECTION.

A promise of future compatibility is not acceptable.

- 1) Push Broom
- 2) First Aid Kit (fully stocked)
- 3) Shovel
- 4) Tow Lights
- 5) Lock out Tools *
- 6) Flash Light *
- 7) Gas Can
- 8) Air Tank
- 9) Tool Kit *
- 10) Tire Changing Equipment
- 11) Jumper Cables
- 12) Snatch Block
- 13) Two Way Radio
- 14) Emergency Flares or Triangles
- 15) Emergency Flasher System
- 16) Rotating Emergency Lights
- 17) Fire Extinguishers
- personal items

IX. CONTRACTOR BACKGROUND INFORMATION

- 1) Company Location(s)

The following information is to be filled out giving locations of the office and lot.

Location (1)

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

Office _____

Lot _____

Location (2)

Office _____

Lot _____

2) Hours of Operations

State normal hours of operations. If 24 hours check 24 hours. If less than 24, state actual hours of operation during the week.

Dispatch 24 Hours _____ or actual hours M-F _____ Sat/Sun _____

Office 24 Hours _____ or actual hours M-F _____ Sat/Sun _____

Lot 24 Hours _____ or actual hours M-F _____ Sat/Sun _____

3) Storage

Indoor # of auto spaces _____

Outdoor # of auto spaces _____

Outdoor #of tractor trailer combination spaces _____

4) Yard and lot

Lighting Type _____

Fencing Type _____

Security Features _____

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

Lot Surface _____

5) Trucks (also include information on the trucks in **attachment B** at the end of the RFP)

A) # of tow trucks available 24 hours a day by type

Class A _____

Class B _____

Class C _____

Class D _____

Wheel Lifts _____

Roll Backs _____

TOTAL # OF TRUCKS AVAILABLE 24 Hrs _____

B) # of tow trucks available LESS THAN 24 hours a day by type
State normal hours when these following trucks would be available
on a weekly basis.

M-F _____

S-Sun _____

Class A _____

Class B _____

Class C _____

Class D _____

Wheel Lifts _____

Roll Backs _____

TOTAL # OF TRUCKS AVAILABLE LESS THAN 24 Hrs _____

C) Recovery Equipment

Hours Available _____

Describe Equipment _____

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

D) AUTHORIZED PROVIDER OF A NATIONALLY RECOGNIZED ROAD SERVICE.

Service A.

Affiliated with _____

How many years _____

Service B.

Affiliated with _____

How many years _____

E) Roll Over services provided by the contractor
(describe)

E1) Class A _____

E2) Class B _____

E3) Class C _____

E4) Class D _____

F) Roadway Cleanup services provided by the contractor
(describe)

F1) Class A _____

F2) Class B _____

F3) Class C _____

F4) Class D _____

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

BID SHEET
For Towing Services

Charges

Base road service charge \$ _____

Base Class A tow service charge \$ _____

Base Class B tow service charge \$ _____

Base Class C tow service charge \$ _____

Base Class D tow service charge \$ _____

Base Class A tow service charge is used for rate points on page 6.

All service charge rates cover services listed in section VIII pages 14-16.

The contactor is not allowed to charge extra for items included in the base service.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

SIGNATURE PAGE

Signature_____

Print Name_____

Title_____

Telephone_____

Federal Tax ID #_____

Company Name_____

Company Address_____

City St. Zip_____

CHECK ONE_____

Partnership_____

Non Profit Corp._____

Profit Corp._____

Other_____

The above individual is authorized to sign on behalf of company submitting proposal.

Proposals must be signed by an official authorized to bind the provider to its provisions for at least a period of 90 days.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

APPENDIX "A" WRECKER VEHICLE TYPE DEFINITION CLASS "A"

- 1) Manufacturer's chassis capacity of at least 10,000 lb. GVW
- 2) Boom capacity at least 4 tons (retracted)
- 3) Winch capacity at least 4 tons
- 4) Tow sling, wheel lift, or both
- 5) Dual wheels
- 6) At least 100 ft 3/8 cable or larger

CLASS "B"

- 1) Manufacturer's chassis capacity of at least 15,000 lb. GVW
- 2) Boom capacity at least 6 tons (retracted)
- 3) Winch capacity at least 6 tons
- 4) Tow sling or wheel lift, or both
- 5) 2 snatch blocks, 6 ton rating
- 6) At least 150 ft steel core cable, 3/8 in diameter or larger
- 7) Dual Wheels

CLASS "C"

- 1) Manufacturer's chassis not less than 25,000 lb. GVW
- 2) Boom capacity not less than 12 1/2 ton (retracted)
- 3) Winch (es) not less than 12 H ton each
- 4) At least 175 ft cable 9/16 or larger
- 5) Tow sling or wheel lift, or both
- 6) 2 snatch blocks, 6 ton rating, and 2 scotch blocks or hydraulic spade
- 7) Dual wheels or tandem duels
- 8) Air brakes

CLASS "D"

- 1) Manufacturer's chassis not less than 50,000 lb. GVW
- 2) Boom capacity not less than 25 ton (retracted)
- 3) Wench(es) not less than 12 1/4 ton each
- 4) At least 200 ft cable 5/8" or larger
- 5) Heavy duty tow sling or wheel lift, or both
- 6) 2 snatch blocks, 8 ton rating, and 2 scotch blocks or hydraulic spade
- 7) Tandem duels
- 8) Airbrakes

ROLLBACK CLASS "A"

- 1) Manufacturer's chassis not less than 10,000 lb. GVW
- 2) Winch capacity at least 4 tons
- 3) At least 50 ft 3/8 cable or larger

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

ROLL BACK CLASS "B"

- 1) Manufacturer's chassis not less than 15,000 lb. GVW
- 2) Winch capacity at least 4 tons
- 3) At least 50 ft 3/8 cable or larger

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

APPENDIX "B"

Class 1 - Light Duty (6,000 lbs. or less GVW - 4 tires)

Class 2 - Light Duty (6,001-10,000 lbs. GVW- 4 tires)

Class 3 - Medium Duty (10,001-14,000 lbs. GVW - 6 tires or more)

Class 4 - Medium Duty (14,001-16,000 lbs. GVW - 6 tires or more)

Class 5 - Medium Duty (16,001-19,500 lbs. GVW- 6 tires or more)

Class 6 - Medium Duty (19,501 -26,000 lbs. GVW - 6 tires or more)

Class 7 - Heavy Duty (26,001-33,000 lbs. GVW- 6 tires or more)

Class 8 - Heavy Duty (33,001-and over lbs. GVW -10 tires or more)

ADDENDUM TO AGREEMENT FOR SERVICES

This Addendum shall be a part of a certain Agreement between the CITY OF YPSILANTI, a Michigan municipal Home-rule corporation of One South Huron Street, Ypsilanti, Michigan 48197 referred to as "CITY", and _____, of _____, Michigan, referred to as "CONTRACTOR", a _____. (sole proprietor, corporation, partnership, etc.).

1. This Addendum is an addition and amendment to the primary Contract between the parties. In an event of a conflict between the language of this Addendum and the primary Contract, the language and terms of this Addendum shall take precedence.

2. Standard of Performance. The CONTRACTOR shall perform the Contract faithfully and diligently and perform the services in a competent, professional, satisfactory and proper manner and during the Contract term or extensions thereof, use every best effort and endeavor to promote the interests of the CITY and devote such time, attention, skill, knowledge and ability as is necessary to most effectively and efficiently carry out and perform the Contract.

3. The parties understand and agree that the CITY may terminate this Contract at any time with or without notice. In such event the CONTRACTOR will be compensated for work already completed

4. This Contract is to be performed in Washtenaw County, Michigan, and all legal venue shall exclusively lie therein.

5. The parties agree that time is of the essence in the performance of this Contract by the CONTRACTOR.

6. Each provision of this Contract shall be separately enforceable and in the event that a court of competent jurisdiction determines or adjudges that any provision of this Contract is invalid or illegal, such decision shall not affect the rest of the Contract which shall remain in full force and effect.

7. This Agreement shall be governed by and construed in accordance with the laws of Michigan.

8. Independent Contractor. The relationship of the CONTRACTOR to the CITY is and shall continue to be that of an independent contractor and no liability or benefits such as worker's compensation, pension rights, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party as a result of the performance of this Contract.

9. Waiver of Liability. The CONTRACTOR hereby waives any claim against the CITY and agrees not to hold the CITY liable for any personal injury or damage incurred by

it, its employees or associates on this project which is not held by a court of competent jurisdiction to be directly attributable to the sole and/or gross negligence or malicious intentional conduct of any employee of the CITY acting within the scope of their employment. It further agrees to hold the CITY harmless from any such claim by its employees or associates.

10. For the purpose of the hold harmless indemnity and insurance provisions contained in this Contract, the term "CITY" shall be deemed to include the City of Ypsilanti and all other associated, affiliated, allied or subsidiary entities, or commissions, officers, agents, representatives and employees.

11. The following Indemnification Agreement shall be, and is hereby, a provision of the Contract and shall be endorsed on the reverse sides of all certificates of insurance:

"The CONTRACTOR agrees to protect, defend, indemnify and hold the CITY and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof. Without limiting the generality of the foregoing, any and all such claims, etc., relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copy right (or application for any thereof) or any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The CONTRACTOR further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at his sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent."

12. Insurance.

a. The CONTRACTOR prior to commencing work shall provide at his own cost and expense the following insurance to the CITY in insurance companies licensed and/or approved in the State of Michigan, which insurance shall be evidenced by certificates and/or policies as determined by the CITY. All policies and certificates of insurance shall be approved by the Department of City Manager of the CITY prior to the inception of any work.

b. Each certificate or policy shall require that, thirty days prior to cancellation or material change in the policies, notice thereof shall be given to the CITY by registered mail, return receipt requested, for all of the following stated insurance policies. All such notices shall name the CONTRACTOR and identify the contract number.

c. All property losses shall be made payable to and adjusted with the CITY.

d. In order to determine financial strength and reputation of insurance carriers, all companies providing the coverages required shall be licensed or approved by the Insurance Bureau of the State in which the work is performed and shall have a financial rating not lower than XI and a policyholder's service rating no lower than B+ as listed in A.M. Best's Key Rating Guide, current edition. Certificates of insurance shall note A.M. Best's Rating. Companies with ratings lower than B+:XI will be acceptable only upon written consent of the CITY.

e. All policies and certificates of insurance of the CONTRACTOR shall contain the following clauses:

(1) The clause "other insurance provision" in a policy in which the CITY is named as an insured, shall not apply to the CITY.

(2) The insurance companies issuing the policy or policies shall have no recourse against the CITY (including its agents and agencies as aforesaid) for payment of any premiums or for assessments under any form of policy.

(3) Any and all deductibles in the above described insurance policies shall be assumed by and be for the account of, and at the sole risk of, the CONTRACTOR.

(4) The CITY (at its option) shall be listed as an Additional Named Insured on the following insurance coverages provided by the CONTRACTOR.

YES _____	NO _____	1) Comprehensive General Liability
YES _____	NO _____	2) Automobile Liability
YES _____	NO _____	3) Owners Contractors Protective Liability

f. The CONTRACTOR shall maintain at its own expense during the term of this Contract the following insurance:

(1) Worker's Compensation insurance with Michigan statutory limits and employers' liability insurance with minimum limits of \$500,000 each accident.

(2) General Liability insurance with a minimum limit of liability per occurrence of \$1 Million Combined Single Limit (Bodily Injury/Property Damage), with no aggregate.

This insurance shall indicate on the Certificate of Insurance the following coverages:

- (a) Premises - Operations
- (b) Independent Contractor and Subcontractors
- (c) Products and Completed Operations
- (d) Broad Form Contractual
- (e) Broad Form Liability Endorsement

(3) Automobile Liability insurance with minimum limits of liability, per occurrence, of \$1 Million Combined Single Limit (Bodily Injury/Property Damage) unless otherwise indicated in the "Special Conditions" of the Contract specifications. This insurance shall include for bodily injury and property damage the following coverages:

- (a) Owned automobiles

- (b) Hired automobiles
- (c) Non-owned automobiles

(4) Protective Liability Insurance: Owners and Contractors. The CONTRACTOR shall provide the original and duplicate policy of insurance to the City Manager. This insurance contract shall name the CITY as the insured and remain in effect until the contract is accepted by the CITY.

The insurance shall provide minimum limits of liability per occurrence of \$500,000. Combined Single Limit. Said insurance shall provide that the term "Owner" or CITY shall be deemed to include all authorities, boards, bureaus, commissions, divisions, departments, districts and offices of the CITY and the individual members, employees and agents thereof in their official capacities.

(5) Construction Insurance: The CONTRACTOR at his own cost and expense shall provide and maintain the applicable construction insurance until the Contract is accepted by the CITY and/or its designee. This coverage shall be written for 100% of the completed value covering the CITY as the insured, with a deductible of not more than \$1,000. The CONTRACTOR shall provide the original and duplicate policy to the CITY (unless the CITY shall accept, in lieu thereof, all contained endorsements including all applicable provisions and coverages).

(6) Professional Services. CONTRACTOR shall provide professional liabilities (errors and omissions) insurance, with minimum limits of \$1 Million each occurrence.

(7) Disability Benefits: The CONTRACTOR shall provide proof of compliance with the Disability Benefits Law. (If applicable).

(8) Additional insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Special Conditions" of the contract specifications.

g. If any of the Property and Casualty insurance requirements are not complied with at their renewal dates, payments to the CONTRACTOR will be withheld until those requirements have been met, or at the option of the CITY the CITY may pay the Renewal Premium and withhold such payments from any monies due the CONTRACTOR.

h. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under the Contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CONTRACTOR until such time as the CONTRACTOR shall furnish such additional security covering such claims as may be determined by the CITY.

i. If at any time any of the foregoing policies shall be or become unsatisfactory to the CITY to form or substance, or if a company insuring any such policy shall be or become unsatisfactory to the CITY, the CONTRACTOR shall upon notice to that effect from the CITY promptly obtain a new policy, submit the same to the City Manager for approval and submit a certificate thereof as herein provided. Upon failure of the CONTRACTOR to furnish, deliver and maintain such insurance as above provided, this Contract, at the election of the CITY may be forthwith declared suspended, discontinued or terminated. Failure of the CONTRACTOR to take out and/or maintain or the taking out and/or maintenance of any required insurance, shall not relieve the CONTRACTOR from any liability under the Contract, nor shall the insurance requirements be construed to

conflict with or otherwise limit the obligations of the CONTRACTOR concerning indemnification.

j. Certificate of Insurance; required language. The Certificate of Insurance obtained by the CONTRACTOR shall contain the following language: "The City of Ypsilanti, Michigan, its elected officials, officers, employees, boards, commission, authorities, voluntary associations, and any other units operating under the jurisdiction of the City and within appointment of its operating budget, including the City of Ypsilanti, are named as additional insured, and such coverage shall be considered to be the primary coverage rather than any policies and insurance or self insurance retention owned or maintained by the City of Ypsilanti."

13. Conflict of Interest. The CONTRACTOR covenants that the CONTRACTOR (individually, or if a corporation, trust, limited liability company or partnership, "the entity") nor any officer, principal, partner, agent or employee of the entity has any interest nor shall they acquire any interest, directly or indirectly, which would conflict in the manner or degree of performance with the Contract. Further that if any such conflict of interest develops and exists during the term of the contract that the CONTRACTOR shall, within 7 days of the existence of such conflict of interest, notify the CITY in writing of the existence and nature of the said conflict of interest.

14. Contingent Fees. The CONTRACTOR warrants it has not employed or retained any company or person other than bonafide employees working solely for the CONTRACTOR, to solicit or secure this Contract, and that it has not paid or agreed to pay any company, or person, other than a bonafide employee working solely for the CONTRACTOR, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award of making this Contract. For breach or violation of this warranty, the CITY shall have the right to annul the Contract without liability or, at its discretion, to deduct from the fees due the CONTRACTOR, or otherwise, recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

15. The CONTRACTOR further agrees to perform this Contract in accord with all federal, state and local laws and will not discriminate against, or give preferential treatment to, any person on the basis of race, sex, sexual orientation, color, national origin, religion, handicap status, heights, weight, marital status, or other criteria which is not relevant to the particular job.

16. The CONTRACTOR further agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, disability as set forth in the American's With Disability Act, Michigan PWDA, age, height, weight, or marital status (except insofar as it relates to a bonafide or occupational qualification reasonably necessary to the normal operation of the business). Breach of this provision may be regarded as material breach of the Agreement.

17. Permits. The CONTRACTOR shall secure and bear the cost of any permits or licenses of a temporary nature necessary for the prosecution of the work. In particular,

he shall secure and bear the cost of shutting off and turning on public services of every nature which may be required by his operations. Where such discontinuance of service affects consumers, due and sufficient notice shall be served upon those so affected.

18. Davis-Bacon Act. Pursuant to the Davis-Bacon Act (Title 29, 40 UCS Section 276A-276A-5), the rates of wages paid to employees of the CONTRACTOR on this work shall be no less than the prevailing wages for this locality to all class of workers employed by the CONTRACTOR on this improvement, as set forth in the Code and Act.

19. Improvement of Real Property or Performing Management Construction Services. In the event the contract provides for improvement of real property or performing management construction services as provided in MCLA 125.1591, the following provisions apply:

(A) A contract between CONTRACTOR and the CITY for an improvement as provided above shall contain the following provisions:

(a) That if a CONTRACTOR discovers one or both of the following physical conditions of the surface or subsurface at the improvement site, before disturbing the physical condition, the contractor shall promptly notify the CITY of the physical condition in writing:

(i) A subsurface or a latent physical condition at the site is differing materially from those indicated in the improvement contract.

(ii) An unknown physical condition at the site is of an unusual nature differing materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the improvement contract.

(b) That if the CITY receives a notice under subdivision (A), the CITY shall promptly investigate the physical condition.

(c) That if the CITY determines that the physical conditions do materially differ and will cause an increase or decrease in costs or additional time needed to perform the contract, the CITY's determination shall be made in writing and an equitable adjustment shall be made and the contract modified in writing accordingly.

(d) That the CONTRACTOR cannot make a claim for additional costs or time because of a physical condition unless the CONTRACTOR has complied with the notice requirements of subdivision (A). The CITY may extend the time required for notice under subdivision (A).

(e) The CONTRACTOR cannot make a claim for an adjustment under the contract after the CONTRACTOR has received the final payment under the contract.

(B) If the CONTRACTOR does not agree with the CITY's determination, with the CITY's consent the CONTRACTOR may complete performance on the contract.

(C) At the option of the CITY, the CONTRACTOR and the CITY shall arbitrate the CONTRACTOR's entitlement to recover the actual increase in contract time and costs incurred because of the physical condition of the improvement site. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association and judgment rendered may be entered in any court having jurisdiction.

20. Living Wage.

A. (1) If this contract involves \$10,000, or more, Living Wages shall be paid according to the Ypsilanti Living Wage Ordinance No. 892 (The Ordinance) and City Code Section 2-298(8); and

(2) Suitable notices shall be posted in the work place; and

(3) Evidence of compliance including payroll records shall be provided to the Ypsilanti Personnel Department within 10 days of written request from the Ypsilanti Personnel Department.

B. In the event of violation of the provisions of The Ordinance or this contract this contract may be modified or terminated to comply with the provisions of The Ordinance, including withholding of moneys in amount equal to Living Wages not paid in accordance with The Ordinance and the City may also take action to recover the amount of the contract provided to any person found to have violated The ordinance.

C. Any employee shall have a separate cause of action to enforce the provisions of this contract and The Ordinance and any rights conferred under The Ordinance, in law and or equity, and any court of competent jurisdiction upon proper proof and the prevailing of the employee in such action, shall award actual damages, wage restitution, interest and actual attorney fees.

D. The City shall have the right to enforce this contract and The Ordinance in law or equity by court process including specific performance.

21. Minimum Wage.

A. (1) The CONTRACTOR must pay minimum wages to all employees according to Ordinance No. 1217 (The Ordinance) and City Code Section 2-2112.

(2) The CONTRACTOR must post suitable notices in the work place.

(3) The CONTRACTOR must provide evidence of compliance, including payroll records, to the Ypsilanti Personnel Department within 10 days of written request from the Ypsilanti Personnel Department.

B. In the event of violation of the provisions of The Ordinance or this contract this contract may be modified or terminated to comply with the provisions of The Ordinance, including withholding of moneys in amount equal to Minimum Wages not paid in accordance with The Ordinance and the City may also take action to recover the amount of the contract provided to any person found to have violated The Ordinance.

C. Any employee shall have a separate cause of action to enforce the provisions of this contract and The Ordinance and any rights conferred under The Ordinance, in law and or equity, and any court of competent jurisdiction upon proper proof and the prevailing of the employee in such action, shall award actual damages, wage restitution, interest and actual attorney fees.

D. The City shall have the right to enforce this contract and The Ordinance in law or equity by court process including specific performance.

22. Not in Default to City. The CONTRACTOR hereby certifies that the CONTRACTOR is not in default to the CITY, and that there are no unpaid taxes, real or personal, owed to the CITY by the CONTRACTOR, and the CONTRACTOR has no other unfulfilled obligations to the CITY and is in compliance with all Ypsilanti City codes and

ordinances. The parties understand that a breach of this provision is a material breach of the contract.

23. American's With Disabilities Act Compliance. If this contract alters or resurfaces any streets, intersections, sidewalks, or curb ramps, CONTRACTOR shall ensure that each portion of the project, to the maximum extent feasible, shall be altered in such manner that the altered portion of the facility is readily accessible to and usable by individuals with disabilities. Each project shall comply with the American's With Disabilities Act requirements, including 28 C.F.R. §§ 35.151(b),(c),(e)(1) and (e)(2) and 28 C.F.R. Part 36, App. A, the ADAAG.

Note: The City of Ypsilanti has chosen to follow the ADAAG standards rather than the UFAS standards. See United States Department of Justice ADA Title II Technical Assistance Manual, Section II-6.2100)

As used in this Section, the term "resurface" shall have the definition given by the United States Department of Justice Title II Technical Assistance Manual § II-6.6000 "Resurfacing beyond normal maintenance is an alteration. Merely filling potholes is considered to be normal maintenance."

As used in this Section, the term "to the maximum extent feasible" shall have the meaning set forth at 28 C.F.R. § 36.402(c).

As used in this Section, the term "readily accessible to and usable by persons with disabilities" shall have the meaning set forth at Section II-6.1000 of the US Department of Justice ADA Title II Technical Assistance Manual, and set forth at 28 CFR Appendix B Section 36.401.

24. The Contract and its attachments, and this Addendum, are the sole Contract and Agreement between the parties. Any changes, additions or deletions shall not be effective or actionable unless they are in writing signed by the parties.

25. Except in amounts less than \$20 million, CONTRACTOR certifies that it, its successor, its parent company, or any of its subsidiaries or subunits does not engage in the practice of committing or contributing funds or property, extending credit, or contract for goods or services to develop petroleum resources, natural gas resources, or nuclear power in Iran.

IN WITNESS WHEREOF, the undersigned have set their hands this ____ day of _____, 20____.

In the presence of:

CONTRACTOR

BY: _____
Print:
Its:

CITY OF YPSILANTI, a Michigan
Municipal Home-rule City

BY: _____
Darwin McClary
City Manager

APPROVED AS TO FORM:

JOHN M. BARR P-10475
Ypsilanti City Attorney

ATTACHMENT 2

ORIGINAL

14:45 hrs.

WALL STREET TOWING

DBA: BUDGET/STADIUM MILAN TOWING

PROPOSAL

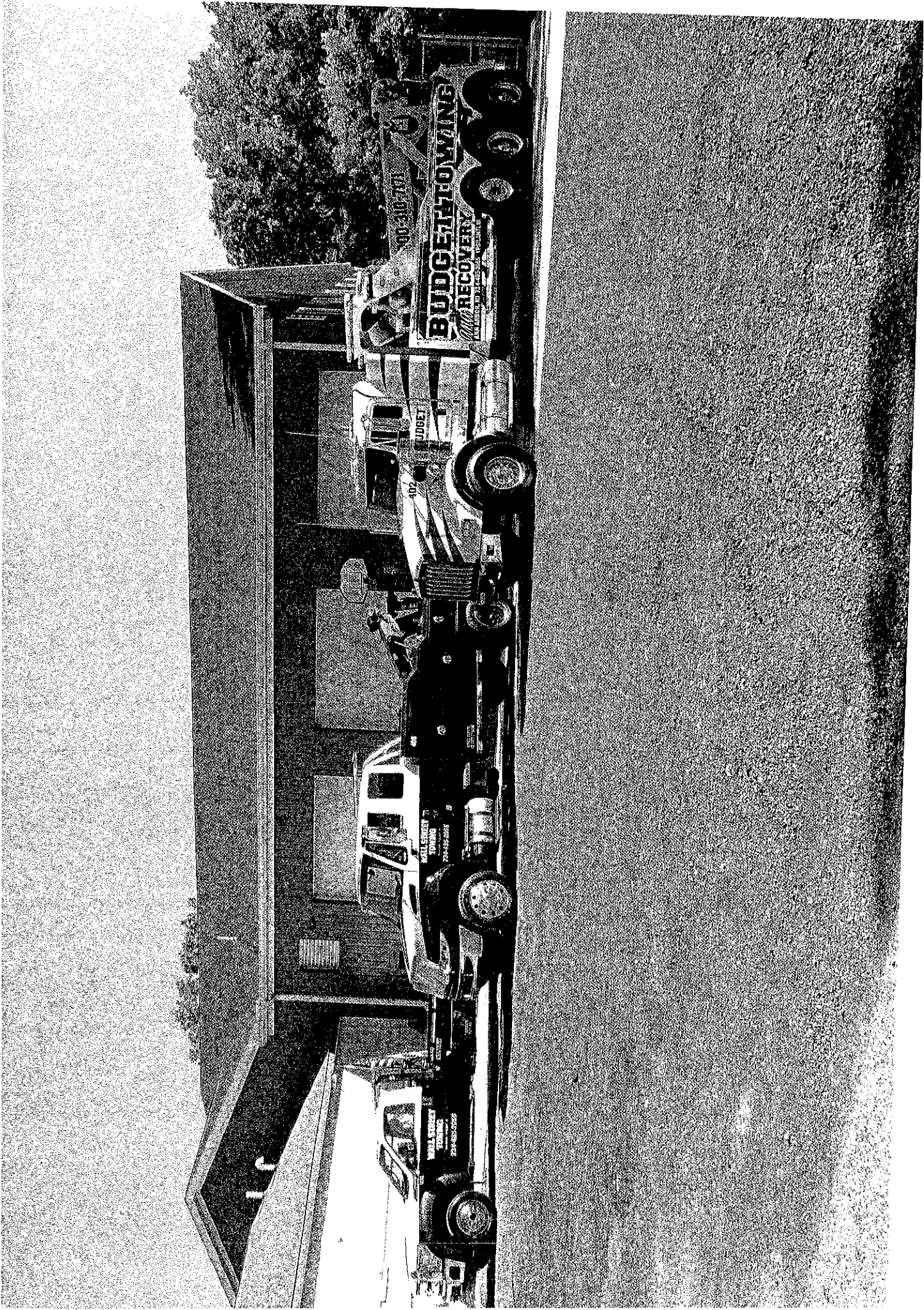
TOWING SERVICES

FOR

CITY OF YPSILANTI

POLICE DEPARTMENT

JULY 10, 2017



RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

REQUEST FOR PROPOSAL
TOWING SERVICES
FOR
CITY OF YPSILANTI
POLICE DEPARTMENT

Prepared By:
Lt. Deric Gress
City of Ypsilanti
505 West Michigan Avenue
Ypsilanti MI 48197
734 483-9510

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

REQUEST FOR PROPOSAL
FOR TOWING SERVICES

May 30, 2017

The City of Ypsilanti is requesting Sealed Bids for Proposal for TOWING SERVICES.

Sealed Proposals: Bidder will deliver one (1) original and two (2) copies to the following address:

Ypsilanti City Clerk
Attn: Towing Bid .
One South Huron Street
Ypsilanti, MI 48197

by 3:00 p.m. July 10th, 2017

A bid opening will immediately follow in the Ypsilanti City Council Chambers. This submission shall include the entire Request For Proposal document, requested attachments, and any amendments if issued.

Proposals received after the above cited time will be considered a late bid and are not acceptable unless waived by City Council.

Please direct purchasing and procedural questions regarding this RFP to Lt Deric Gress at 734-482-9847.

Thank you for your interest.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

I. PROPOSAL

Definitions: "City of Ypsilanti" is the City of Ypsilanti, and/or the City of Ypsilanti Police Department, Washtenaw County, Michigan.

"Bidder" an individual or business submitting a bid to The City of Ypsilanti.

"Contractor" One who contracts to perform work or furnish materials in accordance with a contract.

Purpose of Proposal:

The City of Ypsilanti is accepting proposals for providing towing services to cover all requests generated by The City of Ypsilanti Police Department.

PROPOSAL TERMS

A. The City of Ypsilanti reserves the right to reject any and all bids, to waive or not waive informalities or irregularities in bids or bidding procedures, and to accept or further negotiate cost, terms, or conditions of any bid determined by The City of Ypsilanti to be in the best interest of The City of Ypsilanti even though not the lowest bid.

B. Proposals must be signed by an official authorized to bind the Contractor to its provisions for at least a period of 60 days. Failure of the successful bidder to accept the obligation of the contract may result in the cancellation of any award.

C. In the event it becomes necessary to revise any part of the RFP, addenda will be provided. Deadlines for submission of RFP's may be adjusted to allow for revisions. The entire proposal document with any amendments should be returned. To be considered, proposals must be at the Ypsilanti City Clerk's office on or before the date and time specified.

D. Proposals should be prepared simply and economically, providing a straight forward, concise description of the contractor's ability to meet the requirements of the RFP. Proposals shall be written in ink or typewritten. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal.

E. Pursuant City Ordinance 2-281, Contractor shall not be in default to the City of Ypsilanti. Contractor shall have their administrative fees paid to the Police Department prior to submission of their bid.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

F. By submitting a bid, Bidder agrees to the terms and conditions of the City's standard contract addendum, which is attached hereto as Exhibit 1, should Bidder win the contract.

CONTRACTOR INFORMATION

The proposal must include all the following information. Failure to supply any of this information could result in disqualification of the vendor.

A. Provide the total years in business and years in the towing business under the name stated on the Signature Page.
(Attach as Addenda A)

B. List names of employees who are currently employed to provide service specified in the RFP. Indicate how long employee has worked for the Bidder and how long each has worked in the towing business. List any training courses that the employee has attended that might be relevant to the ability to service this contract. Also, indicate the address of the office where each works at least 50% of each week. Also, list Date of birth, Driver Licenses Number and Endorsements of each employee. Attach a copy of Driver's License, medical card, driving record, and criminal history from the State Police of each driver.
(Attach as Addenda B)

C. Detail ability to provide service 24 hours per day.
(Attach as Addenda C)

D. State the location of the primary service point from which you will serve the City of Ypsilanti. Also hours of operation, storage, yard and lot information, and truck information. (Per pages 18-22)
(Attach as Addenda D)

E. References: List five (5) references for which the company has provided the services as specified in this RFP: Include company name, contact name and phone number.
(Attach as Addenda E)

IV. TOWING SPECIFICATIONS

A. Bidding contractor must be legally established as a towing business (i.e. registered with the County Clerk as an assumed name business, or registered with the State of Michigan as a corporation/ LLC) with a base of operations within the County of Washtenaw **PRIOR TO THE OPENING OF THE RFP.**
(Attach copy of supporting documents).
(Attach as Addenda F)

B. Bidding contractor must **OWN** or have **EXCLUSIVE**, signed lease to **SECURE** storage area that meets all zoning laws (see contract specifications) **PRIOR TO**

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

submitting documents (deed with legal description, lease, etc.). If lease, must be valid through contract term. Please also indicate the size of the lot in terms of square footage and number of cars that can be stored there. (Attach copy of supporting documents; including a site plan or sketch of your property, and letter from the municipality showing zoning compliance).

(Attach as Addenda G)

C. If a bidding contractor owns more than one company it will be his or her option of having that company's trucks inspected and certified at the time of bid. After the bid is awarded, it will be his or her option as to which company's truck responds to a request for service and which yard he or she stores the vehicle at. The primary company will be responsible for dispatching his or her own trucks and it will be the driver's responsibility to notify the officer on the scene as to which yard the vehicle will be stored at so he or she can notify the LEIN operator on impounded vehicles.

Include the following information for each vehicle:

- a. Vehicle class
- b. Make, Year, Model and GVW rating of chassis
- c. Number, capacity and type (fixed or moveable - manual or hydraulic, etc.) of booms
- d. Number and size of winches
- e. Size and quantity of cable for each winch
- f. Lift type(s), i.e. sling, wheel lift, chassis lift, roll back, etc.
- g. Rear wheel/axle configuration, i.e. duels, tandem duels, etc.
- h. Furnish copy of each vehicle registration. If leased, furnish copy of lease
- i. Any additional equipment
- j. Photographs showing required lettering and registration plate and overall condition.
- k. Copy of certificate of compliance with the zoning ordinance.
- l. Copy of certificate of insurance for that vehicle.

(Attach as Addenda H)

E. Those companies wishing to bid for contract towing services must operate a place of business and storage area within the City of Ypsilanti, or within three miles of the City of Ypsilanti.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

V. BID POINTS

The towing contractor will gain or have points deducted from their score depending on their responses in the bid and any additional information that the City of Ypsilanti receives during the evaluation and inspection. A list of possible points that the vendor could have added or deducted from their score follows. The final award will be based in part by the number of points each vendor has accumulated by the end of the evaluation process.

Note: A + means the bidder could be awarded points for meeting this requirement. While a - means the bidder could lose points for these conditions. The number of points that could be added or deducted for each condition is indicated by number of + or - next to the condition.

A: RATE POINTS

Basic Service **BASIC RATE** for Tow (see contract for definition of basic service)

Contractor will receive or be deducted points for increases or decreases to the normal price range.

NORMAL PRICE RANGE: \$85.00 to \$90.00

++ For a decrease under the minimum normal price range the contractor will gain a point for each \$5.00 bid. Example a decrease in the normal rate to

(\$80.00 to \$84.99). Plus 1 point

(\$74.00 to \$79.99). Plus 2 points

For an increase over the maximum normal price range the contractor will lose a point for each \$5.00 bid. Example an increase in the normal rate to

(\$95.01 to \$100.00) Deduct 1 point

(\$100.01 to \$105.00) Deduct 2 points

FOR A: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED OR DEDUCTED) IS TWO (2).

B: LOCATION POINTS

Contractor will receive an additional point for each of the location conditions verified by The City of Ypsilanti.

++++ 1. Business office is located within the City of Ypsilanti.
(Maximum 5 points)

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

- ++ 2. Storage lot located in or easily accessible to contract area.
(Maximum 2 points)
- + 3. Business office located at or adjacent to storage lot.
(Maximum 1 point)
- ++ 4. Office and/or Lot staffed 24 hours per day, to provide vehicle release services. (Maximum 2 points)
- ++ 5. Dispatch staffed 24 hours per day, to provide dispatching services
(Maximum 2 points)
- + 6. Location is well lighted and easily accessible. (Maximum 1 point)
- + 7. Business is readily identifiable from the road with name and street address clearly marked. (Maximum 1 point)

**FOR B: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS
FOURTEEN (14).**

C: EQUIPMENT POINTS

Contractor will receive additional points as follows for equipment and drivers.

- ++ 1. One point for each additional truck available on a 24 hour basis, (in addition to the minimum contract requirement of two (2) trucks,
(Maximum 2 points).
- ++ 2. One point for each additional driver available on a 24 hour basis, (in addition to the minimum contract requirement of two (2) drivers, (Maximum 2 points).
- ++ 3. Each additional Class "B" unit. (Maximum 2 points)
- ++ 4. Each additional Class "C" unit. (Maximum 2 points)
- ++ 5. Each additional Class "D" unit (Maximum 2 points)
- + 6. AUTHORIZED PROVIDER OF A NATIONALLY RECOGNIZED ROAD SERVICE. (Maximum 1 point)

**FOR C: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS
Eleven (11).**

D LICENSE POINTS

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To be awarded all five points for item -1.- all trucks listed in the bid must meet the following requirements. The bidder will be awarded fewer points for each declared truck that does not meet the requirement. For instance, a magnetic sign on a truck does not meet the lettering requirement.

+++++ 1. All equipment must be properly licensed, painted or vinyl lettering, numbered AND IN GOOD OPERATING CONDITION, (Maximum 5 points).

+ 2. Majority of vehicles inspected and certified by the State of Michigan (MPSC) (Maximum 1 point)

FOR D: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS
SIX (6).

E: CLEANLINESS POINTS

Contractor will receive or be deducted points based on the cleanliness and professional appearance of the operations.

+ 1. Majority of personnel in clean and neat uniforms including drivers, lot personnel and counter personnel. (Maximum 1 point)

+ 2. Majority of vehicles washed and clean. (Maximum 1 point)

+ 3. Majority of vehicles new or newly painted. (Maximum 1 point)

4. Majority of personnel not in clean and neat uniforms including drivers, lot personnel and counter personnel. (Maximum 1 point)

5. Majority of vehicles not washed and clean. (Maximum 1 point)

6. Majority of office and lot does not have a professional and clean appearance. (Maximum 1 point)

FOR E: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED or
DEDUCTED) IS THREE (3).

F. PERSONNEL

Due to increased costs associated with providing medical insurance benefits to employees, contractors will be awarded two points for providing medical insurance to their employees.

++ 1. Majority of employees are offered medical insurance benefits within 366 days of employment. Copy of proof of insurance bill will be supplied to the City of Ypsilanti every 6 months. (Maximum 2 points)

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

FOR F: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED) IS TWO (2).

PROFESSIONALISM

To ensure that the public is served by contractors that provide a good service through adequately trained personnel operating under standardized written procedures, points will be awarded to companies that have received a conditional or satisfactory safety fitness rating.

+++++ 1. Contractor has received a conditional or satisfactory safety fitness rating issued by the state or federal government.

2. Contractor has received an unsatisfactory safety fitness rating.

FOR G: THE MAXIMUM ADJUSTMENT IN POINTS (ADDED or DEDUCTED IS FIVE (5).

VI. PROVISIONS FOR CONTRACTS

If a contract is awarded, the selected vendor will be required to adhere to a set of contract provisions that will become a part of any formal agreement.

I. DEFINITIONS

A. "Police Agency" refers to the City of Ypsilanti Police Department.

B. "Police Officer" is any sworn law enforcement officer employed by a law enforcement agency that is under contract for dispatch services with The City of Ypsilanti Police Department.

C. "Towing Company" includes the owner(s) of the contracting towing service and any and all employees of said towing service.

D. "Road Service" is simple service to vehicles requiring a jump, gas, tire change, vehicle lock out, or air to inflate a spare tire.

F. "Basic Tow" is the simple hook up and transport of a vehicle.

G. "Class A Towing" is towing of a vehicle (DOT Vehicle Classification Type: Light Duty Class 1 and Class 2) that requires no more than a Class A rated tow truck. See Appendix "A" for the definition of a Class A wrecker and Appendix "B" for the DOT Vehicle Type Classifications.

H. "Class B Towing" is towing of a vehicle (DOT Vehicle Classification Type: Medium Duty Class 3 and Class 4) that requires no more than a Class B rated tow truck. See Appendix "A" for the definition of a Class B wrecker and

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Appendix "B" for the DOT Vehicle Type Classifications.

I. "Class C Towing" is towing of a vehicle (DOT Vehicle Classification Type: Medium Duty Class 5 and Class 6) that requires no more than a Class C rated tow truck. See Appendix "A" for the definition of a Class C wrecker and Appendix "B" for the DOT Vehicle Type Classifications.

J. "Class D Towing" is towing of a vehicle (DOT Vehicle Classification Type: Heavy Duty Class 7 and Class 8) that requires no more than a Class D rated tow truck. See Appendix "A" for the definition of a Class D wrecker and Appendix "B" for the DOT Vehicle Type Classifications.

II. STORAGE AREA AND EQUIPMENT

A. Prior to bidding on this contract, and throughout the term of this contract, the Towing Company shall have a secure vehicle storage area of suitable size, properly zoned and adequately fenced. The storage area must be capable of holding a minimum of twenty (20) passenger size vehicles and at least two (2) maximum-size tractor-trailer combinations simultaneously. The vehicle storage area shall be located within the limits of the City of Ypsilanti or within three miles of any point within the City of Ypsilanti. The vehicle storage area shall be accessible only by the Towing Company. Documentation of zoning compliance and ownership or exclusive lease of the storage facility is required and shall be attached to this contract. The Towing Company is solely responsible for any damage or theft of vehicles and/or personal property while such vehicle and/or personal property is stored on the Towing Company premises.

B. If the Towing Company is unable to store a vehicle because there is insufficient storage area, the Towing Company shall immediately notify the appropriate Police Agency to remove the vehicle and all fees shall be waived.

C. The Towing Company shall maintain a minimum of two (2) Class A trucks and two drivers on call to respond to requests for services under this contract twenty-four (24) hours per day, three hundred sixty-five (365) days per year. The Towing Company shall maintain an effective means of communication with all trucks/drivers at all times. The Towing Company shall maintain all equipment in safe, legal operating condition at all times and shall equip all vehicles with rotating amber or red lights visible from three hundred sixty (360) degrees.

D. The Towing Company shall make its equipment and facilities available for inspection by The City of Ypsilanti or its designee at any time during normal business hours without prior notice.

E. If the Towing Company fails to maintain its equipment in good repair at any time during this contract, The City of Ypsilanti may immediately cancel this

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

contract pursuant to Section XI (D).

III. SERVICE RESPONSE BY TOWING COMPANY

A. Upon request of The City of Ypsilanti, the Towing Company shall promptly dispatch suitable equipment to provide appropriate service to designated vehicles.

The City of Ypsilanti agrees to call the Towing Company to service all designated vehicles found within the City of Ypsilanti.

The City of Ypsilanti agrees to call the Towing Company to service all impounded vehicles.

To simplify the process of dispatching wreckers for the City of Ypsilanti Police Department, the Towing Company agrees to accept requests for service in their area for nationally recognized road service providers for whom they are authorized to provide service for. The Towing Company may provide this service themselves or may elect to contact another authorized provider, at their discretion. The Towing Company shall charge rates for this request associated with their nationally recognized road service contract.

B. Timeliness

1. Requests for service received by the Towing Company from The City of Ypsilanti, shall receive first response priority twenty four (24) hours per day, three hundred sixty-five (365) days per year.

2. If a call requesting service is canceled prior to the Towing Company's wrecker actually providing service, The City of Ypsilanti, the Police Agency, or owner/operator of the vehicle will not be obligated to compensate the Towing Company.

3. In the event that (a) the Towing Company notifies The City of Ypsilanti that it cannot immediately handle the call, or (b) the Towing Company does not respond to the call within a reasonable period of time after being notified by The City of Ypsilanti, or (c) the Towing Company, once on the scene, is unable to handle the tow in an expeditious manner, the Police Officer at the scene may request the another available towing company to provide the needed service. If the Towing Company is unable to respond and there is an emergency, the nearest available towing service may be utilized to right or stabilize vehicles whether or not it is under contract with The City of Ypsilanti.

4. If the Towing Company fails to answer its telephone in person after ten

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(10) rings or if the Towing Company indicates that it cannot immediately handle a call, The City of Ypsilanti shall notify the Towing Company in writing of noncompliance with this contract. Upon the occurrence of three (3) such written notices within a twelve (12) month period, The City of Ypsilanti shall have the right to immediately cancel this contract pursuant to Section XI (D).

IV. STORAGE OF PERSONAL PROPERTY OTHER THAN VEHICLES

A. The Towing Company is required to tow and store personal property which does not qualify as "vehicles" (as defined by MCL 257.79) at no cost to The City of Ypsilanti or the requesting Police Agency. The Towing Company shall store personal property in its storage lot, unless otherwise directed by The City of Ypsilanti, a Police Agency, or a Police Officer. The Towing Company shall immediately contact the Police Agency's property officer during normal business hours to arrange for the transfer of such items to a location designated by the property officer.

B. The Towing Company agrees to store evidence without charge upon the request of The City of Ypsilanti or a Police Officer.

C. An inventory of the contents of an impounded vehicle shall be made and signed by the Towing Company before removing the vehicle from the scene. The inventory shall be filed with the Police Agency and the Towing Company. Also see Section VII. "

V. COMPLIANCE WITH MICHIGAN SAFETY LAWS

A. As part of this contract, the Towing Company shall furnish a copy of its written policy as to its compliance with Michigan Safety Belt Law, MCL 257.71, Driving While Intoxicated and Reckless Driving Laws, MCL 257.625 et seq., and appropriate emergency lights, MCL 257.698 (5) (f). The written policy shall include documentation of the information the drivers must know, training techniques, and methods for monitoring compliance by all employees of the Towing Company with these laws as well as any policies regarding other safety laws that the Towing Company shall establish on its own.

B. The towing company shall comply with all federal, state, and local laws.

C. The Police Chief of The City of Ypsilanti or his/her designated representative may, at any time, inspect the records of the Towing Company to ensure that the documentation of training and compliance with this contract is current and complete.

VI. STORAGE AND REDEMPTION OF VEHICLE

A. Before towing any impounded vehicle from the scene as requested by a Police

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Officer, the Towing Company shall (1) obtain an identification of the vehicle from the Officer at the scene, and (2) take an inventory listing the contents of the vehicle. Verifying and signing an inventory initiated by the Police Officer shall be acceptable in lieu of an inventory taken by the Towing Company.

B. The Towing Company may not permit an owner to redeem an impounded vehicle or remove any of its contents without permission from the appropriate Police Agency. Failure to comply with this section is grounds for termination of this contract at the election of The City of Ypsilanti pursuant to Section XI(D).

C. The Towing Company may not assert a lien for storage or service against the personal property found in a vehicle. A lien may be asserted only against a vehicle itself. The towing company with approval from the Ypsilanti Police Department will release personal property in the vehicle. Personal property is defined, as anything not attached to the vehicle either bolted in or directly wired into the vehicle. Approval shall be a vehicle release form or phone authorization.

D. The Towing Company shall provide staffed facilities for the redemption of vehicles twenty-four (24) hours a day, three hundred Sixty-five (365) days per year.

E. Upon payment of charges (service, mileage, storage, etc.), if applicable, and the receipt of a signed Police Agency's standard release form, the Towing Company shall release any vehicle subject to redemption under MCL 257.252a-d to the registered owner.

F. The Towing Company shall notify The City of Ypsilanti and the appropriate Police Agency of all vehicles released to registered owners or for which the Towing Company has received a title under MCL 257.252a-g.

VII. RECORDS

A. The Towing Company shall maintain written records of all vehicles on forms acceptable to The City of Ypsilanti Police Department. The forms shall include the place and time of pickup, make, model, description of the vehicle, including details of any damaged, special or missing equipment. Additional information/records may be required by the Police Department.

B. The Towing Company's written records, including, but not limited to, all vehicles towed, tow bills, employee information, and equipment records shall be available for inspection and copying by The City of Ypsilanti or its designee at any time during normal business hours upon request and without prior notice.

C. The towing company shall supply The Ypsilanti Police Department, on a monthly basis, a chart of all police impounded vehicles. The chart will include the vehicle VIN number, date impounded, date released, total towing charges, total storage

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

charges, the police case number if available, and the phone number of the owner or person picking up the vehicle.

D. Immediately upon any tow/storage bill reaching \$2,500 (two thousand five hundred dollars), a detailed copy of the bill will be immediately submitted to The Chief of Police for review. That bill will include the customer's name, address and phone number, and the reasons for charges.

E. The form of the invoice bill used by the Towing Company shall be subject to the approval of The Chief of Police, who may, at his or her sole discretion, request changes or revisions to its form and content detail.

VIII. COMPENSATION

A. In consideration of the services to be provided by the Towing Company under this contract as described in this Section below, the Towing Company shall be paid amounts as provided in this Section below by the registered owner of the vehicle serviced as provided in this contract or at the request of The City of Ypsilanti Police Department, or a Police Officer.

B. Basic road service is simple service to vehicles requiring a jump, gas, tire change, vehicle lock out, or air to inflate a spare tire. Basic tow service shall include hook up for tow on or immediately adjacent to normally maintained right-of-way or maintained private road, drive or parking lot, straight pull winching, clean-up at a collision scene requiring one employee to perform manual labor, and up to thirty (30) minutes on-scene standby.

C. Services not covered in the basic tow charge include, but are not limited to, excess winching, the use of dollies, recovery, towing/stabilizing a vehicle that is located beyond roadside ditch and unusual clean-up. Contractor is to itemize all other potential fees in Paragraph 8, below.

D. Charges

1. Base road service charge \$ 75.00
2. Base Class A tow service charge \$ 85.00
3. Base Class B tow service charge \$ 105.00
4. Base Class C tow service charge \$ 125.00 with 2hr min.
5. Base Class D tow service charge \$ 175.00 with 2hr min.
6. Mileage: Mileage shall not be charged for towing from the point of origin to any point within the City. Towing from the point of origin to the towing company's yard shall be no charge. \$3.50 per mile may be charged for

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mileage driven in excess of five (5) miles from the point of hook up to any other designated destination. ~~All mileage charges shall be calculated based on one way mileage.~~ \$25.00

7. Storage: Class A Towing. ~~\$16.00~~ \$25.00 per day per unit that requires no more than a Class A rated tow truck.

Storage: Class B and C Towing ~~\$21.00~~ \$35.00 per day per unit that requires no more than a Class B or C rated tow truck.

Storage: Class D Towing ~~\$26.00~~ \$45.00 per day per unit over 32' requiring a Class D rated tow truck.

Each trailer unit constitutes a separate unit for storage fee purposes.

Storage fees shall be assessed for each calendar day, except that the Towing Company shall charge storage fees for only one (1) calendar day where less than twelve (12) hours have elapsed between the time of impound and the time the vehicle owner or the owner's representative arrives at the Towing Company with all necessary paperwork and funds to reclaim the vehicle.

8. Reasonable fees in addition to the basic charge may be charged by Towing Company for services performed in addition to the basic service as defined in B above.

- a. Long Term storage rates \$ 25.00 per day class A
- b. Extra Charge for Dollies \$ 65.00
- c. Extra Charge for Disconnecting Linkages \$ 45.00
- d. Extra Charge for winching (off roadway) \$ 150.00
- e. Extra Charge for flatbeds. \$ 150.00
- f. Abandons off private property \$ 130 + Special Equipment
- g. Motorcycles \$ 185.00
- h. Non-Motorized, wheeled vehicle \$ case by case base
- i. Hourly rate for additional service \$ 95.00 per hour
- j. Drop Fees \$ 100.00
- k. Hazardous materials fee \$ 45.00

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

I. Clean up \$ 35.00

9 The Towing Company shall be responsible for providing verifiable documentation to substantiate and justify any charges in excess of either the base charge or storage charges set forth in paragraph: D.1; D.2, D.3, D4, D5, D6 and D7 above.

E. Vehicles excluded from charges:

1. All towing, storage, and ancillary charges associated with investigations or impounds shall be without charge to the governmental entity requesting the tow. The owner of the vehicle or the owner's representative is not relieved of the responsibility to pay for towing and storage charges if the vehicle would have normally been towed irrespective of the investigative hold or if the owner or non-owner who uses the vehicle with permission of the owner is involved in criminal activity. Storage fees may be collected from the owner starting 24 hours after the vehicle is released from the investigative hold if the towing and storage charges are being waived.

The Towing Company may request that they be allowed to remove vehicles held for investigative purposes in excess of 60 days to a place designated by the police officer. If the vehicle is released from the Towing Company control the police officer shall be responsible for insuring that the Towing Company receives payment for any legitimate charges due them from the owner before the vehicle is released to the owner or the owner's representative. The police officer shall try to minimize the number of tows and the time the vehicle is held as much as practicable.

Note: It is the intention of this section to relieve The City of Ypsilanti and the police agencies from any reasonable fees associated with towing and holding vehicles for investigative purposes. It is not intended to require the Towing Company to provide free service to the vehicle owners or insurance companies that would normally have to pay for these services if the vehicle were not involved in an investigation, or from the financial consequences of criminal activity. It should, however, protect innocent owners from paying for towing and storage charges that is requested against their interest at the direction of the police.

2. The Contractor shall provide free towing, road service and tire changing for all City of Ypsilanti (owned and leased) vehicles during the term of this Agreement.

3. In the event a vehicle is towed and/or stored at the direction of The City of Ypsilanti or a Police Officer and subsequently The City of Ypsilanti, or the Police Agency, and/or a court has determined the vehicle was improperly

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

moved, all charges (service, mileage and storage, etc.) shall be waived by the Towing Company.

4. The Towing Company acknowledges that it is its legal and contractual responsibility to clean up a crash scene and that normal clean-up is part of the basic service. Clean-up shall be done as quickly as possible and shall entail removal of all crash related debris including debris from scene policing. Such clean-up, however, shall not include the duty to clean up hazardous medical waste and/or hazardous materials except for normal fluids used to operate a vehicle. If the required clean-up necessitates the use of motorized equipment to pick up debris, the Towing Company shall be entitled to charge a reasonable fee as permitted in paragraph D.4 above.

F. Agencies under contract to The City of Ypsilanti shall make a good faith effort to utilize road assistance whenever such assistance is available.

IX. INDEMNIFICATION AND INSURANCE

A. The Towing Company shall indemnify and defend The City of Ypsilanti, the City of Ypsilanti Police Department, and all other agencies and governmental bodies who have been contracted with The City of Ypsilanti, their officers, agents, servants, volunteers and employees against any claim for any alleged loss incurred in connection with this contract in whole or in part from negligent acts or omissions of the Towing Company, or any statutory violation by the Towing Company, its employees, agents, representatives, or subcontractors. Such indemnification shall include legal fees and costs.

B. The Towing Company shall serve and maintain the following insurance at its own expense during the term of this contract that will protect, defend and indemnify the City of Ypsilanti, The Ypsilanti Police Department, and the parties named in the paragraph immediately above from any alleged loss in connection with this contract:

1. Worker's Compensation Insurance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$500,000 for each incident.
2. Comprehensive/Commercial General Liability Insurance (Garage Liability Form) covering products and completed operations and operation of non-owned and hired autos with a single limit of \$1,000,000 for each occurrence for bodily injury and property damage, including contractual liability.
3. Garage Keepers' Legal Liability Insurance covering vehicles in the care, custody or control of the Towing Company in the amount of at least

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\$50,000 on site and \$50,000 for comprehensive and collision.

4. Automobile Liability Insurance covering all owned and leased vehicles with Personal Protection Insurance and Property Protection Insurance to comply with the provisions of the Michigan No Fault Insurance Law, including residual liability insurance with a minimum combined limit of \$1,000,000 for each incident for bodily injury and property damage. If split limits are provided, the per person bodily injury limit must be at least \$1,000,000.

C All insurance policies shall be issued by well rated companies licensed to do business in the State of Michigan and acceptable to The City of Ypsilanti.

D. The Towing Company shall be responsible for payment of all deductibles contained in any insurance required in this contract.

E. The Towing Company shall submit certificates of insurance to the City of Ypsilanti Police Department for approval of compliance with the above coverage prior to execution of this contract. Certificates shall be sent to the City of Ypsilanti Police Department, 505 West Michigan Avenue, Ypsilanti MI 48197. No service shall be performed prior to the approval of the certificate by The City of Ypsilanti Police Department. The certificates shall specifically name as additional insured The City of Ypsilanti Police Department, its agencies including but not limited to The City of Ypsilanti, and all agencies contracting with The City of Ypsilanti. The certificates shall provide for thirty (30) day written notice to The City of Ypsilanti Police Department prior to cancellation of coverage.

F. If the above required insurance coverage is not maintained at any time during the term of this contract or if any of the above required insurance coverage expires without evidence of renewed coverage being submitted to The City of Ypsilanti Police Department, this contract shall be subject to cancellation at the sole election of The City of Ypsilanti pursuant to Section XII.

G. The Towing Company assumes responsibility for all applicable state and federal social security benefits and unemployment taxes for which it agrees to indemnify and protect The City of Ypsilanti, the Ypsilanti Police Department, and all other agencies and governmental bodies who have contracted with The City of Ypsilanti against liability.

X. COMPLAINTS BY TOWING COMPANY

A. If the Towing Company has any problem with The City of Ypsilanti, the Ypsilanti Police Department, a Police Officer, or any employee of the City of Ypsilanti, the Towing Company shall reduce its complaint to writing and submit a copy to the City of Ypsilanti and to the Ypsilanti Police Department within five (5) business days of the event that triggers the problem. Correspondence shall be addressed

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to Lt. Deric Gress for the Police Department, and to the City Manager for the City of Ypsilanti.

XI. DURATION OF CONTRACT

A. This contract shall commence upon the execution of this contract by all parties and shall terminate at midnight on July 31, 2020 unless terminated at an earlier date.

B. The Ypsilanti Police Department will evaluate the services provided by the Towing Company during the first ninety (90) days of this contract. In the event of unsatisfactory service at the end of ninety (90) days, The Ypsilanti Police Department may cancel this contract.

C. The contract may be terminated by any party to this contract without cause upon thirty (30) day notice to the other party.

D. The contract may be immediately terminated by the Ypsilanti Police Department for Towing Company's failure to comply with the terms of this contract. If The Ypsilanti Police Department terminates or cancels this contract for failure of Towing Company to comply with the terms of this contract, it must do so in writing, specifying the violated sections.

XII. LIST OF DRIVERS

A. Prior to rendering services under this contract, the Towing Company shall provide the Ypsilanti Police Department with a current list of its drivers. This list shall provide the full name, correct address, date of birth and driver's license number and a copy of the health card of each driver.

B. The Towing Company shall provide the Ypsilanti Police Department with a written update within five (5) business days of each time there is any change on this list.

XIII. ASSIGNMENT AND SUBCONTRACTING

A. This contract shall not be assigned or subcontracted without the prior written approval The Ypsilanti Police Department.

XIV. MODIFICATIONS

A. This contract represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements, whether oral or written. Any modifications of this contract shall be mutually agreed upon written amendments signed by all parties.

XV. NO THIRD PARTY BENEFICIARIES

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

This contract is not intended to, and does not, inure to the benefit of any third party.

XVI. CHOICE OF FORUM

Any litigation under the contract shall be filed in either the 14A2 Judicial District Court or the 22nd Judicial Circuit Court.

XVII. ATTORNEY FEES AND COSTS

If the City initiates litigation against the Towing Company to enforce the terms of the contract and the City prevails, the Towing Company shall be responsible to reimburse the City for its reasonable attorney fees and costs of litigation.

XVIII. TOWING COMPANY NOT A NATURAL PERSON

If the Towing Company is not a natural person, it shall affix to the bid and contract a corporate resolution, article of incorporation or by-law provision authorizing the natural person signing the bid and/or contract to act as the agent of the Towing Company.

VII. GENERAL TERMS

AWARD:

The Ypsilanti Police Department reserves the right to reject any and all bids, to waive or not waive informalities or irregularities in bids and bidding procedures and to accept or further negotiate cost, terms or conditions of any bid determined by the Ypsilanti Police Department to be in the best interest of The City of Ypsilanti even though not the lowest bid. If a proposal is selected, it will be the most advantageous regarding price, quality of service, the Contractors qualifications and capabilities to provide the specified service, and other factors that The City of Ypsilanti may consider.

The final award will be based in part by the number of points each vendor has accumulated by the end of the evaluation process.

The Ypsilanti Police Department reserves the right to award towing contracts based on several considerations, including, but not limited to, bid price, bid points, professional performance history, etc.

TERM OF CONTRACT:

The contract is for a term of three years starting **August 01, 2017** and ending on **August 01, 2020** and may be extended for an additional 2 years at the discretion of The City of Ypsilanti Police Department.

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All terms and conditions are to remain unchanged during the life of the contract except the compensation for the basic rate may be increased at the rate of the cost of living index for the second year of the contract provided the contractor shows evidence that such an increase is justified. The City of Ypsilanti shall have sole discretion whether such increase shall be given.

COST OF RFP:

The City of Ypsilanti will not be liable for any costs associated with the preparation, transmittal, or presentation of any materials submitted in response to this RFP.

INSPECTION OF FACILITIES:

The City of Ypsilanti Police Department, and/or designated representatives of The City of Ypsilanti, reserves the right before making an award to have the premise of the bidder inspected, or to take any other action necessary to determine fitness, reliability and ability to perform. The inspection could check the physical location, facilities, equipment, records and/or equipment for ability to comply with conditions of the RFP.

The City of Ypsilanti Police Department plans to send out a team to inspect the bidders' premises and vehicles prior to the awarding of the bid.

TIMELINESS:

It is the intention of The City of Ypsilanti Police Department to award the bid by July 18, 2017

PERMITS AND CERTIFICATES:

The Vendor shall obtain and pay for all necessary permits, certificates, and licenses required and necessary for performance of the work; and shall post all notices required by law and comply with laws and applicable ordinances.

INSPECTION OF WORK:

The City of Ypsilanti Police Department will on occasion make follow up inspections of the contractors premises to determine if the (but not limited to) operations, records, office, lot, trucks, personnel are in compliance with the RFP terms and conditions. If The City of Ypsilanti Police Department deems it expedient to correct the contractor's operation, condition of premises or other actions in accordance with the bid terms and conditions as stated, the Contractor shall make corrections expediently and at no additional expense to The City of Ypsilanti.

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PERSONNEL CHECK:

The City of Ypsilanti Police Department may request, and it shall be the Towing Company's responsibility to provide upon that request, a driving record and criminal history records check from the Michigan State Police for any employee. Failure to supply this information in a timely manner may result in cancellation of the contract.

IVIII. ON SITE CHECK LIST

LIST OF EQUIPMENT THAT IS EXPECTED TO BE ON EACH AND EVERY TOW TRUCK INCLUDED IN THE VENDORS' PROPOSAL. VEHICLES SHOULD HAVE THE LISTED EQUIPMENT AT THE TIME OF THE INSPECTION.

A promise of future compatibility is not acceptable.

- 1) Push Broom
- 2) First Aid Kit (fully stocked)
- 3) Shovel
- 4) Tow Lights
- 5) Lock out Tools *
- 6) Flash Light *
- 7) Gas Can
- 8) Air Tank
- 9) Tool Kit *
- 10) Tire Changing Equipment
- 11) Jumper Cables
- 12) Snatch Block
- 13) Two Way Radio
- 14) Emergency Flares or Triangles
- 15) Emergency Flasher System
- 16) Rotating Emergency Lights
- 17) Fire Extinguishers
- personal items

IX. CONTRACTOR BACKGROUND INFORMATION

- 1) Company Location(s)

The following information is to be filled out giving locations of the office and lot.

Location (1)

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

Office 876 Railroad St.
Ypsilanti, MI 48197

Lot 876 Railroad St.
Ypsilanti, MI 48197

Location (2)

Office 876 Railroad St.
Ypsilanti, MI 48197

Lot 828 Railroad St
Ypsilanti, MI 48197

2) Hours of Operations

State normal hours of operations. If 24 hours check 24 hours. If less than 24, state actual hours of operation during the week.

Dispatch 24 Hours or actual hours M-F _____ Sat/Sun _____

Office 24 Hours or actual hours M-F _____ Sat/Sun _____

Lot 24 Hours or actual hours M-F _____ Sat/Sun _____

3) Storage

Indoor # of auto spaces 12

Outdoor # of auto spaces 200

Outdoor # of tractor trailer combination spaces 6

4) Yard and lot

Lighting Type Sodium Vapor High Intensity Bulbs

Fencing Type Amalgam / wooden / chain link - 8 ft.

Security Features Video Surveillance, Lighting, electric gates.

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Lot Surface Gravel

5) Trucks (also include information on the trucks in **attachment B** at the end of the RFP)

A) # of tow trucks available 24 hours a day by type

Class A 2

Class B 11

Class C 8

Class D 7

Wheel Lifts 9

Roll Backs 7

TOTAL # OF TRUCKS AVAILABLE 24 Hrs 28

B) # of tow trucks available LESS THAN 24 hours a day by type
State normal hours when these following trucks would be available
on a weekly basis.

M-F

S-Sun

Class A

Class B

Class C

Class D

Wheel Lifts

Roll Backs

N/A
ALL TRUCKS Available
24 hours

TOTAL # OF TRUCKS AVAILABLE LESS THAN 24 Hrs

C) Recovery Equipment

Hours Available 24 hours

Describe Equipment Shoaster, front end loaders, forklifts,
Service trucks, TMS,

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D) AUTHORIZED PROVIDER OF A NATIONALLY RECOGNIZED ROAD SERVICE.

Service A.

Affiliated with AAA

How many years 20 yrs

Service B.

Affiliated with Agard

How many years 18 yrs

E) Roll Over services provided by the contractor (describe)

E1) Class A Hazmat, TMS, cleanup, disposal, restoration

E2) Class B Hazmat, TMS, cleanup, disposal, restoration

E3) Class C Hazmat, TMS, cleanup, disposal, restoration

E4) Class D Hazmat, TMS, cleanup, disposal, restoration

F) Roadway Cleanup services provided by the contractor (describe)

F1) Class A Hazmat, cleanup, TMS, disposal, restoration

F2) Class B Hazmat, cleanup, TMS, disposal, restoration

F3) Class C Hazmat, cleanup, TMS, disposal, restoration

F4) Class D Hazmat, cleanup, TMS, disposal, restoration

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BID SHEET
For Towing Services

Charges

Base road service charge \$ 100.00

Base Class A tow service charge \$ 130.00

Base Class B tow service charge \$ 150.00

Base Class C tow service charge \$ 175.00 with 2hr min.

Base Class D tow service charge \$ 300.00 with 2hr. min.

Base Class A tow service charge is used for rate points on page 6.

All service charge rates cover services listed in section VIII pages 14-16.

The contractor is not allowed to charge extra for items included in the base service.

RFP TOWING SERVICES FOR CITY OF YPSILANTI POLICE DEPARTMENT

RE PAGE

Signature

Print Name

Title

Telephone

Federal Tax ID #

Company Name

Company Address

City St. Zip

CHECK ONE

Partnership

Non Profit Corp.

Profit Corp. ☒

Other

The above individual is authorized to sign on behalf of company submitting proposal.

Proposals must be signed by an official authorized to bind the provider to its provisions for at least a period of 90 days.

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APPENDIX "A" WRECKER VEHICLE TYPE DEFINITION CLASS "A"

- 1) Manufacturer's chassis capacity of at least 10,000 lb. GVW
- 2) Boom capacity at least 4 tons (retracted)
- 3) Winch capacity at least 4 tons
- 4) Tow sling, wheel lift, or both
- 5) Dual wheels
- 6) At least 100 ft 3/8 cable or larger

CLASS "B"

- 1) Manufacturer's chassis capacity of at least 15,000 lb. GVW
- 2) Boom capacity at least 6 tons (retracted)
- 3) Winch capacity at least 6 tons
- 4) Tow sling or wheel lift, or both
- 5) 2 snatch blocks, 6 ton rating
- 6) At least 150 ft steel core cable, 3/8 in diameter or larger
- 7) Dual Wheels

CLASS "C"

- 1) Manufacturer's chassis not less than 25,000 lb. GVW
- 2) Boom capacity not less than 12 1/2 ton (retracted)
- 3) Winch (es) not less than 12 H ton each
- 4) At least 175 ft cable 9/16 or larger
- 5) Tow sling or wheel lift, or both
- 6) 2 snatch blocks, 6 ton rating, and 2 scotch blocks or hydraulic spade
- 7) Dual wheels or tandem duels
- 8) Air brakes

CLASS "D"

- 1) Manufacturer's chassis not less than 50,000 lb. GVW
- 2) Boom capacity not less than 25 ton (retracted)
- 3) Wench(es) not less than 12 1/4 ton each
- 4) At least 200 ft cable 5/8" or larger
- 5) Heavy duty tow sling or wheel lift, or both
- 6) 2 snatch blocks, 8 ton rating, and 2 scotch blocks or hydraulic spade
- 7) Tandem duels
- 8) Airbrakes

ROLLBACK CLASS "A"

- 1) Manufacturer's chassis not less than 10,000 lb. GVW
- 2) Winch capacity at least 4 tons
- 3) At least 50 ft 3/8 cable or larger

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ROLL BACK CLASS "B"

- 1) Manufacturer's chassis not less than 15,000 lb. GVW
- 2) Winch capacity at least 4 tons
- 3) At least 50 ft 3/8 cable or larger

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APPENDIX "B"

- Class 1 - Light Duty (6,000 lbs. or less GVW - 4 tires)
- Class 2 - Light Duty (6,001-10,000 lbs. GVW- 4 tires)
- Class 3 - Medium Duty (10,001-14,000 lbs. GVW - 6 tires or more)
- Class 4 - Medium Duty (14,001-16,000 lbs. GVW - 6 tires or more)
- Class 5 - Medium Duty (16,001-19,500 lbs. GVW- 6 tires or more)
- Class 6 - Medium Duty (19,501 -26,000 lbs. GVW - 6 tires or more)
- Class 7 - Heavy Duty (26,001-33,000 lbs. GVW- 6 tires or more)
- Class 8 - Heavy Duty (33,001-and over lbs. GVW -10 tires or more)

ATTACHMENT 3

ADDENDUM TO AGREEMENT FOR SERVICES

This Addendum shall be a part of a certain Agreement between the CITY OF YPSILANTI, a Michigan municipal home-rule corporation of One South Huron Street, Ypsilanti, Michigan 48197 referred to as "CITY", and WALL STREET TOWING, INC., d/b/a Budget/Stadium Milan Towing, a Michigan corporation of 876 Railroad Street, Ypsilanti MI 48197, referred to as "CONTRACTOR."

1. This Addendum is an addition and amendment to the primary Contract between the parties. In an event of a conflict between the language of this Addendum and the primary Contract, the language and terms of this Addendum shall take precedence.

2. Standard of Performance. The CONTRACTOR shall perform the Contract faithfully and diligently and perform the services in a competent, professional, satisfactory and proper manner and during the Contract term or extensions thereof, use every best effort and endeavor to promote the interests of the CITY and devote such time, attention, skill, knowledge and ability as is necessary to most effectively and efficiently carry out and perform the Contract.

3. This Contract is to be performed in Washtenaw County, Michigan, and all legal venue shall exclusively lie therein.

4. The parties agree that time is of the essence in the performance of this Contract by the CONTRACTOR.

5. Each provision of this Contract shall be separately enforceable and in the event that a court of competent jurisdiction determines or adjudges that any provision of this Contract is invalid or illegal, such decision shall not affect the rest of the Contract which shall remain in full force and effect.

6. This Agreement shall be governed by and construed in accordance with the laws of Michigan.

7. Independent Contractor. The relationship of the CONTRACTOR to the CITY is and shall continue to be that of an independent contractor and no liability or benefits such as worker's compensation, pension rights, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party as a result of the performance of this Contract.

8. Waiver of Liability. The CONTRACTOR hereby waives any claim against the CITY and agrees not to hold the CITY liable for any personal injury or damage incurred by it, its employees or associates on this project which is not held by a court of competent jurisdiction to be directly attributable to the sole and/or gross negligence or malicious intentional conduct of any employee of the CITY acting within the scope of their employment. It further agrees to hold the CITY harmless from any such claim by its employees or associates.

9. For the purpose of the hold harmless indemnity and insurance provisions contained in this Contract, the term "CITY" shall be deemed to include the City of Ypsilanti and all other associated, affiliated, allied or subsidiary entities, or commissions, officers, agents, representatives and employees.

10. The following Indemnification Agreement shall be, and is hereby, a provision of the Contract and shall be endorsed on the reverse sides of all certificates of insurance:

"The CONTRACTOR agrees to protect, defend, indemnify and hold the CITY and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof. Without limiting the generality of the foregoing, any and all such claims, etc., relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copy right (or application for any thereof) or any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The CONTRACTOR further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at his sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent."

11. Conflict of Interest. The CONTRACTOR covenants that the CONTRACTOR (individually, or if a corporation, trust, limited liability company or partnership, "the entity") nor any officer, principal, partner, agent or employee of the entity has any interest nor shall they acquire any interest, directly or indirectly, which would conflict in the manner or degree of performance with the Contract. Further that if any such conflict of interest develops and exists during the term of the contract that the CONTRACTOR shall, within 7 days of the existence of such conflict of interest, notify the CITY in writing of the existence and nature of the said conflict of interest.

12. Contingent Fees. The CONTRACTOR warrants it has not employed or retained any company or person other than bonafide employees working solely for the CONTRACTOR, to solicit or secure this Contract, and that it has not paid or agreed to pay any company, or person, other than a bonafide employee working solely for the CONTRACTOR, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award of making this Contract. For

breach or violation of this warranty, the CITY shall have the right to annual the Contract without liability or, at its discretion, to deduct from the fees due the CONTRACTOR, or otherwise, recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

13. The CONTRACTOR further agrees to perform this Contract in accord with all federal, state and local laws and will not discriminate against, or give preferential treatment to, any person on the basis of race, sex, sexual orientation, color, national origin, religion, handicap status, heights, weight, marital status, or other criteria which is not relevant to the particular job.

14. The CONTRACTOR further agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, disability as set forth in the American's With Disability Act, Michigan PWDA, age, height, weight, or marital status (except insofar as it relates to a bonafide or occupational qualification reasonably necessary to the normal operation of the business). Breach of this provision may be regarded as material breach of the Agreement.

15. Equal Employment Opportunity. All contracts, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

16. Permits. The CONTRACTOR shall secure and bear the cost of any permits or licenses of a temporary nature necessary for the prosecution of the work. In particular, he shall secure and bear the cost of shutting off and turning on public services of every nature which may be required by his operations. Where such discontinuance of service affects consumers, due and sufficient notice shall be served upon those so affected.

17. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c). All contracts in excess of \$2000 for construction or repair, when funded in whole or part by monies derived from the Federal government (either directly or indirectly) shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub-recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.

18. Davis-Bacon Act. Pursuant to the Davis-Bacon Act (Title 29, 40 UCS Section 276A-276A-5), the rates of wages paid to employees of the CONTRACTOR on this work shall be no less than the prevailing wages for this locality to all class of workers employed by the CONTRACTOR on this improvement, as set forth in the Code and Act.

When required by Federal program legislation, all construction contracts awarded by the recipients and sub-recipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.

19. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333). All contracts in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5).

20. Living Wage.

A. (1) If this contract involves \$10,000, or more, Living Wages shall be paid according to the Ypsilanti Living Wage Ordinance No. 892 (The Ordinance) and City Code Section 2-298(8); and

(2) Suitable notices shall be posted in the work place; and

(3) Evidence of compliance including payroll records shall be provided to the Ypsilanti Personnel Department within 10 days of written request from the Ypsilanti Personnel Department.

B. In the event of violation of the provisions of The Ordinance or this contract this contract may be modified or terminated to comply with the provisions of The Ordinance, including withholding of moneys in amount equal to Living Wages not paid in accordance with The Ordinance and the City may also take action to recover the amount of the contract provided to any person found to have violated The ordinance.

C. Any employee shall have a separate cause of action to enforce the provisions of this contract and The Ordinance and any rights conferred under The Ordinance, in law and or equity, and any court of competent jurisdiction upon proper proof and the prevailing of the employee in such action, shall award actual damages, wage restitution, interest and actual attorney fees.

D. The City shall have the right to enforce this contract and The Ordinance in law or equity by court process including specific performance.

21. Minimum Wage.

A. (1) The CONTRACTOR must pay minimum wages to all employees according to Ordinance No. 1217 (The Ordinance) and City Code Section 2-2112.

(2) The CONTRACTOR must post suitable notices in the work place.

(3) The CONTRACTOR must provide evidence of compliance, including payroll records, to the Ypsilanti Personnel Department within 10 days of written request from the Ypsilanti Personnel Department.

B. In the event of violation of the provisions of The Ordinance or this contract this contract may be modified or terminated to comply with the provisions of The Ordinance, including withholding of moneys in amount equal to Minimum Wages not paid in accordance with The Ordinance and the City may also take action to recover the amount of the contract provided to any person found to have violated The Ordinance.

C. Any employee shall have a separate cause of action to enforce the provisions of this contract and The Ordinance and any rights conferred under The Ordinance, in law and or equity, and any court of competent jurisdiction upon proper proof and the prevailing of the employee in such action, shall award actual damages, wage restitution, interest and actual attorney fees.

D. The City shall have the right to enforce this contract and The Ordinance in law or equity by court process including specific performance.

22. Not in Default to City. The CONTRACTOR hereby certifies that the CONTRACTOR is not in default to the CITY, and that there are no unpaid taxes, real or personal, owed to the CITY by the CONTRACTOR, and the CONTRACTOR has no other unfulfilled obligations to the CITY and is in compliance with all Ypsilanti City codes and ordinances. The parties understand that a breach of this provision is a material breach of the contract.

23. The Contract and its attachments, and this Addendum, are the sole Contract and Agreement between the parties. Any changes, additions or deletions shall not be effective or actionable unless they are in writing signed by the parties.

24. Except in amounts less than \$20 million, CONTRACTOR certifies that it, its successor, its parent company, or any of its subsidiaries or subunits does not engage in the practice of committing or contributing funds or property, extending credit, or contract for goods or services to develop petroleum resources, natural gas resources, or nuclear power in Iran.

25. Rights to Inventions Made Under a Contract or Agreement. Contracts or agreements for the performance of experimental, developmental, or research work, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants,

Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

26. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended. Contracts and sub-grants of amounts in excess of \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

27. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contracts for an amount above \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a certification by the contracting parties that they have not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 and to further require disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

IN WITNESS WHEREOF, the undersigned have set their hands this ____ day of _____, 2017.

WALL STREET TOWING, INC.

THE CITY OF YPSILANTI

Nabil Salamay, President

Amanda Edmonds, Mayor

Frances McMullan, City Clerk

APPROVED AS TO FORM:

John M. Barr P-10475
Ypsilanti City Attorney



Resolution No. 2017-169
July 18, 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:



ACTION MINUTES

**CITY OF YPSILANTI
CITY COUNCIL MEETING ACTION MINUTES
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, July 18, 2017
7:00 P.M.**

I. CALL TO ORDER –

The meeting was call to order 7:00 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt (7:09)	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Council Member Richardson	Present		

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–

The agenda was approved as submitted

VII. AUDIENCE PARTICIPATION –

VIII. PRESENTATIONS –

- Fiscal & Operational Improvement Report – SEMCOG Representatives Dave Boerger and Ray Riggs
- 800 Lowell Update – Beth Ernat, Economic Development Director
- Medical Marijuana Update – Bonnie Wessler, City Planner

IX. REMARKS FROM THE MAYOR –

X. CONSENT AGENDA –

Resolution No. 2017-162

1. Resolution No. 2017-163, approving appointment to Boards and Commissions.
Offered By: Council Member Bashert; Seconded By: Mayor Pro-Tem Brown
Approved: Yes – 7; No – 0; Absent – 0
2. Resolution No. 2017-164, approving minutes of June 6 and June 13, 2017.
Offered By: Council Member Bashert; Seconded By: Mayor Pro-Tem Brown
Approved: Yes – 7; No – 0; Absent – 0

3. Resolution No. 2017-165, approving the Tie Michigan Teal campaign in the City of Ypsilanti.
Offered By: Council Member Bashert; Seconded By: Mayor Pro-Tem Brown
Approved: Yes – 7; No – 0; Absent – 0

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS –

1. Resolution No. 2017-166, approving assignment of audit from Abraham & Gaffney, P.C. to Yeo CPAs & Business Consultants, and approving consent letter that audit records be transferred to Yeo & Yeo CPAs & Business Consultants.
Offered By: Council Member Robb; Seconded By: Council Member Vogt
Approved: Yes – 7; No – 0; Absent – 0
2. Resolution No. 2017-167, approving renewal of property and liability insurance coverage for 2017 with the Michigan Municipal League (MML).
Offered By: Council Member Richardson; Seconded By: Council Member Murdock
Approved: Yes – 7; No – 0; Absent – 0
3. Resolution No. 2017-168, approving towing contract with Wall Street Towing, Inc.
Offered By: Council Member Murdock; Seconded By: Council Member Richardson
Approved: Yes – 7; No – 0; Absent – 0

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. 2017-169, adjourning the City Council Meeting.
The meeting adjourned at 10:59 p.m.