1. Council Meeting Agenda

   Documents:

      3-19-19 AGENDA.PDF

2. Council Meeting Packet

   Documents:

      MARCH 19TH COUNCIL PACKET.PDF

CITY OF YPSILANTI
CITY COUNCIL REGULAR MEETING
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, MARCH 19, 2019
7:00 p.m.

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Brown	P A	Council Member Symanns	P A
Council Member Morgan	P A	Council Member Wilcoxen	P A
Council Member Murdock	P A	Mayor Bashert	P A
Mayor Pro-Tem 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. AGENDA APPROVAL –

VI. INTRODUCTIONS –

VII. PRESENTATIONS –

— Peninsular Dam Survey Results – Christopher Jacobs

VIII. AUDIENCE PARTICIPATION/PUBLIC COMMENT -

IX. REMARKS BY THE MAYOR –

X. ORDINANCES – FIRST READING

Ordinance No. 1335

1. A proposed ordinance to amend the text of Chapter 122 of the Ypsilanti Code of Ordinances. This amendment was heard and recommended by the Planning Commission at their regular February meeting. The proposed ordinance would define and limit firearms sales and related recreational uses, affecting Chapter 122: Article II, Definitions; Article IV, Districts; Article V, Use Regulations.

   A. Resolution No. 2019-059, determination
   B. Open public hearing
   C. Resolution No. 2019-060, close public hearing

XI. CONSENT AGENDA –

1. Resolution No. 2019-062, approving minutes of March 5 and March 7, 2019.

2. Resolution No. 2019-063, approving ordinance 1332, an ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties. **(Second Reading)**

XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2019-064, approving the agreement with SmartZone Local Development Financing Authority (LDFA)

XIII. LIAISON REPORTS –

A. SEMCOG Update
B. Washtenaw Area Transportation Study
C. Urban County
D. Ypsilanti Downtown Development Authority
E. Ypsilanti Youth Safety Collaboration
F. Friends of Rutherford Pool
G. Housing Equity Leadership Team

XIV. COUNCIL PROPOSED BUSINESS –

XV. COMMUNICATIONS FROM THE MAYOR –

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

XVII. COMMUNICATIONS –

- Ypsilanti Community Utilities Authority Comprehensive Annual Financial Report.
- Sustainability Commission Penn Dam Resolution
- Sustainability Commission Washtenaw Regional Resource Management Authority Position Statement.
- Human Relations Commission Approved Resolution Requesting the Nomination and Approval of Ruth Cassidy as an HRC Commissioner.

XVIII. AUDIENCE PARTICIPATION/PUBLIC COMMENT -

XX. REMARKS FROM THE MAYOR –

XXI. ADJOURNMENT –

Resolution No. 2019-065, adjourning the City Council meeting.

CITY OF YPSILANTI
CITY COUNCIL REGULAR MEETING
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, MARCH 19, 2019
7:00 p.m.

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Brown	P A	Council Member Symanns	P A
Council Member Morgan	P A	Council Member Wilcoxen	P A
Council Member Murdock	P A	Mayor Bashert	P A
Mayor Pro-Tem 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. AGENDA APPROVAL –

VI. INTRODUCTIONS –

VII. PRESENTATIONS –

- Peninsular Dam Survey Results – Christopher Jacobs

VIII. AUDIENCE PARTICIPATION/PUBLIC COMMENT -

IX. REMARKS BY THE MAYOR –

X. ORDINANCES – FIRST READING

Ordinance No. 1335

1. A proposed ordinance to amend the text of Chapter 122 of the Ypsilanti Code of Ordinances. This amendment was heard and recommended by the Planning Commission at their regular February meeting. The proposed ordinance would define and limit firearms sales and related recreational uses, affecting Chapter 122: Article II, Definitions; Article IV, Districts; Article V, Use Regulations.

   A. Resolution No. 2019-059, determination
   B. Open public hearing
   C. Resolution No. 2019-060, close public hearing

XI. CONSENT AGENDA –

1. Resolution No. 2019-062, approving minutes of March 5 and March 7, 2019.

2. Resolution No. 2019-063, approving ordinance 1332, an ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties. **(Second Reading)**

XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2019-064, approving the agreement with SmartZone Local Development Financing Authority (LDFA)

XIII. LIAISON REPORTS –

A. SEMCOG Update
B. Washtenaw Area Transportation Study
C. Urban County
D. Ypsilanti Downtown Development Authority
E. Ypsilanti Youth Safety Collaboration
F. Friends of Rutherford Pool
G. Housing Equity Leadership Team

XIV. COUNCIL PROPOSED BUSINESS –

XV. COMMUNICATIONS FROM THE MAYOR –

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

XVII. COMMUNICATIONS –

- Ypsilanti Community Utilities Authority Comprehensive Annual Financial Report.
- Sustainability Commission Penn Dam Resolution
- Sustainability Commission Washtenaw Regional Resource Management Authority Position Statement.
- Human Relations Commission Approved Resolution Requesting the Nomination and Approval of Ruth Cassidy as an HRC Commissioner.

XVIII. AUDIENCE PARTICIPATION/PUBLIC COMMENT -

XX. REMARKS FROM THE MAYOR –

XXI. ADJOURNMENT –

Resolution No. 2019-065, adjourning the City Council meeting.

Department of Community and Economic Development

CITY OF YPSILANTI, MI

PENINSULAR DAM SURVEY RESULTS

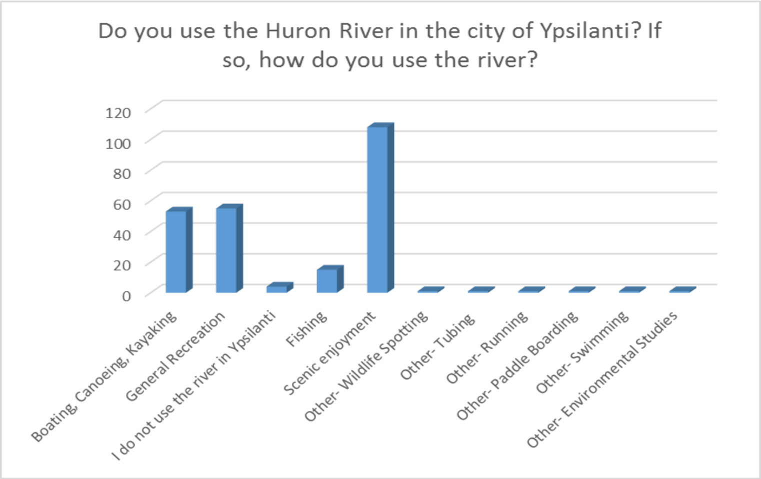
117 Residents and 55 Non Residents responded to our survey

These questions explored 3 options on the table for the future of Peninsular Dam – removal, repair, and the addition of hydroelectric.

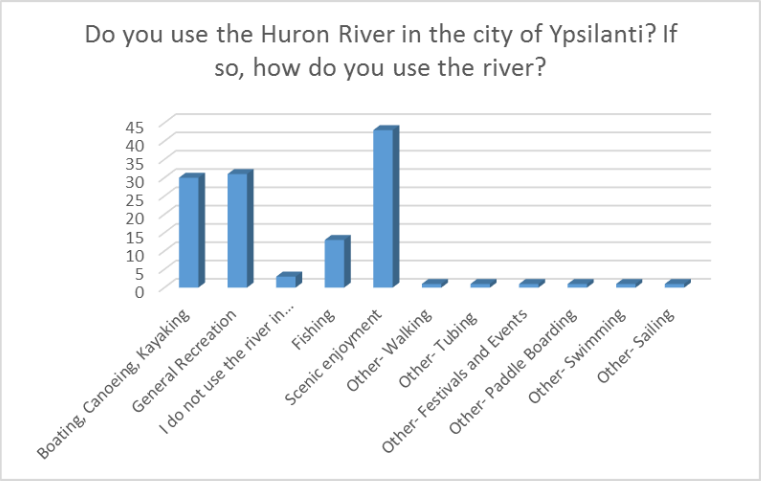
The City also asked about how Peninsular Park is enjoyed, frequency of use, and how each proposed change may affect those behaviors.

How the Huron River is Enjoyed

Resident

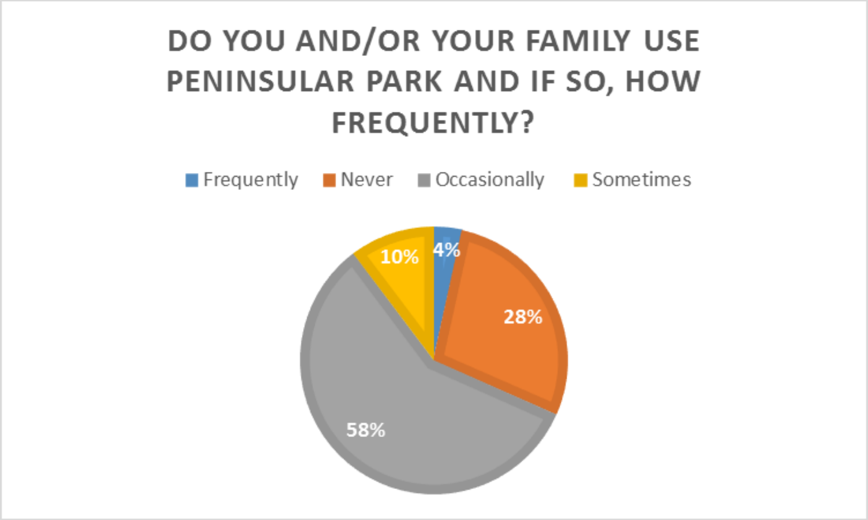


Non Resident

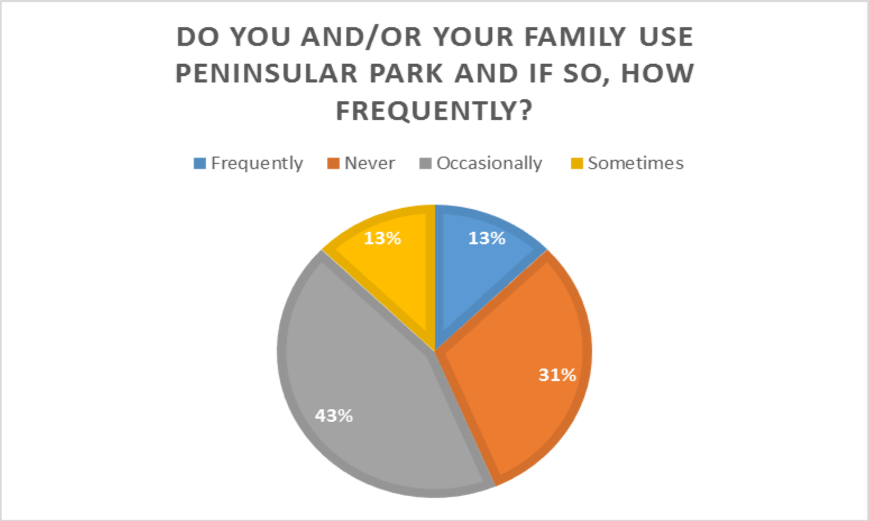


Frequency of Use

Resident

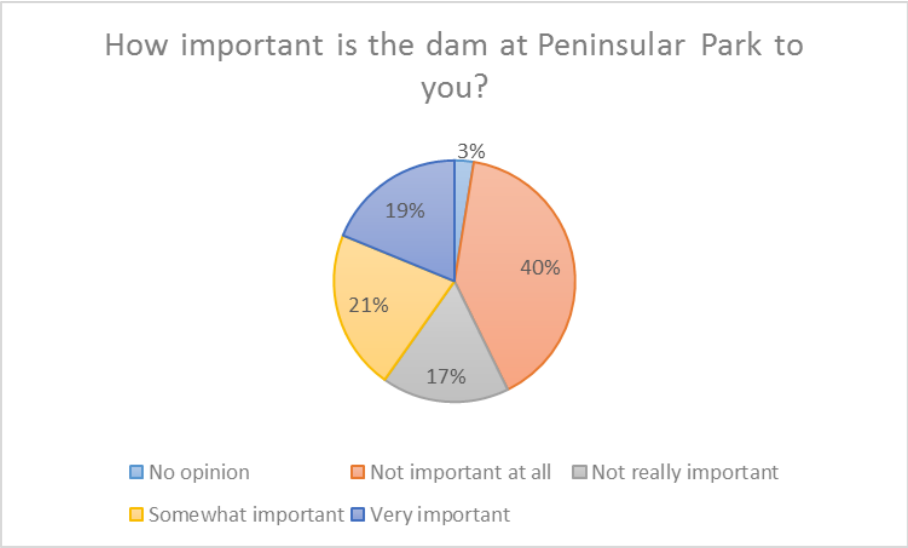


Non Resident

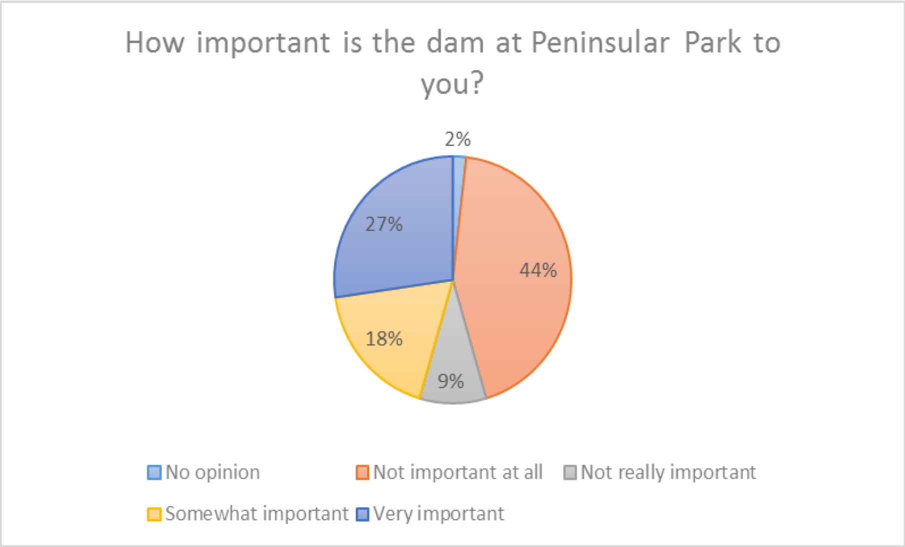


Importance of the Dam

Resident

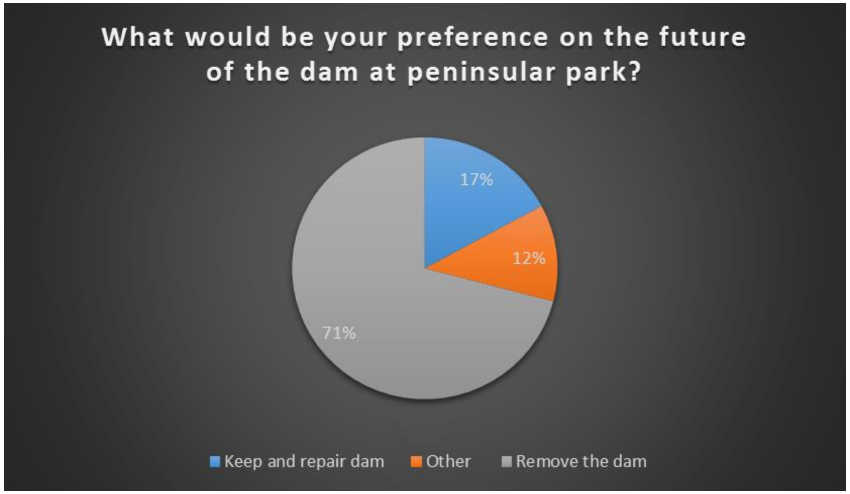


Non Resident

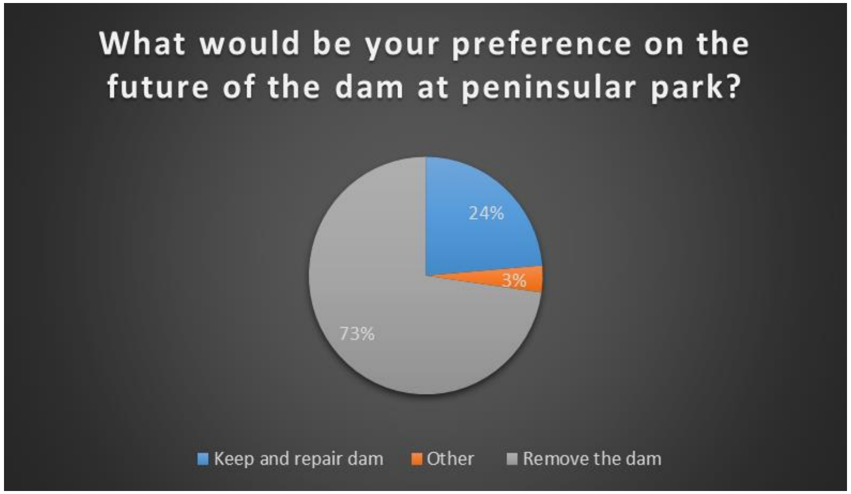


Future of the Dam Preferences

Resident

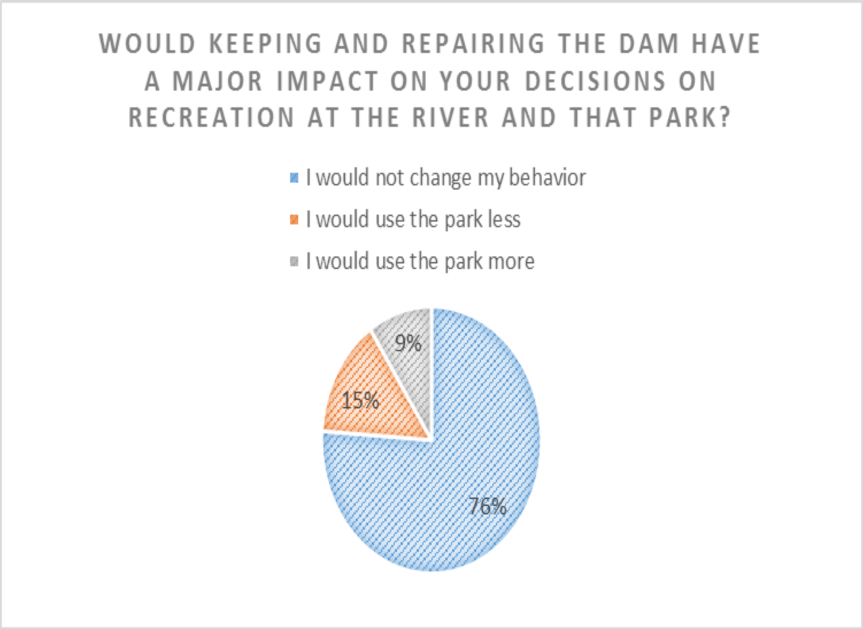


Non Resident

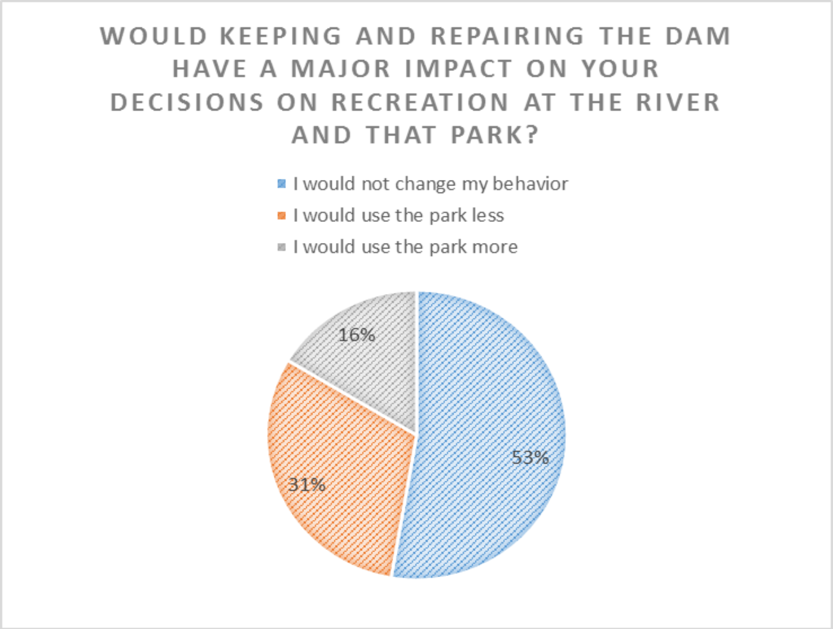


Affect of Keeping and Repairing the Dam on Behavior

Resident

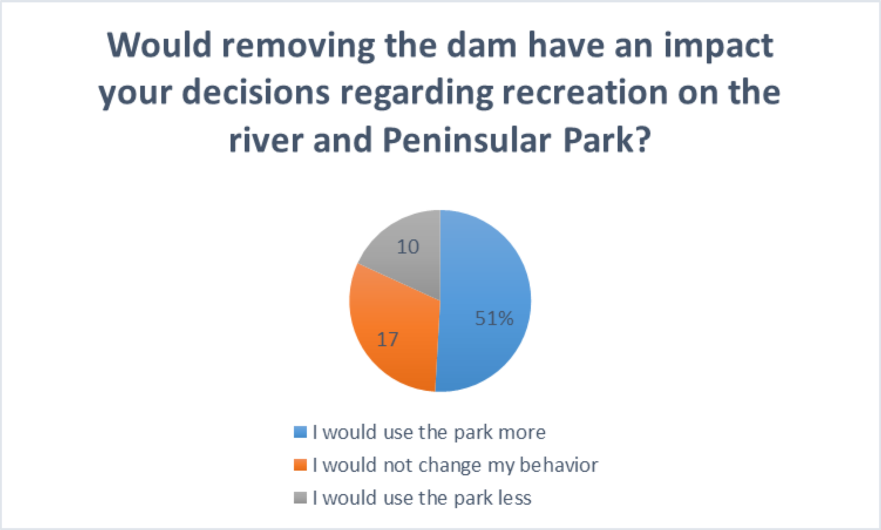


Non Resident

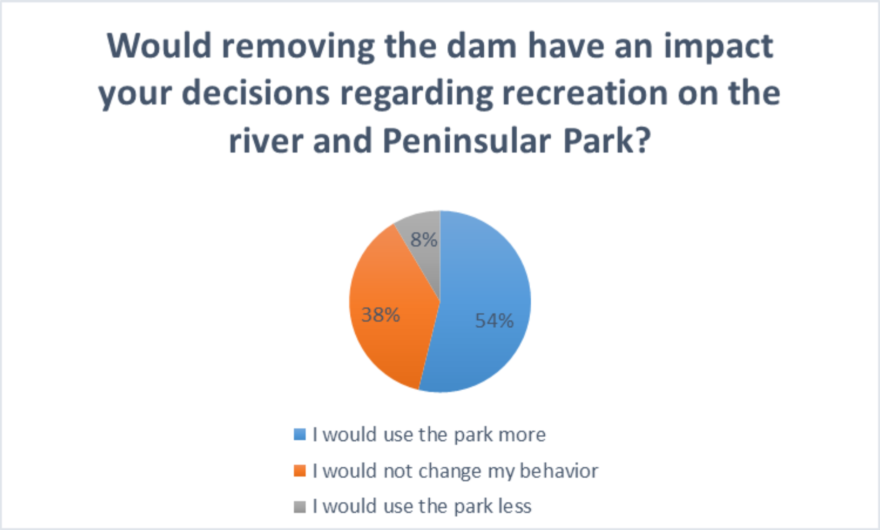


Affect of removing the dam on behavior

Resident

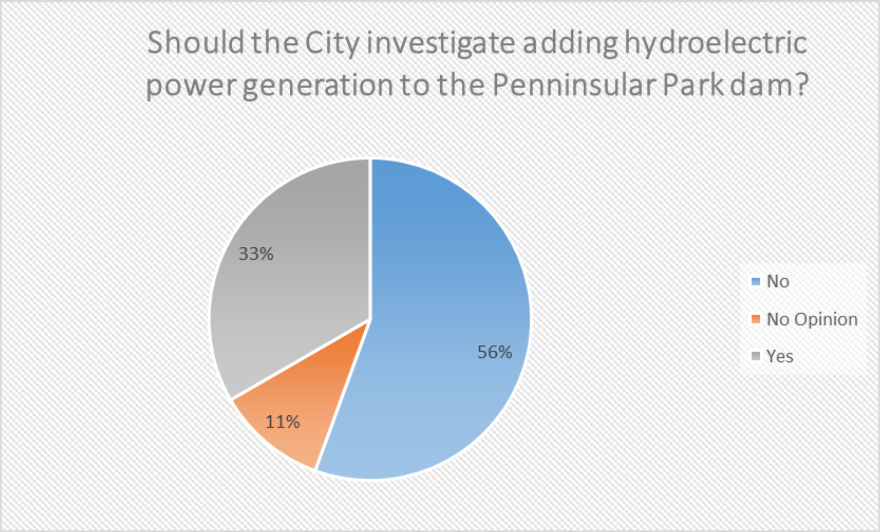


Non Resident

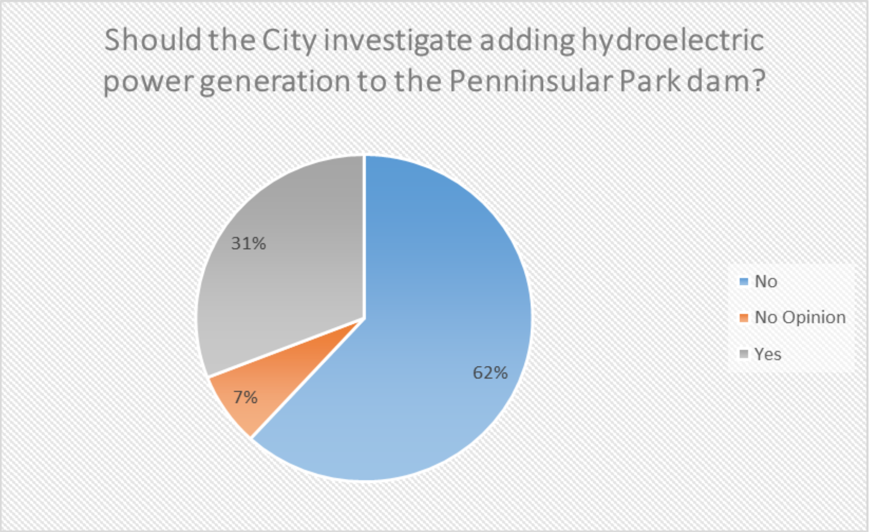


Should the City Investigate Hydroelectric

Resident



Non Resident



REQUEST FOR LEGISLATION
March 19, 2019

From: Bonnie Wessler, City Planner

Subject: Zoning for Firearms Sales and Commercial/Recreational Use (ranges)

BACKGROUND
The Planning Commission introduced a discussion regarding firearms and City regulations regarding their sale and commercial use within the City first at the March 2018 meeting, and heard presentations from staff and invited public comment at the June and July 2018 meetings. A full staff report with draft language was heard at January and February 2019 meetings, and was duly noticed in the newspaper of record, as well as on the City website and Facebook, per standard practice.

The state has pre-empted the field of gun control, but case law has shown that municipalities may still regulate where firearms businesses may locate. "Gun control" is generally considered, for the purposes of these reports, to consist of controls on owning and carrying a firearm. Zoning regulations do not address the ownership or carrying of a firearm.

Currently, commercial sale of firearms is permitted wherever commercial sales are permitted, and commercial recreational/educational use is permitted wherever indoor/outdoor commercial use is permitted (indoor or outdoor recreation, generally). The Planning Commission has expressed interest in updating these regulations to be more reflective of how the City regulates other dangerous &/or controversial items; this ordinance change would also provide clarity and rely less upon staff interpretation of the ordinance if and when potential retailers &/or range operators are in search of an area location.

RECOMMENDATION
The Planning Commission recommended 5:2 at their February regular meeting that Council adopt amendments to the zoning ordinance to:

- Define "firearms sales establishment" as "a place of business of a firearms dealer.
  A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A firearms sales establishment shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition. A firearms sales establishment is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use, nor a range where less than half of the public area is devoted to sales. This does not include home occupations."

- Define "indoor firearms range" as "an indoor facility operated for the purpose of shooting with firearms, whether publically or privately owned and whether or not operated for profit."

- To permit firearms sales establishments to locate as a Special Use in GC and Special Use when adjacent to residential, otherwise permitted, in PMD, referencing a newly created

section in Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses, providing the following locational restrictions for firearms sales locations:
  - 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District; and
  - 500’ away from pawn stores or secondhand goods dealers; and
  - 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge, and
  - 1000’ away from other firearms sales establishments or firearms ranges.

- To permit firearms ranges to potentially locate as a Special Use within the PMD district, referencing a newly created section in Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses, with the following locational restrictions:
  - 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District, and
  - 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge, and
  - 1000’ away from other firearms ranges or firearms sales establishments.

- To prohibit as a home occupation any use involving the distribution of firearms or the storage of firearms intended for sale or distribution.

Planning Commission further recommended that Council direct legal counsel to review Chapter 82 and provide recommendations regarding limiting the acceptance of firearms by secondhand goods establishments within the City.

RECOMMENDED ACTION: Approval

ATTACHMENTS: Staff report, Feb 2019
Staff report, July 2018
Staff presentation, June 2018
Minutes excerpt, Feb 2018

CITY MANAGER APPROVAL: ________________________ COUNCIL AGENDA DATE: __________

CITY MANAGER COMMENTS: __________________________

FISCAL SERVICES DIRECTOR APPROVAL: ______________________________________

Resolution No. 2019-059
March 19, 2019

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City has an interest in protecting the health, safety, and welfare of the community; and

WHEREAS, the City has an adopted Master Plan that reflects the policy goals of the City; and

WHEREAS, the City has noted an area of the zoning ordinance that calls for increased clarity and consistency with the policy goals of the City; and

WHEREAS, the Planning Commission has recommended the City Council adopt the proposed ordinance changes;

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approve the ordinance entitled Firearms Sales and Commercial Recreational Use.

OFFERED BY: ______________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE:

CITY OF YPSILANTI
NOTICE OF ADOPTED ORDINANCE
Ordinance No. 1335

An Ordinance Entitled "FIREARMS SALES AND COMMERCIAL RECREATIONAL USE"

THE CITY OF YPSILANTI ORDAINS:

That CHAPTER 122 OF THE CODE OF ORDINANCES BE AMENDED AS FOLLOWS:

- Amend **122-203** to add the definition of "firearms sales establishment" as "a place of business of a firearms dealer. A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A firearms sales establishment shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition. A firearms sales establishment is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use, nor a range where less than half of the public area is devoted to sales. This does not include home occupations."

- Amend **122-203** to add the definition of "indoor firearms range" as "an indoor facility operated for the purpose of shooting with firearms, whether publically or privately owned and whether or not operated for profit."

- Amend **122-431** and **122-451** to permit firearms sales establishments to locate as a Special Use in GC and Special Use when adjacent to residential, otherwise permitted, in PMD, referencing a newly created section in Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses, providing the following locational restrictions for firearms sales locations:
    - 500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District; and
    - 500' away from pawn stores or secondhand goods dealers; and
    - 500' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge; and
    - 1000' away from other firearms sales establishments or firearms ranges.

- Amend **122-431** to permit firearms ranges to potentially locate as a Special Use within the PMD district, referencing a newly created section in Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses, with the following locational restrictions:
    - 500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District, and
    - 500' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge; and
    - 1000' away from other firearms ranges or firearms sales establishments

- Amend **122-527(a)**, Home Occupations, to prohibit as a home occupation any use involving the distribution of firearms or the storage of firearms intended for sale or distribution.

- To further amend **Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses**, to ensure that the newly created sections are located in alphabetical order; sections in said Division are re-numbered, and that references to those sections are updated throughout the Chapter.

MADE, PASSED, AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS___________ DAY OF _______________, 2019

____
Andrew Hellenga, Acting City Clerk

Attest

I do hereby confirm that the above Ordinance No. __________was published in the Washtenaw Legal News on the _____ day of __________, 2019.

____
Andrew Hellenga, Acting City Clerk

CERTIFICATE OF ADOPTING

I hereby certify that the foregoing is a true copy of the Ordinance passed at the regular meeting of the City Council held on the _____ day of __________, 2019.

____
Andrew Hellenga, Acting City Clerk

Notice Published: ________________________________
First Reading: ___________________________________
Second Reading: _________________________________
Published: ______________________________________
Effective Date: __________________________________

City of Ypsilanti
Community & Economic Development Department

January 2019
February 2019

Text Amendments
Firearms

GENERAL INFORMATION

Applicant:	Staff
Action Requested:	Zoning Ordinance Text Amendment to address firearms sales and commercial recreational use.
Staff Recommendation:	Recommendation to City Council for approval.

BACKGROUND

The Planning Commission discussed potential zoning text amendments regarding firearms sales and recreational use at their January 2019 regular meeting. More information on buffer distances and mapping was requested, as well as consideration for a buffer from medical marijuana provisioning centers.

The Planning Commission introduced a discussion regarding firearms and City regulations regarding their sale and commercial use within the City first at the March 2018 meeting, and heard presentations from staff and invited public comment at the June and July meetings. Currently, commercial sale of firearms is permitted wherever commercial sales are permitted, and commercial recreational/educational use is permitted wherever indoor/outdoor commercial use is permitted (indoor or outdoor recreation, generally). The Planning Commission has expressed interest in updating these regulations to be more reflective of how the City regulates other dangerous &/or controversial items.

City of Ypsilanti Zoning Authority

Zoning ordinances are enacted to protect the health, safety, and welfare of the public. There are limitations on what a zoning ordinance can and cannot do; some of these limitations are established by State law, others by Federal law, and others by case law.

Michigan is a "home rule" state, and local municipalities derive their power from the state. There are areas of law in which the state "pre-empts" the field; that is, they have chosen to regulate an area and municipalities have no power to further regulate it. The state has pre-empted the field of gun control, but case law has shown that municipalities may still regulate where firearms businesses may locate. (See attached attorney opinions regarding both sales and ranges.) "Gun control" is generally considered, for the purposes of this report, to consist of controls on owning and carrying a firearm.

Zoning addresses other items that are often controversial. Signs, which are strongly protected by the First Amendment, are regulated by the Zoning Ordinance for time, place, and manner and by the Building Code for structural safety. Adult regulated uses are uses such as strip clubs and stores which primarily sell sexually explicit material, also protected by the First Amendment. These uses are also regulated for time, place, and manner under the Zoning Ordinance, and the structures that house these uses must meet the same standards for structural safety under the Building Code as any other structure.

These statements are, of course, vast simplifications of quite a bit of law at the federal, state, and local level as well as a vast body of case law.

OTHER COMMUNITIES

Staff reviewed regulations in more than fourteen Michigan communities who had regulations online and searchable.
- One municipality regulated whether pistols could be taken in pawn shops
- Nine municipalities regulated where archery &/or gun ranges could be located (one allowed for archery ranges, but explicitly prohibited gun ranges; another allowed only for "police small arms firing ranges")
- One municipality prohibited "All uses involving the distribution of firearms or the storage of firearms intended for sale or distribution are prohibited as home occupations."
- One municipality regulated "firearms sales establishments" to a special use in one business district, and in the same manner as their equivalent of our "adult regulated uses."

ZONING: HOME OCCUPATIONS

Kalamazoo places the following restriction on home occupations:
"All uses involving the distribution of firearms or the storage of firearms intended for sale or distribution are prohibited as home occupations."

The equivalent place in the City's Zoning Code of Ordinances is 122-527(a), "Prohibited Home Occupations." This currently reads (formatted for clarity):
"The following are not permitted as home occupations:
- animal grooming establishments,
- barber shops or beauty parlors with more than one stylist or chair,
- medical clinics or hospitals with more than one practitioner and one non-practicing staff,
- commercial stables,
- day care centers,
- kennels,
- real estate offices,
- restaurants,
- vehicle repair or painting,
- retail or wholesale sales of any items stocked on the premises,
- landscape installation and maintenance businesses,
- construction contractors,
- snow removal,
- funeral homes,
- nursing homes,
- antique shops,
- bed and breakfast establishments,
- private clubs,
- trailer rentals,
- adult regulated uses,

- millinery and other apparel shops,
- veterinarian's office, clinic or hospital, or
- any use that endangers the health, safety, and welfare of any other persons residing in that area by reason of noise, noxious odors, unsanitary or unsightly conditions, fire hazards and the like.
- This section is not intended to prohibit offices related to the administration of construction contracting, landscaping, maintenance, or snow removal businesses."

Staff recommends that the item "any use involving the distribution of firearms or the storage of firearms intended for sale or distribution" or similar wording as determined after consultation with legal counsel, be added to this list.

ZONING: FIREARMS RANGES

There are several ordinances in the compared communities which work to appropriately locate firearms ranges (shooting ranges, rifle ranges, etc) within their communities. It appears that communities with a rural character permit for outdoor ranges; more urban or built communities do not. This is likely due to the lack of suitably large properties to accommodate outdoor shooting safely. As the City is likewise space-constrained, permitting for indoor ranges only is likely the course of action that best addresses the health, safety, and welfare of the community. It is also possible to have separate ranges and stores; I would recommend separating these uses in the definitions and in the table of permissible uses, but allowing stores to be accessory to ranges. Finally, it appears that indoor firearms ranges are often relegated to the industrial areas of the community; this is likely due to the built form of a modern standalone range resembling most closely that of a simply built large block building.

Although firearms will only be planned to be used inside a firearms range within the designated space, the high volume of firearms being moved from vehicles to indoors and back again introduces a potential point of failure, particularly with people who may be learning firearms handling. As the range of a stray bullet can be quite far, we do recommend setting a distance away from parks, schools, daycare centers, Eastern Michigan University, and the walkable Center districts, where larger numbers of people tend to congregate outdoors. Staff reviewed maximum projectile range for a number of weapon and ammunition types from Michigan's online Hunter Education course, available at https://www.hunter-ed.com/michigan/studyGuide/Maximum-Projectile-Range-Rifle/201023_700042734/. However, as the chances of an unobstructed path between a range and these locations is low, it is reasonable to set a shorter distance, such as 500', which would allow any stray projectile an opportunity to come to a halt before reaching the aforementioned areas.

We do also recommend that firearms ranges be located at some distance from establishments that sell alcohol, such as party stores (stores less than 15,000 square feet with sales of alcohol) and bars.

Staff recommends Indoor Firearms Ranges be permissible as a Special Use within the PMD district, when not within 500' of public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District, as well as 500' away from a store less than 15,000 square feet with sales of alcohol or a bar/lounge.   Staff further recommends one parking space be provided per shooting booth/lane or firing position, plus as required for any retail or office space on site, to help ensure compliance with regulations regarding transporting firearms safely.

ZONING: ARCHERY RANGES

Archery ranges can be treated in a way similar to firearms ranges, as modern bows are capable of shooting an arrow a very long distance with good power; however, the range is significantly less than firearms, and a stray shot from a bow will often have less power than a fair shot, unlike firearms. Planning Commission may consider adding them to the list of example uses under the definition of “indoor recreation,” or including them with firearms ranges. Due to space constraints of the built environment, staff does not recommend permitting outdoor archery ranges.

ZONING: FIREARMS SALES

Staff was able to locate only one municipality that restricted locations of firearms sales as commercial businesses; Inkster. This appears to have been in response to an undesirable number of such businesses locating in prominent locations amongst the community, and has been incorporated into their “adult regulated uses” ordinance.

The City of Ypsilanti’s Adult Regulated Uses are relegated to the PMD district, and further carry the following restrictions per 122-512:

Sec. 122-512. Adult regulated uses.

(a) In the development and execution of this section, it is recognized that there are certain uses, which by their very nature are recognized as having serious objectionable operational characteristics, particularly when several of them are concentrated in a small area, thereby having a deleterious effect on surrounding neighborhoods. Regulation of the location of these uses is necessary to ensure that the adverse effects of such businesses will not cause or contribute to the blighting or downgrading of the City's residential neighborhoods or commercial centers. It is the intent of this section to provide reasonable regulations for the establishment of adult regulated uses in a viable, accessible location where the adverse impact of their operations may be minimized. Uses subject to these regulations and the requirements of Article V of Chapter 10 are as follows:
   (1) Adult: Adult book or supply store, adult hotels or motels, adult motion picture theater/adult live stage performing theater, and adult mini-motion picture theater.
   (2) Cabarets.
   (3) Massage parlors and massage establishments.
   (4) Pawnshops.

(b) No adult regulated use may be permitted within 1,000 feet of any other adult regulated use. Measurement of the 1,000-foot radius must be made from the outermost boundaries of the lot or parcel on which the adult regulated use is proposed. The Planning Commission may waive this requirement for pawnshops if the following findings are made that:
   (1) The proposed use will not be contrary to the public interest or injurious to nearby properties, and that the spirit and intent of this article is observed.
   (2) The proposed regulated use will not enlarge or encourage the development of a "skid-row" or blighted area.
   (3) The establishment of an additional adult regulated use in the area will not be contrary to any program of neighborhood conservation nor will it interfere with any program of urban revitalization.
   (4) All applicable regulations of this chapter will be observed.

   The Planning Commission may not waive this locational requirement for adult uses, cabarets, massage parlors, or massage establishments.

(c) No adult regulated use may be permitted within 500 feet of any R1, HHS, P, MD, CN, CN-Mid and CN-SF district; nor may any adult regulated use be permitted within 500 feet of any school, park, library, playground, movie theater, licensed child care facility, or any other area or use where minor children are likely to congregate; nor may any adult regulated use be permitted within 500 feet of any religious institution. Measurement must be from the outermost boundaries of the lot or parcel on which the adult regulated use is proposed to be located. This prohibition may be waived if the Planning Commission is presented with a validated petition requesting such waiver, signed by two-thirds of all persons owning, residing in, or doing business in the area within 500 feet of the proposed adult regulated use. The circulator of the petition must sign an affidavit attesting that the circulator personally witnessed the signatures and the signatures were affixed to the petition by the person whose name appears thereon. The signatures must be validated by the community economic development department. The Planning Commission cannot consider the waiver of the locational requirements until the required petition has been duly filed and verified. Pawnshops are not be subject to these locational requirements.

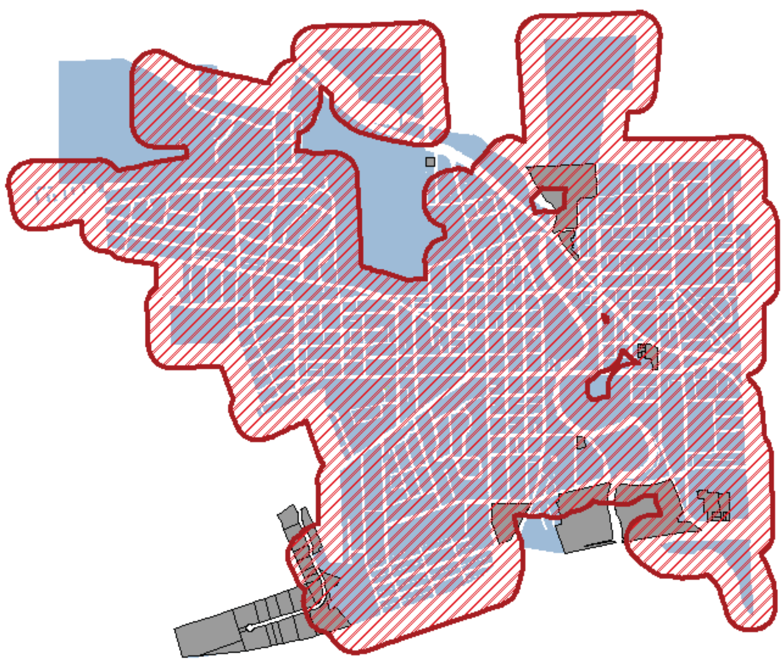
(d) The building and premises must be designed and constructed so that material depicting, describing, or relating to specified sexual activities or specified anatomical areas, cannot be observed by pedestrians or from vehicles on any public right-of-way. This provision must apply to any display, decoration, sign, show window, or other opening.

(e) No person may reside in or permit any person to reside in the premises of an adult regulated use.

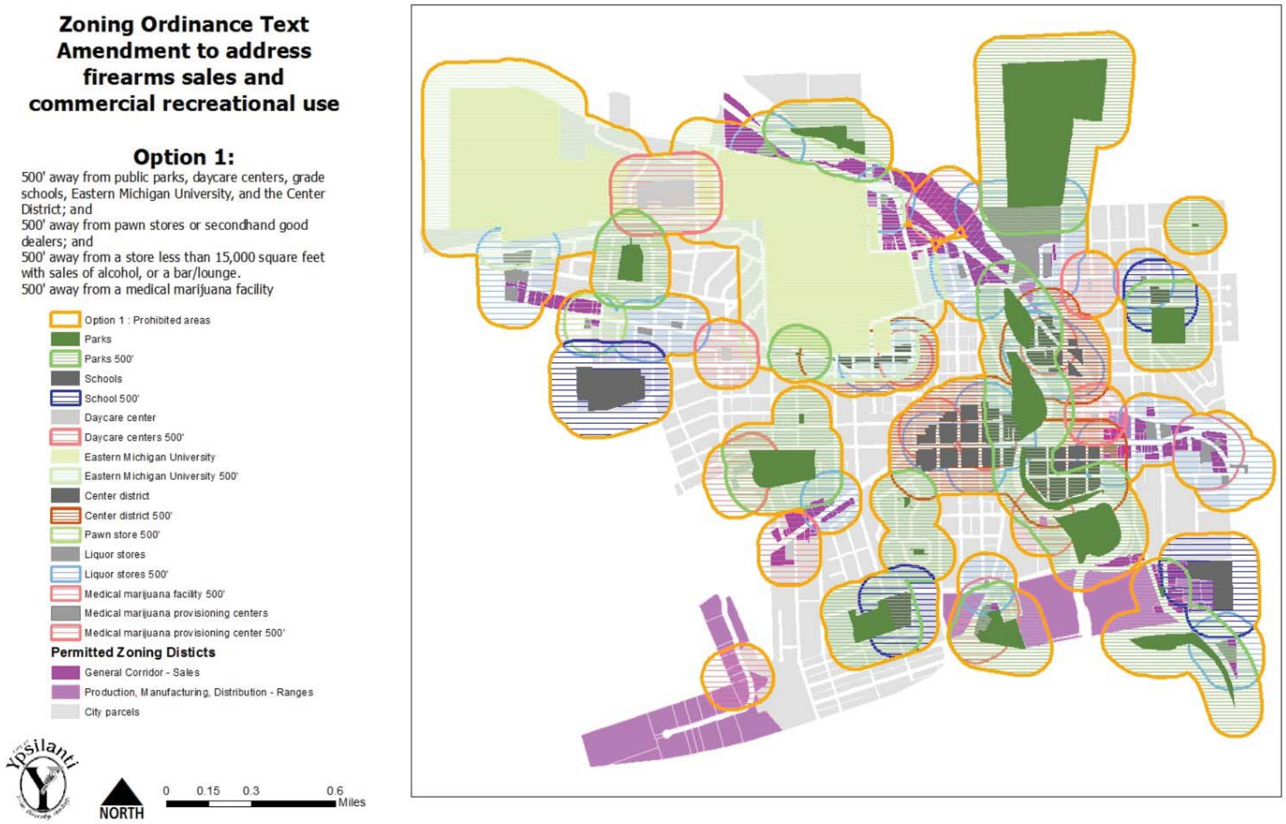
(f) Such uses must comply with all applicable federal, state, and local licensing regulations. Initial and annual proof of such compliance must be a condition of special use approval and the continuance thereof.

(g) Upon finding that any condition, safeguard, or requirement has been breached, the Building Department can revoke any occupancy permit. All operations must cease 14 days following such notification of revocation by the Building Department, unless such violations are corrected. Also, if violations are not corrected within 14 days, reinstatement of a revoked permit must require a new special use application and approval thereof.

This ordinance dates to the mid-1990s, and has not been updated in a significant sense since then. Staff has mapped the permissible areas to operate an adult regulated business under the ordinance- which appears to limit them to about 12 properties. (see map: dark grey is the permissible district; if the red lines intersect it, it is disqualified from use). Due to this, staff does not recommend incorporating Firearms Sales Establishments into the adult regulated use ordinance we have in place.

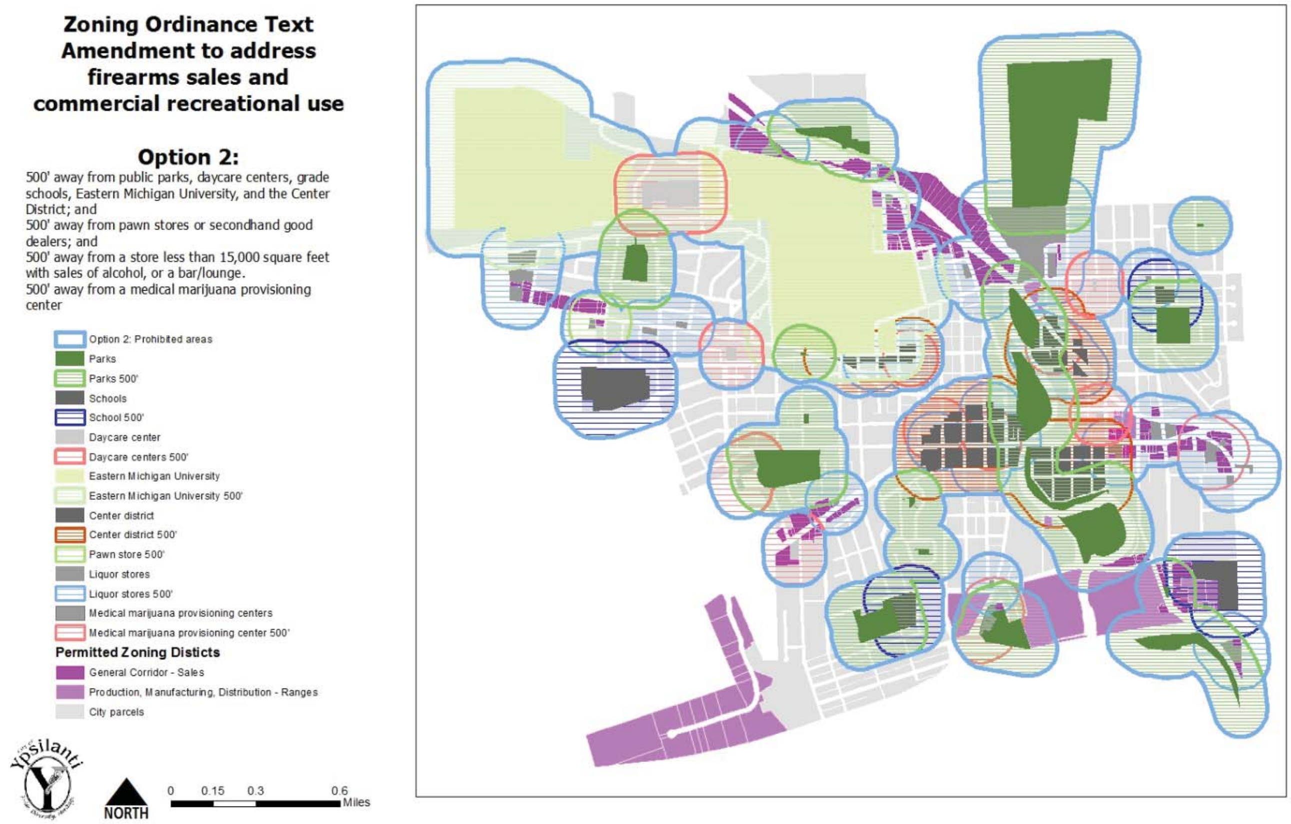


Staff mapped several options for Firearms sales and commercial recreational use.



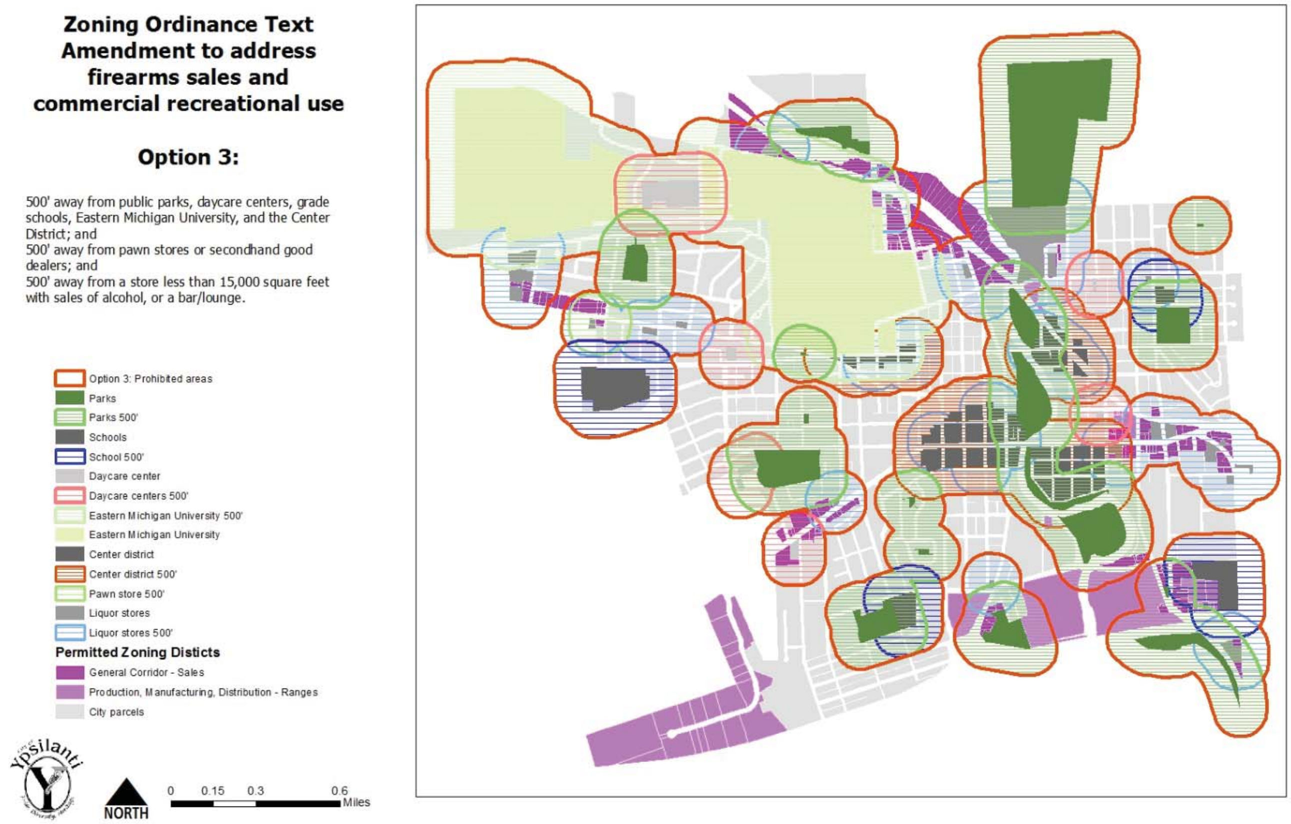
Option 1: The following locational restrictions:

- 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;
- 500’ away from pawn stores or secondhand goods dealers;
- 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.
- 500’ away from a medical marijuana facility



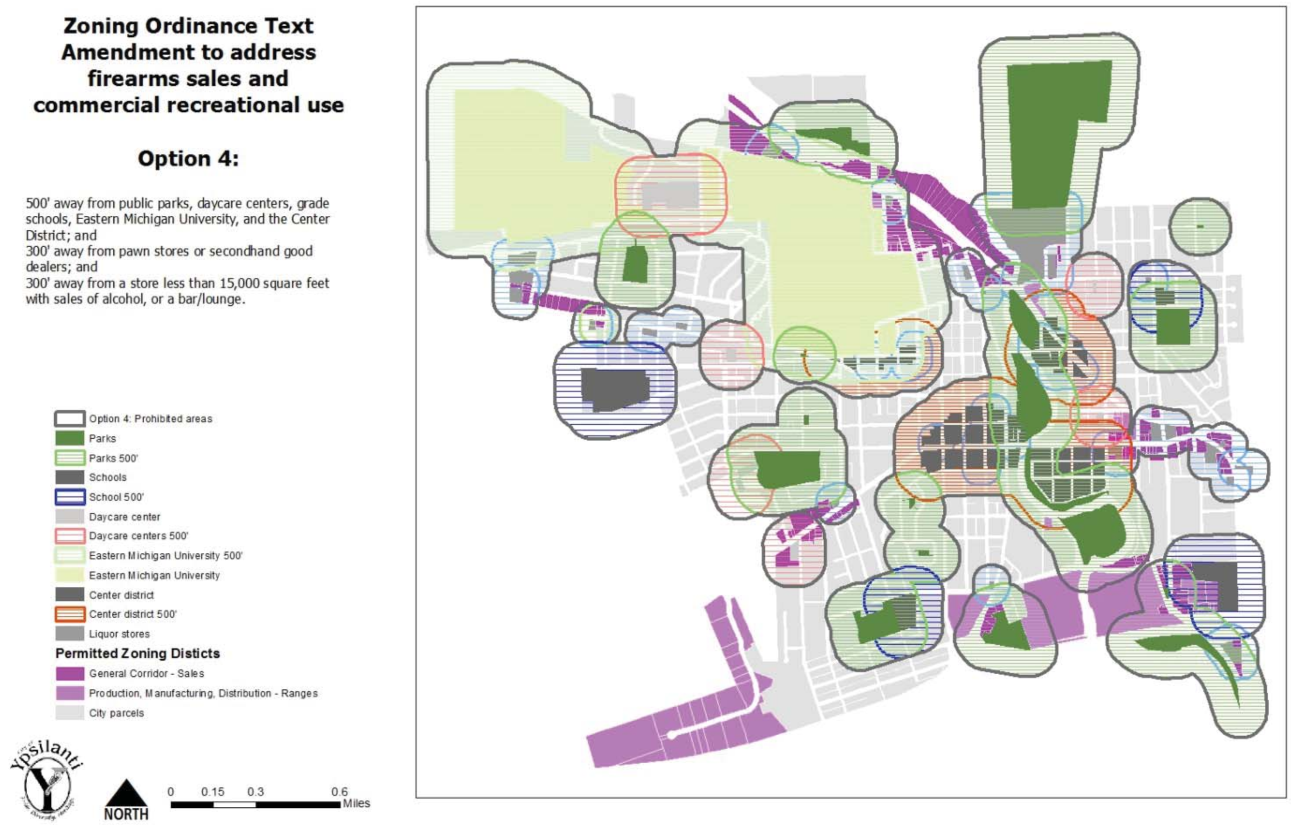
Option 2: The following locational restrictions:

- 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;
- 500’ away from pawn stores or secondhand goods dealers;
- 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.
- 500’ away from a medical marijuana ~~facility~~ provisioning center



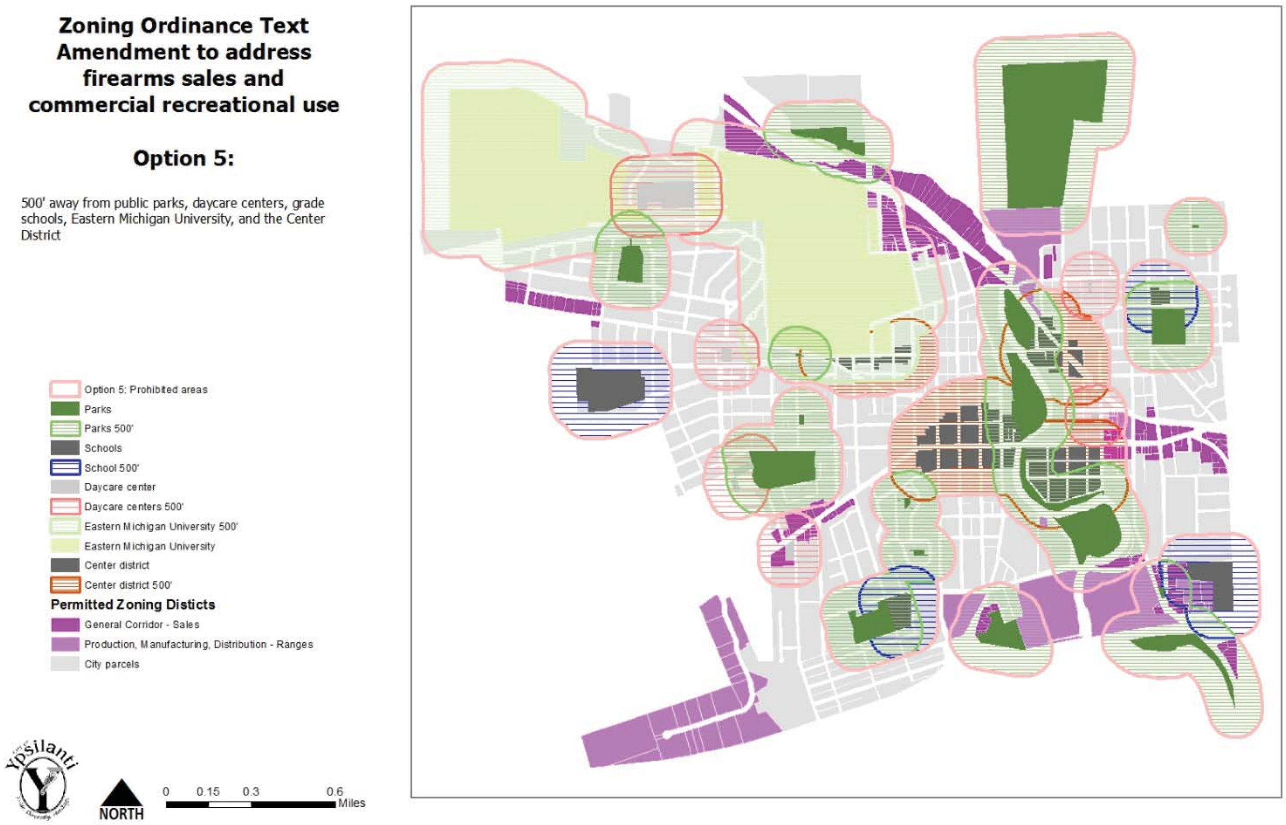
Option 3: The following locational restrictions:

- 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;
- 500’ away from pawn stores or secondhand goods dealers;
- 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.
- ~~500’ away from a medical marijuana facility~~



Option 4: Allowing Firearms Sales Establishments as a Special Use in GC and S/Res (special use when adjacent to residential, otherwise permitted) in PMD, with the following locational restrictions:

- 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;
- 300’ away from pawn stores or secondhand goods dealers;
- 300’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.
- ~~500’ away from a medical marijuana facility~~



Option 5: Allowing Firearms Sales Establishments as a Special Use in GC and S/Res (special use when adjacent to residential, otherwise permitted) in PMD, with the following locational restrictions:

- 500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;
- ~~300' away from pawn stores or secondhand goods dealers;~~
- ~~300' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.~~
- ~~500' away from a medical marijuana facility~~

Staff recommends Option 4. This mix of buffers provides distance from recreational intoxicants and from potential points of firearm resale, avoiding a concentration of uses.

Staff further recommends that the Planning Commission evaluate whether a buffer distance from other firearms sales establishments of 300', 500', or 1,000' might be desirable. Staff recommends 1,000', as this distance generally permits one establishment per available neighborhood, preventing an overconcentration of uses.

Inkster has also produced a definition of "firearms sales establishment." This definition excludes stores that sell firearms as only a portion of their overall business (ex. Meijer, Cabela's, some ranges, etc).

> Inkster's firearms definition: "FIREARMS SALES ESTABLISHMENT. A place of business of a firearms dealer. A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A FIREARMS SALES ESTABLISHMENT shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition.

A FIREARMS SALES ESTABLISHMENT is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use."

This definition could be interpreted to include firearms ranges and home occupations. Amending the final sentence to read "A FIREARMS SALES ESTABLISHMENT is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use, nor a range where less than half of the public area is devoted to sales, nor a home occupation." (underlined words added.)

Staff believes that this amended definition would be sufficient for use in Ypsilanti, upon review and acceptance by legal counsel.

SUMMARY: FIREARMS AMENDMENTS

Staff recommends that Planning Commission recommend that City Council approve the following amendments to the zoning code:

- Amend **122-203** to add the definition of "firearms sales establishment" as "a place of business of a firearms dealer. A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A firearms sales establishment shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition. A firearms sales establishment is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use, nor a range where less than half of the public area is devoted to sales. This does not include home occupations."

- Amend **122-203** to add the definition of "indoor firearms range" as "an indoor facility operated for the purpose of shooting with firearms, whether publically or privately owned and whether or not operated for profit."

- Amend **122-431** and **122-451** to permit firearms sales establishments to locate as a Special Use in GC and Special Use when adjacent to residential, otherwise permitted, in PMD, referencing a newly created section in Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses, providing the following locational restrictions for firearms sales locations:
    - 500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District; and
    - 500' away from pawn stores or secondhand goods dealers; and
    - 500' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.

- Amend **122-431** to permit firearms ranges to potentially locate as a Special Use within the PMD district, referencing a newly created section in Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses, with the following locational restrictions:
    - 500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District, and
    - 500' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.

- Amend **122-527(a)**, Home Occupations, to prohibit as a home occupation any use involving the distribution of firearms or the storage of firearms intended for sale or distribution.

- To further amend **Article V, Use Restrictions, Division 1: Specific Standards for Certain Uses**, to ensure that the newly created sections are located in alphabetical order; sections in said Division are re-numbered, and that references to those sections are updated throughout the Chapter.

Further, staff recommends that Planning Commission recommend that City Council direct legal counsel to review Chapter 82 and provide recommendations regarding limiting the acceptance of firearms by secondhand goods and pawn establishments within the City.

STAFF RECOMMENDATION

Staff recommends the Planning Commission recommend City Council ***approval*** of the text amendment “Firearms Amendments” with the following findings:

1. The amendments are consistent with the guiding values of the Master Plan.
2. The amendments are consistent with the intent of the zoning ordinance.
3. The proposed amendment will enhance the functionality and character of the future development in the City.
4. The proposed amendment will protect the health, safety, and general welfare of the public.
5. The proposed amendment will not result in the creation of nonconformities.

Further, staff recommends that Planning Commission recommend that City Council direct staff to review Chapter 82 and provide recommendations regarding limiting the acceptance of firearms by secondhand goods establishments within the City.

Bonnie Wessler
City Planner, Community & Economic Development Division

c.c. File

Agenda
Planning Commission
Wednesday, 18 July 2018 – 7:00 P.M.
City Hall-Council Chambers, 1 S Huron St
Ypsilanti, MI 48197

VI. New Business

- Firearms Sales Regulations: Local Options Discussion

Memo

To: Planning Commission

From: Bonnie Wessler, City Planner

Date: July 2018

Subject: Firearms: Potential Regulations in the City

At the latest Planning Commission meeting, staff were directed to assemble potential draft language restricting firearms sales in a manner similar to adult regulated uses; to restrict firearms sales as a home occupation; to map potentially permissible locations for such businesses; and similar legislation as fit. Note that any proposed legislation must also be reviewed by City Counsel, as there are many State and Federal laws that affect the field, as well as case law that may impact draft legislation.

Non-Zoning Regulations

We had noted that the City of Ann Arbor restricts pistols from being accepted in pawn (9-276).

Chapter 82 of the City of Ypsilanti Code of Ordinances (outside of the zoning code) deals with regulations around Secondhand Goods. A similar restriction could be noted in this portion of the code. This legislation would be drafted by legal counsel upon request by City Council.

Zoning Regulations: Home Occupations

We had noted the Kalamazoo places the following restriction on home occupations:
“All uses involving the distribution of firearms or the storage of firearms intended for sale or distribution are prohibited as home occupations.”

The equivalent place in the City’s Zoning Code of Ordinances is 122-527(a), “Prohibited Home Occupations.” This currently reads (formatted for clarity):
“The following are not permitted as home occupations:

- animal grooming establishments,
- barber shops or beauty parlors with more than one stylist or chair,
- medical clinics or hospitals with more than one practitioner and one non-practicing staff,
- commercial stables,
- day care centers,
- kennels,
- real estate offices,
- restaurants,
- vehicle repair or painting,
- retail or wholesale sales of any items stocked on the premises,
- landscape installation and maintenance businesses,
- construction contractors,
- snow removal,
- funeral homes,
- nursing homes,
- antique shops,
- bed and breakfast establishments,
- private clubs,
- trailer rentals,
- adult regulated uses,
- millinery and other apparel shops,
- veterinarian’s office, clinic or hospital, or
- any use that endangers the health, safety, and welfare of any other persons residing in that area by reason of noise, noxious odors, unsanitary or unsightly conditions, fire hazards and the like.
- This section is not intended to prohibit offices related to the administration of construction contracting, landscaping, maintenance, or snow removal businesses.”

Staff recommends that the item “any use involving the distribution of firearms or the storage of firearms intended for sale or distribution” or similar, as determined by legal counsel, be added to this list.

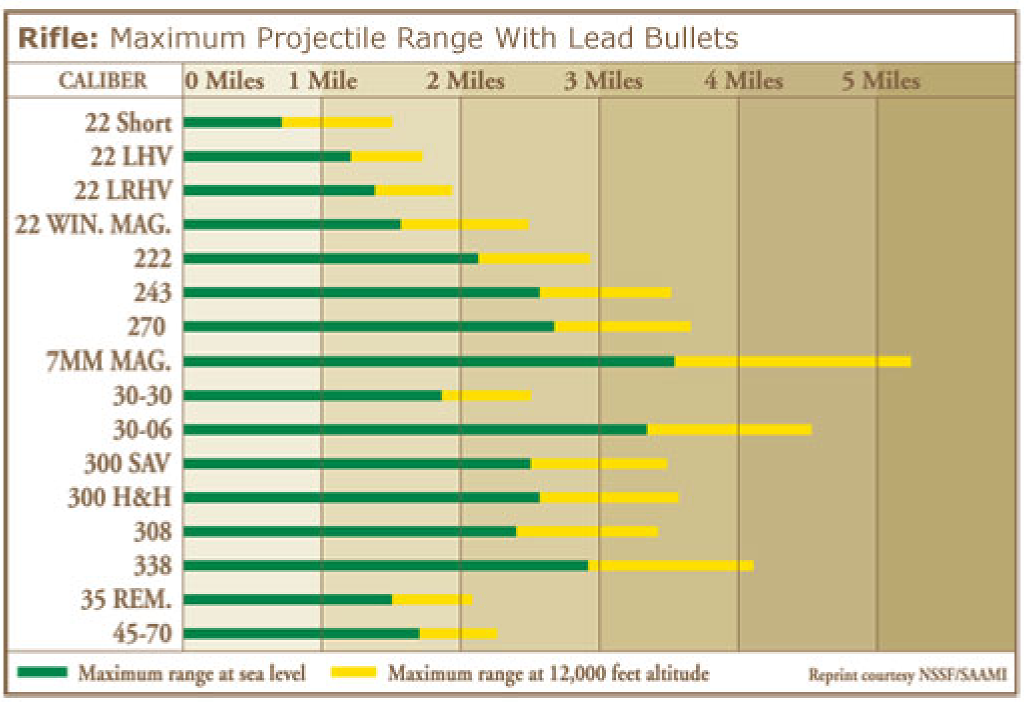
Zoning: Firearms Ranges

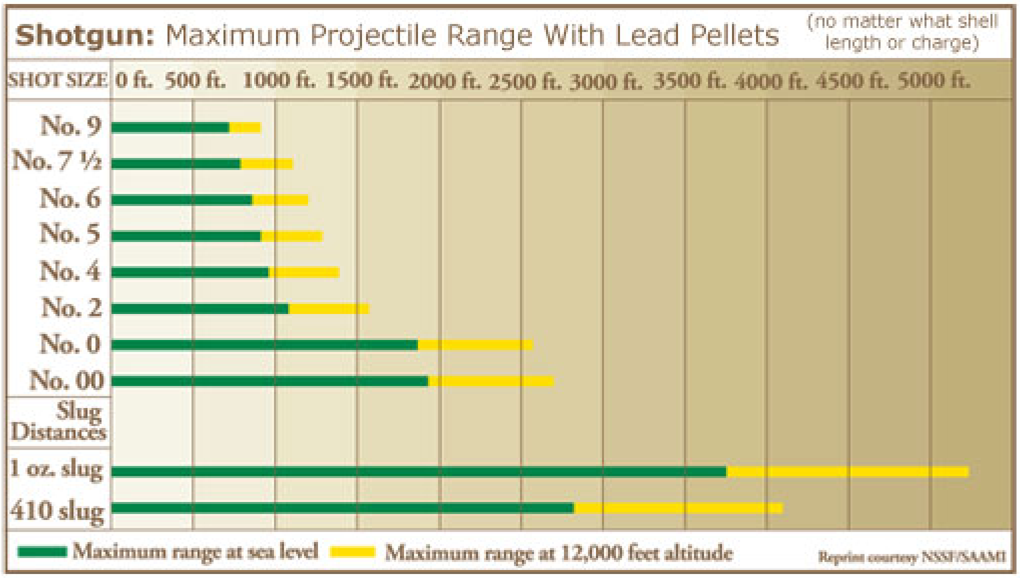
There are several ordinances which work to appropriately locate firearms ranges (shooting ranges, rifle ranges, etc) within their communities. It appears that communities with a rural character permit for outdoor ranges; more urban or built communities do not. This is likely due to the lack of suitably large properties to accommodate outdoor shooting safely. As the City is likewise space-constrained, permitting for indoor ranges only is likely the course of action that best addresses the health, safety, and welfare of the community. It is also possible to have separate ranges and stores; I would recommend separating these uses in the definitions and in the table of permissible uses. Finally, it appears that indoor firearms ranges are often relegated to the industrial areas of the community; this is likely due to the built form of a modern standalone range resembling most closely that of a simply built large block building.

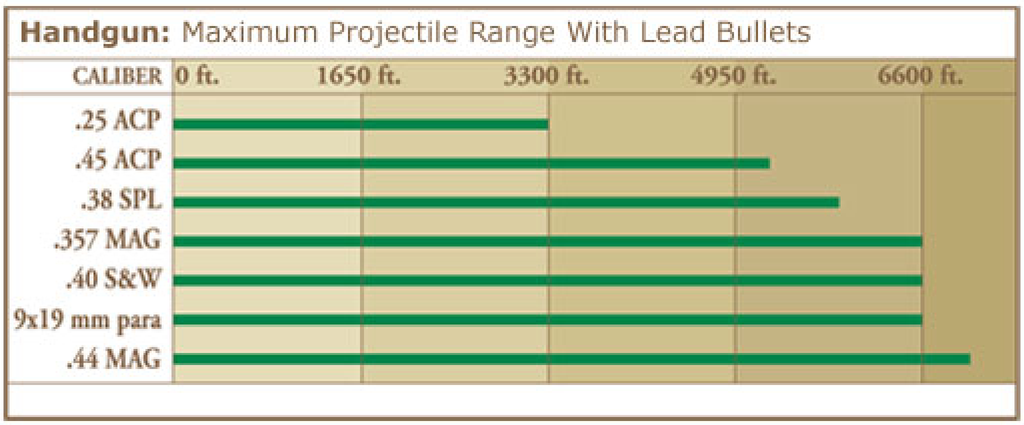
As the range of a stray bullet can be quite far, we do recommend setting a distance away from parks, schools, daycare centers, Eastern Michigan University, and the walkable Center districts, where larger numbers of people tend to congregate outdoors. Below you will find the maximum projectile range for a number of weapon and ammunition types. However, as the chances of an unobstructed path between a range and these locations is low, it is reasonable to set a shorter distance, such as 500', which would allow any stray projectile an opportunity to come to a halt before reaching the aforementioned areas.

We do also recommend that firearms ranges be located at some distance from establishments that sell alcohol, such as party stores (stores less than 15,000 square feet with sales of alcohol) and bars.

The below images are taken from Michigan's online Hunter Education course, available at https://www.hunter-ed.com/michigan/studyGuide/Maximum-Projectile-Range-Rifle/201023_700042734/







Staff recommends Indoor Firearms Ranges be permissible as a Special Use within the PMD district, when not within 500' of public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District, as well as 500' away from a store less than 15,000 square feet with sales of alcohol or a bar/lounge.

Zoning: Archery Ranges

Archery ranges can be treated in a way similar to firearms ranges, as modern bows are capable of shooting an arrow a very long distance with good power; however, the range is significantly less than firearms, and a stray shot from a bow will often have less power than a fair shot, unlike firearms. Staff can include archery ranges within firearms ranges, or can add them to the list of example uses under the definition of "indoor recreation." Due to space constraints of the built environment, staff does not recommend permitting outdoor archery ranges.

Zoning: Firearms Sales

Staff was able to locate only one municipality that restricted locations of firearms sales; Inkster. This appears to have been in response to an undesirable number of such businesses locating in prominent locations amongst the community, and has been incorporated into their "adult regulated uses" ordinance.

The City of Ypsilanti's Adult Regulated Uses are relegated to the PMD district, and further carry the following restrictions per 122-512:

Sec. 122-512. Adult regulated uses.

(a) In the development and execution of this section, it is recognized that there are certain uses, which by their very nature are recognized as having serious objectionable operational characteristics, particularly when several of them are concentrated in a small area, thereby having a deleterious effect on surrounding neighborhoods. Regulation of the location of these uses is necessary to ensure that the adverse effects of such businesses will not cause or contribute to the blighting or downgrading of the City's residential neighborhoods or commercial centers. It is the intent of this section to provide reasonable regulations for the establishment of adult regulated uses in a viable, accessible location where the adverse impact of their operations may be minimized. Uses subject to these regulations and the requirements of Article V of Chapter 10 are as follows:
  (1) Adult: Adult book or supply store, adult hotels or motels, adult motion picture theater/adult live stage performing theater, and adult mini-motion picture theater.
  (2) Cabarets.
  (3) Massage parlors and massage establishments.
  (4) Pawnshops.

(b) No adult regulated use may be permitted within 1,000 feet of any other adult regulated use. Measurement of the 1,000-foot radius must be made from the outermost boundaries of the lot or parcel on which the adult regulated use is proposed. The Planning Commission may waive this requirement for pawnshops if the following findings are made that:
  (1) The proposed use will not be contrary to the public interest or injurious to nearby properties, and that the spirit and intent of this article is observed.
  (2) The proposed regulated use will not enlarge or encourage the development of a "skid-row" or blighted area.
  (3) The establishment of an additional adult regulated use in the area will not be contrary to any program of neighborhood conservation nor will it interfere with any program of urban revitalization.
  (4) All applicable regulations of this chapter will be observed.

  The Planning Commission may not waive this locational requirement for adult uses, cabarets, massage parlors, or massage establishments.

(c) No adult regulated use may be permitted within 500 feet of any R1, HHS, P, MD, CN, CN-Mid and CN-SF district; nor may any adult regulated use be permitted within 500 feet of any school, park, library, playground, movie theater, licensed child care facility, or any other area or use where minor children are likely to congregate; nor may any adult regulated use be permitted within 500 feet of any religious institution. Measurement must be from the outermost boundaries of the lot or parcel on which the adult regulated use is proposed to be located. This prohibition may be waived if the Planning Commission is presented with a validated petition requesting such waiver, signed by two-thirds of all persons owning, residing in, or doing business in the area within 500 feet of the proposed adult regulated use. The circulator of the petition must sign an affidavit attesting that the circulator personally witnessed the signatures and the signatures were affixed to the petition by the person whose name appears thereon. The signatures must be validated by the community economic development department. The Planning Commission cannot consider the waiver of the locational requirements until the required petition has been duly filed and verified. Pawnshops are not be subject to these locational requirements.

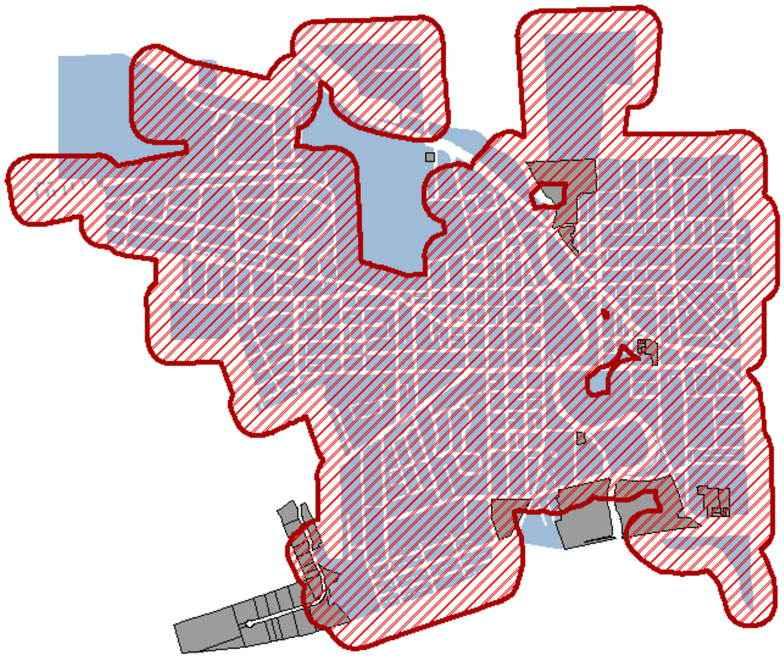
(d) The building and premises must be designed and constructed so that material depicting, describing, or relating to specified sexual activities or specified anatomical areas, cannot be observed by pedestrians or from vehicles on any public right-of-way. This provision must apply to any display, decoration, sign, show window, or other opening.

(e) No person may reside in or permit any person to reside in the premises of an adult regulated use.

(f) Such uses must comply with all applicable federal, state, and local licensing regulations. Initial and annual proof of such compliance must be a condition of special use approval and the continuance thereof.

(g) Upon finding that any condition, safeguard, or requirement has been breached, the Building Department can revoke any occupancy permit. All operations must cease 14 days following such notification of revocation by the Building Department, unless such violations are corrected. Also, if violations are not corrected within 14 days, reinstatement of a revoked permit must require a new special use application and approval thereof.

This ordinance dates to the mid-1990s, and has not been updated in a significant sense since then. Staff has mapped the permissible areas to operate an adult regulated business under the ordinance- which appears to limit them to about 12 properties. (see map: dark grey is the permissible district; if the red lines intersect it, it is disqualified from use). Due to this, staff does not recommend incorporating Firearms Sales Establishments into the adult regulated use ordinance we have in place.



Staff recommends allowing Firearms Sales Establishments as a Special Use in GC and S/Res (special use when adjacent to residential, otherwise permitted) in PMD, with the following locational restrictions:

- **500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;**
- **500' away from pawn stores or secondhand goods dealers;**
- **500' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.**

Staff has not mapped these distances, and simply presents these for discussion.

Inkster has also produced a definition of "firearms sales establishment," this excludes stores that sell firearms as only a portion of their overall business (ex. Meijer, Cabela's, some ranges, etc).

> Inkster's firearms definition: "FIREARMS SALES ESTABLISHMENT. A place of business of a firearms dealer. A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A FIREARMS SALES ESTABLISHMENT shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition.
> A FIREARMS SALES ESTABLISHMENT is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use."

Staff believes that this definition would be sufficient for use in Ypsilanti, upon review and acceptance by legal counsel.

Summary

Staff recommends that Planning Commission discuss potential amendments to the zoning code that would potentially:

- define “firearms sales establishments” as “FIREARMS SALES ESTABLISHMENT. A place of business of a firearms dealer. A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A FIREARMS SALES ESTABLISHMENT shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition. A FIREARMS SALES ESTABLISHMENT is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use.”
- Permit firearms sales establishments to potentially locate as a Special Use in GC and S/Res (special use when adjacent to residential, otherwise permitted) in PMD, with the following locational restrictions:
    - 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District; and
    - 500’ away from pawn stores or secondhand goods dealers; and
    - 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.

- Permit firearms ranges to potentially locate as a Special Use within the PMD district, with the following locational restrictions:
    - 500’ away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District, and
    - 500’ away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge.

- Disallow as a home occupation any use involving the distribution of firearms or the storage of firearms intended for sale or distribution.

Further, staff recommends that Chapter 82 be reviewed and potentially altered to limit the acceptance of firearms by secondhand goods establishments within the City.

City of Ypsilanti

Community & Economic Development Department

Memo

To: Planning Commission

From: Bonnie Wessler, City Planner

Date: 5 July 2018

Subject: Firearms: other locations in Michigan

At the latest Planning Commission meeting, we touched on what, precisely, other communities regulate regarding firearm sales locations as well as firearms range locations. Below is the list, organized alphabetically. Terms used in searching were *range, shooting, firearm/firearms, archery, rifle, gun, pistol.*

Non-Zoning Regulations

City of Ann Arbor

9:276. - Pistols accepted in pawn, by second-hand dealer or junk dealer.

No pawnbroker shall accept a pistol in pawn, nor any second-hand or junk dealer, as defined in Act No. 350 of the Public Acts of 1917, shall accept a pistol and offer or display the same for resale.

Jackson

https://library.municode.com/mi/jackson/codes/code_of_ordinances?nodeId=PTIICOOR_CH11FLDAPR_S11-12PEUSRIFLDI

Flood damage prevention chapter – not zoning. Note: the "floodway district" is essentially defined as the floodway in their FIRM.

Sec. 11-12. - Permitted uses by right in the floodway district.

(1) *Recreation uses.* Parks, playgrounds, playfields, bridle paths, nature trails, natural wildlife preserves, outdoor tennis courts, archery *ranges*, boat launching ramps, target *ranges*, trap and skeet *ranges*, game farms, fish hatcheries and similar uses.

Zoning Regulations

Zoning: Archery Ranges

Inkster

RECREATION, INDOOR COMMERCIAL. Includes indoor commercial uses such as bowling centers, basketball courts, archery ranges, golf domes and ranges, tennis facilities and skating rinks. For the purposes of this chapter, firearms target practice ranges shall not be included.

§ 155.046 B-2 THOROUGHFARE MIXED-USE DISTRICT.

(D) Special land use. The following uses shall be permitted, subject to the conditions set forth in this subchapter, §§ 155.111 through 155.142, Special Land Use Standards and all applicable codes and ordinances set forth in this chapter and other codes and regulations hereinafter imposed for each use. The following uses are subject further to the review and approval of the Planning Commission per standards set forth in this chapter:

(1) Open air business uses when developed in planned relationship with permitted uses within the B-2 District.

(2) Bowling alley, billiard hall, indoor archery range, or indoor skating rink, or similar forms of indoor commercial recreation when located at least 100 feet from any front, rear or side yard of any residential lot in an adjacent residential district. Firearm ranges are expressly prohibited.

B3: indoor archery range permitted (when 100' from residential lot in residential district)

Wayne

http://library.amlegal.com/nxt/gateway.dll/Michigan/wayne/waynemichigancodeofordinances?f=templates$fn=default.htm$3.0$vid=amlegal:wayne_mi

"archery courts" permitted use in the B3 district (1258.02)

> The provisions of this chapter are intended to provide suitable locations for those commercial activities that function relatively independently of intensive pedestrian traffic and proximity to other firms. These activities typically require direct auto traffic access and visibility from the road. The characteristics that contribute to the sound functioning of these activities are characteristically detrimental to the B-4 District.

"archery courts" are an "open air business use"

> (118) Open Air Business Use. "Open air business use" includes any of the following businesses when said business is not conducted from a wholly enclosed building:
>
> A. Bicycle, trailer, motor vehicle, boat or home equipment sale or rental services.
> B. Outdoor display and sale of garages, swimming pools and similar uses.
> C. Retail sale of trees, fruits, vegetables, shrubbery, plants, seeds, topsoil, humus, fertilizer, trellises, lawn furniture, playground equipment and other home garden supplies and equipment.
> D. Tennis courts, archery courts, shuffleboard courts, horseshoe courts, miniature golf courses, golf driving ranges, children's amusement parks or similar recreational uses.

Ypsilanti Township

https://library.municode.com/mi/ypsilanti_charter_township,_(washtenaw_co.)/codes/code_of_ordinances

Sec. 1835. - Batting cages, archery ranges and similar activities:

Commercial outdoor recreation facilities such as batting cages, archery ranges and similar activities all subject to the following:

a. No such activity shall be permitted within 200 feet of any residential dwelling.
b. The lot or area utilized for recreation activity shall be provided with a durable and dustless surface.
c. Off-street-parking shall be provided in accord with section 1801 et seq. of this ordinance.
d. Lighting shall be shielded to be directed only on the activity on the site.
e. Noise levels shall not exceed 70 decibels at the property line of the site.
f. Hours of operation shall be limited to 8:00 a.m. to 10:00 p.m.
g. The planning commission may require setbacks or fencing in order to protect the safety of those on adjacent parcels.

Special use in B-3, General Business District

Zoning: Gun Ranges

Ann Arbor Township

https://library.municode.com/mi/ann_arbor_charter_township,_(washtenaw_co.)/codes/code_of_ordinances?nodeId=COOR_CH74ZO

> Rifle and shooting ranges: permissible as a conditional use in the Recreation-Conservation district (a rural district).

East Lansing

Firearms ranges as a special land use in office industrial park district

Ferndale

https://library.municode.com/mi/ferndale/codes/code_of_ordinances?nodeId=PTIICOOR_CH24ZO

“gun ranges and clubs” - special use in M1 (light industrial) and M2 (general industrial). Not otherwise defined.

Grand rapids

indoor enclosed firearms ranges (9.175.4) allows for discharge of firearms
“To indoor enclosed firearm ranges so constructed as to prevent damage to property or injury or death to any person where such firearm ranges are otherwise lawful; provided, however, that the discharge of a bow and arrow is permitted upon unenclosed ranges where such ranges are constructed so as to prevent damage to property or injury or death to any person.”

Mount Pleasant

http://www.mt-pleasant.org/docs/dept/planning/2018/MPCBC.06.11.18.Zoning.Ordinance.pdf

Regulates indoor ranges (industrial use, special use in SD-I (light manufacturing) per 154.410 (b) (4)
o. Indoor Shooting or Archery Ranges must comply with the following:
i. The building and method of operation shall comply with the Michigan Department of Natural Resources Generally Accepted Operation Practices for Sport Shooting Ranges and the Michigan Department of Environmental Quality Best Management Practices at Active Shooting Ranges.
ii. The design and construction of the range shall completely confine all ammunition rounds within the building and in a controlled manner. The design and construction of the gun range shall be performed by a registered engineer in the State of Michigan. The certified plans shall include the specifications and construction of the bullet trap(s), ceilings, exterior and interior walls and floors. The certified plans shall state what type and caliber of ammunition the range is designed to totally confine.
iii. No ammunition shall be used in the range that exceeds the certified design and construction specifications of the gun range.
iv. The range shall have a clear and concise safety plan filed with the special use permit application.

v. No range shall sell or dispense alcoholic beverages, nor shall they be in a building which contains a business that sells or dispenses alcoholic beverages. Alcoholic beverages are not allowed on the premises of the range at any time.
vi. The range shall conform with all Federal, State and Local requirements related to the use, sale, rental, and transport of firearms.

Zeeland

Special Land Use in the Public Facilities district
Sec. 9.128. - Indoor police small arms firing ranges.
Indoor police small arms firing ranges are subject to the following conditions, standards and regulations:
The principal and accessory buildings and structures shall not be located within 1,000 feet of any residential use or district.

Zoning: Home Occupations

Kalamazoo

https://ecode360.com/33037247?highlight=firearms#33037247

4.3.G Firearms. All uses involving the distribution of firearms or the storage of firearms intended for sale or distribution are prohibited as home occupations.

Zoning: Firearms Sales

Inkster

FIREARMS SALES ESTABLISHMENT. A place of business of a firearms dealer. A firearms dealer is any person engaged in the wholesale or retail sale of firearms, the repair of firearms, or the creation or fitting of special barrels, stocks, or trigger mechanisms for firearms. A FIREARMS SALES ESTABLISHMENT shall be defined as only those establishments principally engaged in the display or sale of firearms or ammunition. A FIREARMS SALES ESTABLISHMENT is not a store of a generally recognized retail nature, which may include firearms or ammunition as an incidental and accessory use.

Firearms sales establishments – SLU – B3

§ 155.202 ESTABLISHMENT.
The following kinds of uses are prohibited if the establishment of such use will constitute the second such use within a 1,000-foot radius (i.e. not more than one such use within 1,000 feet of each):
(A) Adult amusement devise center.
(B) Adult bookstore.
(C) Adult business activity.
(D) Adult live conduct business or activity.
(E) Adult mini-motion picture theater.
(F) Adult motion picture theater.
(G) Adult personal service business.
(H) Adult supply store.
(I) Adult outdoor motion picture theater.
(J) Arcades.
(K) Bar or establishment for the sale of beer or intoxicating liquor for consumption on the premises.
(L) Bar or establishment for the sale of juice or non-alcoholic beverages for consumption on the premises.
(M) Cabaret.
(N) Dance clubs.
(O) Firearms sales establishments

No Ordinances

Pontiac
Adrian
Grosse Pointe Farms

State Reference

THE MICHIGAN PENAL CODE (EXCERPT)
Act 328 of 1931

Section 750.222

(e) "Firearm" means any weapon which will, is designed to, or may readily be converted to expel a projectile by action of an explosive.

(f) "Pistol" means a loaded or unloaded firearm that is 26 inches or less in length, or a loaded or unloaded firearm that by its construction and appearance conceals itself as a firearm.

(i) "Rifle" means a firearm designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned and made or remade to use the energy of the explosive in a fixed metallic cartridge to fire only a single projectile through a rifled bore for each single pull of the trigger.

(m) "Shotgun" means a firearm designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned and made or remade to use the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single function of the trigger.

Agenda
Planning Commission
Wednesday, 20 June 2018 – 7:00 P.M.
City Hall-Council Chambers, 1 S Huron
Ypsilanti, MI 48197

New Business

- **Firearms Sales Regulations: Local Options**

Firearms Zoning

City of Ypsilanti, MI
June Planning Commission

Zoning Authority

Zoning ordinances are enacted to protect the health, safety, and welfare of the people in a municipality.

There are limitations on what a zoning ordinance can and cannot do.

Signs, which are strongly protected by the First Amendment, are regulated by the Zoning Ordinance for "time, place, and manner" and by the Building Code for structural safety.

"Adult Regulated Uses" – uses such as strip clubs and stores which primarily sell sexually explicit material – are also regulated for time, place, and manner under the Zoning Ordinance, and must meet the same standards for structural safety under the Building Code as any other structure.

These statements are, of course, vast simplifications of quite a bit of law at the federal, state, and local level as well as a vast body of case law.

Zoning Authority

The ability to carry a firearm, as well as the ability to own a firearm, are areas that are heavily regulated by the state and federal governments. These are <u>not</u> areas that would be subject to zoning regulation, nor are they the subject of any proposed discussion.

Where businesses that buy &/or sell firearms as the major component of their business may locate, whether buying &/or selling of firearms can be permitted as a home occupation, and where firearms ranges may locate <u>is</u> subject to zoning.

Currently, firearms are not considered separately from any retail/wholesale/specialty product, nor their recreational use from any other recreational use. Retailers of firearms may located anywhere retail is permitted, and ranges may locate anywhere indoor recreation is permitted.

Current Status

The ability to carry a firearm, as well as the ability to own a firearm, are areas that are heavily regulated by the state and federal governments. These are not areas that would be subject to zoning regulation, nor are they the subject of any proposed discussion.

Where businesses that buy &/or sell firearms as the major component of their business may locate, whether buying &/or selling of firearms can be permitted as a home occupation, and where firearms ranges may locate is subject to zoning.

Currently, firearms are not considered separately from any retail/wholesale/specialty product, nor their recreational use from any other recreational use. Retailers of firearms may located anywhere retail is permitted, and ranges may locate anywhere indoor recreation is permitted.

Other Communities

Municipalities Searched

- Ann Arbor
- Ferndale
- Mount Pleasant
- Jackson
- Wayne
- Kalamazoo
- Adrian
- Grand Rapids
- Saugatuck
- Pontiac
- Inkster
- Marquette
- Zeeland
- Grosse Pointe Farms

Terms Searched

- Range
- Shooting
- Firearm(s)
- Archery
- Rifle
- Gun
- Pistol

Other Communities

One municipality regulated whether pistols could be taken in pawn shops

Nine municipalities regulated where archery &/or gun ranges could be located (one allowed for archery ranges, but explicitly prohibited gun ranges; another allowed only for "police small arms firing ranges")

One municipality prohibited "All uses involving the distribution of firearms or the storage of firearms intended for sale or distribution are prohibited as home occupations."

One municipality regulated "firearms sales establishments" to a special use in one business district, and in the same manner as their equivalent of our "adult regulated uses."

Discussion

CITY OF YPSILANTI, MI
JUNE PLANNING COMMISSION

2. Commercial Sales and Commercial Recreational Use of Firearms

Planner Wessler stated that this is a follow-up from last meeting. Staff mapped the proposed distances and started to remove elements to make sure the uses were not "zoned out."

Staff recommended Option 4, allowing Firearms Sales Establishments as a Special Use in GC and S/Res (special use when adjacent to residential, otherwise permitted) in PMD, with the following locational restrictions:

- 500' away from public parks, daycare centers, grade schools, Eastern Michigan University, and the Center District;
- 300' away from pawn stores or secondhand goods dealers;
- 300' away from a store less than 15,000 square feet with sales of alcohol, or a bar/lounge. Thoughts about adding language.

Staff further recommended that the Planning Commission evaluate whether a buffer distance from other firearms sales establishments of 300', 500', or 1,000' might be desirable. Staff recommends 1,000', as this distance generally permits one establishment per available neighborhood, preventing an overconcentration of uses.

Commissioner Jugenitz asked about the rationale between differentiating between uses for buffering. The difference is between outdoor assembly (500') and distances between recreational intoxicants and uses that could become firearms sales like pawn stores. The buffers go from lot line to lot line and only allow one establishment per parcel. Other cities either don't regulate firearms at all or have 1000' buffer which would be difficult in such a small city.

Chair Dunwoodie proposes that they add an additional 1,000' buffer between firearms sales and ranges- between all facilities. Commissioner Jugenitz is okay with option 3 with that addendum. Commissioner Dennis is in favor of the most restrictive option and is concerned that the only locations for gun ranges are on the south side.

Commissioner Jugenitz made a motion that Planning Commission recommend that City Council approval of the Text Amendment: Firearms Amendment Option 4 with an additional a 1000' buffer between firearms establishments, with the following findings.

1. The amendments are consistent with the guiding values of the Master Plan.
2. The amendments are consistent with the intent of the zoning ordinance.
3. The proposed amendment will enhance the functionality and character of the future development in the City.
4. The proposed amendment will protect the health, safety, and general welfare of the public.
5. The proposed amendment will not result in the creation of nonconformities.

Further, staff recommends that Planning Commission recommend that City Council direct staff to review Chapter 82 and provide recommendations regarding limiting the acceptance of firearms by secondhand goods establishments within the City.

The motion was supported by Commissioner Hollifield. A roll call vote was taken and passed 5-2. (T. Dennis and J. McGadney oppose).

Zoning Ordinance Text Amendment to address firearms sales and commercial recreational use

RANGES

500' away from:
public parks,
daycare centers,
grade schools,
Eastern Michigan University
Center Zoning District
pawn stores/secondhand goods dealers
store less than 15,000 square feet with sales of alcohol

1,000 feet away from:
other firearms sales or ranges

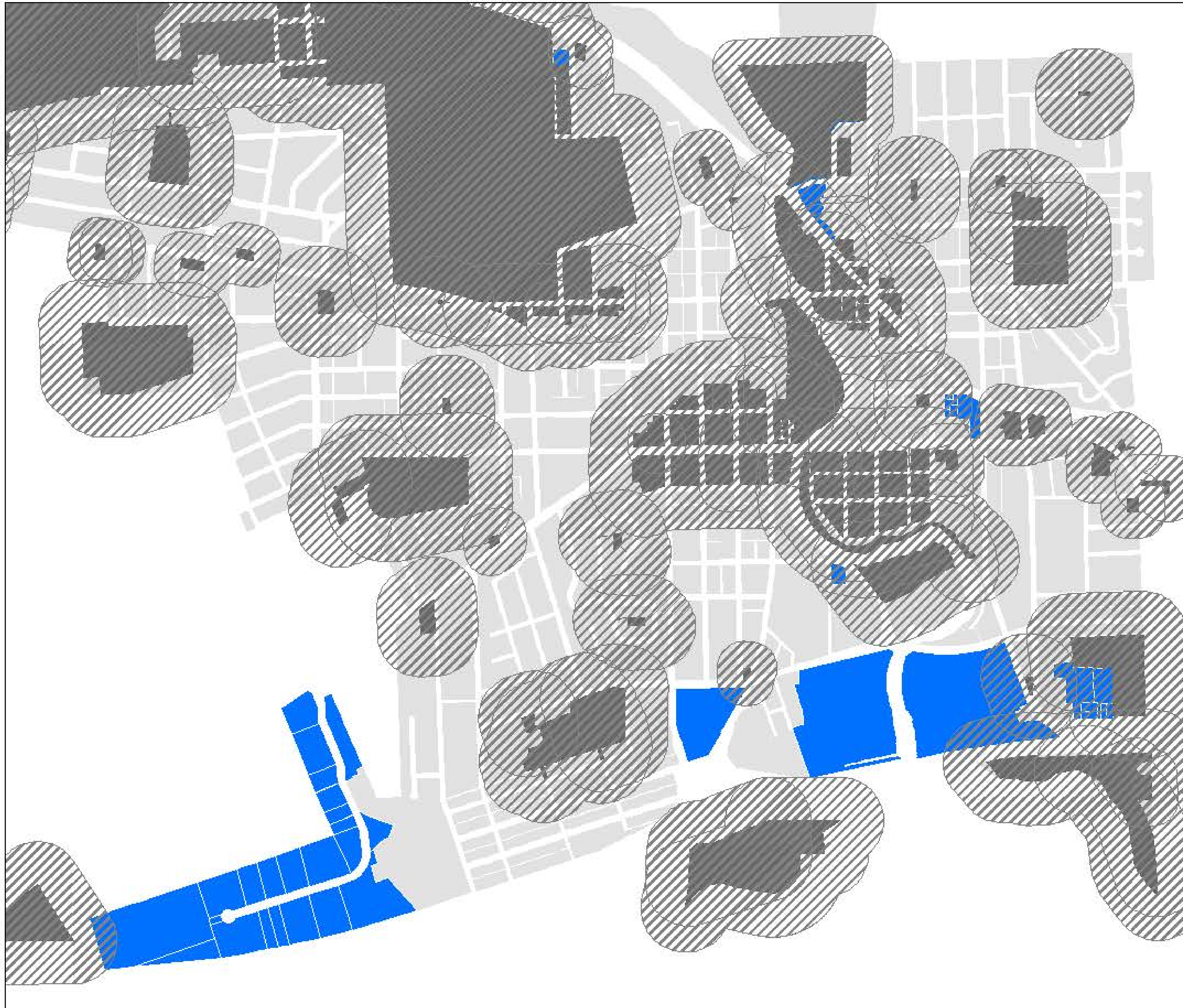
schoolbuff500
dcbuff500
Eastern Michigan University 500'
Center district 500'
Pawn store 300'
liquor_300_buffer
parkbuff500
daycare1
Schools
Eastern Michigan University
Center district
Pawn store
Liquor stores
parks1

Permitted Zoning Districts

General Corridor - Sales
Production, Manufacturing, Distribution - Ranges
City parcels

NORTH

0 0.1 0.2 0.4 Miles



Zoning Ordinance Text Amendment to address firearms sales and commercial recreational use

SALES

500' away from:
public parks,
daycare centers,
grade schools,
Eastern Michigan University
Center Zoning District
pawn stores/secondhand goods dealers
store less than 15,000 square feet with sales of alcohol

1,000 feet away from:
other firearms sales or ranges

- schoolbuff500
- dcbuff500
- Eastern Michigan University 500'
- Center district 500'
- Pawn store 300'
- liquor_300_buffer
- parkbuff500
- daycare1
- Schools
- Eastern Michigan University
- Center district
- Pawn store
- Liquor stores
- parks1

Permitted Zoning Disticts

- General Corridor - Sales
- Production, Manufacturing, Distribution - Ranges
- City parcels

NORTH

0 0.1 0.2 0.4 Miles

Resolution No. 2019-060
March 19, 2019

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing for an ordinance entitled “Firearms Sales and Commercial Recreational Use” be officially closed.

OFFERED BY: ______________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE:

Resolution No. 2019-061
March 19, 2019

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the following items be approved:

1. Resolution No. 2019-062, approving minutes of March 5 and March 7, 2019.

2. Resolution No. 2019-063, approving ordinance 1332, an ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties. **(Second Reading)**

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

Resolution No. 2019-062
March 19, 2019

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of March 5 and March 7, 2019 be approved.

OFFERED BY: ____

SUPPORTED BY:____

YES: NO: ABSENT: VOTE:

CITY OF YPSILANTI
CITY COUNCIL REGULAR MEETING
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, MARCH 5, 2019
7:00 p.m.

I. CALL TO ORDER –

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

II. ROLL CALL –

Council Member Brown	Present	Council Member Symanns	Present
Council Member Morgan	Present	Council Member Wilcoxen	Present
Council Member Murdock	Absent	Mayor Bashert	Present
Mayor Pro-Tem Richardson	Present		

Council Member Brown moved, seconded by Council Member Symanns to excuse the absence of Council Member Murdock.

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

III. INVOCATION –

Mayor Bashert 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. AGENDA APPROVAL –

Council Member Brown moved, seconded by Council Member Symanns to approve the agenda.

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

VI. INTRODUCTIONS –

Mayor Bashert introduced the following individuals; City Planner Bonnie Wessler, Community Development/DDA Director Christopher Jacobs, Economic Development Director Joe Meyers, Non-motorized Commissioner Bob Krzewinski, Interim Department of Public Services Director Brad Holman, City Attorney John Barr, City Clerk Frances McMullan, OHM Engineer Kent Early, MWM Consulting Group Representative Dan Colby, Interim Fire Chief Ken Hobbs, and City Manager Darwin McClary.

VII. **PRESENTATIONS** –

- Retiree Health Plan Overview – MWM Consulting Group.

Actuary Dan Colby provided a presentation regarding Other Postemployment Benefits (OPEB).

Council Member Wilcoxen asked on what the benefit numbers are based. Mr. Colby responded there are flat dollar amounts included in the contracts.

Council Member Morgan asked for clarification for the data provided. Mr. Colby responded he would be able to provide that to the City Manager in a couple of days.

- Proclamation recognizing March as National Nutrition Month, and March 13th as Registered Dietitian Nutritionist Day.

Mayor Bashert read aloud the proclamation and presented it to Jennifer Meyers.

Jennifer Meyers thanked the Mayor, and stated she works and lives in the community. She appreciates the recognition and support, and thanked Mayor and Council for their work.

Mayor Bashert stated the work of Nutritionists and other health professionals in this community is vital. She stated there is a nine year life expectancy gap between the Westside and Eastside of Washtenaw County, and nutrition is a part of that.

- 2018 Planning Commission Annual Report

City Planner Bonnie Wessler provided the Planning Commission 2018 Annual Report.

Mayor Bashert stated the Planning Commission has completed an extensive amount of work in 2018. She asked why there was such a huge jump in Special Use Permits. Ms. Wessler responded it is a result of construction and development projects over the past few years.

Council Member Morgan stated he understands Planning is a citywide action, and asked if there is anything coming up over the year that would provide young people space for recreation. Ms. Wessler responded the Planning Commission neither has a budget, nor does it initiate projects. The Commission is to advise City Council on city policy, based on the standards set forth in the Code of Ordinances. The Commission would review projects brought forth by a developer of a facility for youth programs. Mayor Pro-Tem Richardson asked if during the Master Plan process the Planning Commission could add youth facilities. Ms. Wessler responded in the affirmative, but it would be a policy direction not an actual project.

Mayor Pro-Tem Richardson asked what is meant by creating a "front door" for Eastern Michigan University. Ms. Wessler responded this began with the shape Ypsi Master Plan, by connecting the two green spaces by the water tower and create a more cohesive commercial corridor at Cross and Washtenaw. Ms. Richardson stated Washtenaw becomes Cross near the Water Tower. Ms. Wessler responded it actually becomes two distinct streets.

Mayor Pro-Tem Richardson stated the city is going to begin its Master Planning process. Ms. Wessler responded in the affirmative.

Council Member Wilcoxen stated there is a capacity reduction from 2019-2020. Ms. Wessler responded the city is undertaking a feasibility study to examine reducing a lane on Hamilton and Huron, which are MDOT trunk lines. Staff is interested in reducing the number of lanes and either use the additional space for parking or bicycle lanes. This is in hopes to reduce speeding along that corridor as well as provide additional safety for non-motorized forms of transportation. Mr. Wilcoxen asked what is meant by "aging in place". Ms. Wessler responded to build a city and infrastructure that allows people who may be aging without having to move.

Mayor Pro-Tem Richardson stated some time ago there was discussion regarding making Cross a two way street, and if there is still potential for that conversion. Ms. Wessler responded the level of traffic that road serves make it difficult for that conversion.

- 2018 Community Development Annual Report

Community Development/DDA Director Christopher Jacobs provided the 2018 Community Development Report.

Mayor Pro-Tem Richardson asked if the Ozone House will have more than one building. Mr. Jacobs responded there will be only one building.

Mayor Pro-Tem Richardson asked if Recycle Ann Arbor will take Styrofoam. Mr. Jacobs responded in the affirmative.

Mayor Bashert thanked the Community Development Department for their work in the Neighborhood Enterprise Zone (NEZ), and the success of the Property Disposition Program. Mayor Pro-Tem Richardson stressed the intention of home ownership for those programs. Mr. Jacobs agreed, and commented the NEZ includes a homestead requirement.

VIII. <u>AUDIENCE PARTICIPATION/PUBLIC COMMENT</u> -

1. Lorrie Thomas, 1587 S. Congress, stated she filed a formal complaint requesting a violation of ethics based on the change of hiring practices. She stated there is a conflict of interest in hiring, and asked that the process be postponed.

2. Bob Krzewinski, 706 Dwight, stated he is the member of the Non-motorized Commission and supports creating additional protection for pedestrians. He is in support of the approval of the traffic control policy.

3. Harl Miller, 5229 W. Michigan Ave., supported the comments of Ms. Thomas and the filling of an ethics complaint. He asked how the complaint process would be conducted.

4. Michael Vincent, 1923 Collegewood, supported the appointment of Ken Hobbs to Fire Chief. He stated he cannot believe Mr. Hobbs was not hired, for a person from a suburban town.

5. James Roberts, Former Fire Chief, stated Mr. Hobbs knows everything needed to effectively run the Fire Department.

6. Anthony Morgan, 210 N. River #3, stated he has been a resident of the city for twenty-one years and he is ashamed Mr. Hobbs was not hired. He respects the process, but he understands civil rights and civil wrongs. He would like to see a fairer city, and evidence that it is moving in that direction.

7. Bryan Foley, 425 Ainsworth Cir, stated he is embarrassed and ashamed to be a citizen of Ypsilanti resulting from Mr. Hobbs not being hired. He does not understand what is going on, when an employee gives thirty-three years of dedicated service and is passed over for a position.

8. Kyle Hunter stated he supports the hiring of Ken Hobbs as Fire Chief. He added white supremacy needs to be removed from this city.

9. Noah Rucker, 1839 Ashley Dr., supported recognizing healthy nutrition in this City. He wished Mr. Hobbs the best of luck and he will press the issue with public. The Booker T. Washington holiday is coming up, and he needs sponsorship. He invited all to attend the event, and added City Council needs to do more to support kids in this community.

10. Allison Ierton, 8654 Wickfield Ct., stated increasing the buffer for medical marijuana facilities would create problems for construction. She stated increasing the buffer could create issues of access for patients. She asked that Council consider grandfathering those applications currently on the waitlist for 2019.

11. Alexandria Shultz, S. Washington, stated she will update her speech to the Citizen Direct Ypsilanti Facebook page. She invited Council to like and share the speech. She is frustrated with the lack of change in, the lack of mentors, and the level of toxicity in this city.

12. William Simmons, 128 Bell St., supports the hiring of Chief Hobbs, and needs to speak up for what is right. He added fairness needs to be considered.

13. Ken Hobbs stated he was appointed Fire Chief prior to the former chief leaving for retirement, but he only had two days to be brought up to speed for the position. That was the length of the transition period, however, a request was made in advance to allow for more training. He is doing everything he can to learn on the job, and was denied being offered the position permanently. He added Sammone Dixon the Fire Department Executive Secretary has applied for several jobs, and been denied and she has a Master's Degree.

14. Lee Tooson, 107 Middle, stated he was not surprised by the selection of the Fire Chief, but he thought Ken Hobbs would be treated fairly. He stated both gay and African Americans struggle, however, Ken Hobbs do not fit into the City Manager's team he is creating. He told City Council to stop letting the Mayor dictate what it does. He asked Council how it can rest with the decision to not hire Ken Hobbs.

15. Lois Richardson, 1055 Jefferson, stated she is dressed in black because she morns for this city. She has born, raised, and educated in this city and has lived here the majority of her life. Stated racism and bigotry is present in this city, and the city will not be what it can be until it is addressed. There needs to be a change in this city.

16. Valerie Brown, 107 Middle, stated her neighborhood has been requesting speed bumps on Ferris, and when a little girl was hit Ken Hobbs was one of the first responders. Ken Hobbs is the person she sees when there is danger in City. She spoke in support of the hiring of Fire Chief Hobbs.

17. Anne Brown, 2125 Collegewood, stated she has been a resident of Ypsilanti for forty years, and the City Manager needs to understand who the people of this city are. Mr. Hobbs has been groomed to become the Fire Chief, and he is the most qualified for the position.

18. Catherine Daligga, 1530 Gregory St., she spoke on behalf of Ken Hobbs to be hired as Fire Chief. She stated people often state they did not intend a decision to be deemed racist, but often the impact of the decision accounts more, intent is immaterial.

IX. REMARKS BY THE MAYOR –

- Thanked everyone for their comments, and stated Ken Hobbs has tremendous community support which speaks volumes. There are very clear rules in the Charter that do not allow Council to become involved in personnel issues. There are very important questions being raised and they are not being ignored.

X. ORDINANCES – FIRST READING – Ordinance No. 1332

1. An ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties.

   A. Resolution No. 2019-018A, adopting ordinance to add Article IV "Shared Mobility Device" on first reading.

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

   An ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties, Be approved on first reading.

OFFERED BY: Council Member Morgan
SECONDED BY: Council Member Brown

City Attorney John Barr provided an overview to why this has been submitted for approval.

Non-Motorized Committee Chair Bob Krzewinski provided additional comments regarding the ordinance. He stated the Non-motorized Committee is very supportive of this ordinance.

Council Member Brown thanked the City Attorney for taking the thoughts and comments of Council and incorporating them into the ordinance.

On a roll call, the vote to approve Resolution No. 2019-018A was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

   B. Resolution No. 2019-018, approving fees for shared mobility devices.

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

   Fees provided for in Article IV, entitled "Shared Mobility Devices, City Code Section 114.1 and following are set as follows:

1) **Permit fee: $200**
2) **Transfer fee: $200**
3) **Device fee: $1 per week per device, paid quarterly**

OFFERED BY: Council Member Morgan
SECONDED BY: Council Member Brown

On a roll call, the vote to approve Resolution No. 2019-018 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

Resolution No. 2019-039

XI. CONSENT AGENDA –

1. Resolution No. 2019-040, approving minutes of February 19, 2019.

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   THAT the minutes of February 19, 2019 be approved.

2. Resolution No. 2019-041, approving Ordinance 1334, an ordinance entitled "Zoning Periodic Update 2018 – Citywide". ***(Second Reading)***

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   WHEREAS, the City has an interest in protecting the health, safety, and welfare of the community; and

   WHEREAS, the City has an adopted Master Plan that reflects the policy goals of the City; and

   WHEREAS, the Planning Commission from time to time reviews the zoning ordinance performance with relation to these goals and general functionality; and

   WHEREAS, the Planning Commission has recommended the City Council adopt the proposed ordinance changes;

   NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approve the ordinance entitled Zoning Periodic Update 2018 on Second and Final Reading.

OFFERED BY: Council Member Brown
SECONDED BY: Council Member Symanns

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

XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2019-042, approving Ordinance 1333, an ordinance entitled "Medical Marijuana Provisioning Center Buffer Increase" ***(Second Reading)***

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City has an interest in protecting the economic diversity and image of the community; and

WHEREAS, the City has an interest in promoting and supporting local businesses and their growth; and

WHEREAS, the Planning Commission has recommended the City Council adopt the proposed ordinance change;

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approve the ordinance entitled Medical Marijuana Provisioning Center Buffer Increase on Second and Final Reading.

OFFERED BY: Council Member Wilcoxen
SECONDED BY: Mayor Pro-Tem Richardson

On a roll call, the vote to approve Resolution No. 2019-042 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	No
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 5	NO: 1 (Wilcoxen)	ABSENT: 1 (Murdock)	VOTE: Carried

2. Resolution No. 2019-043, authorizing administration to engage the services of OHM Advisors and Bergman Architects, Engineers, and Planners to prepare and submit an application for funding on behalf of the city to the federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program for the City of Ypsilanti Amtrak Rail Platform Project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti desires to seek the establishment of a permanent Amtrak train stop within the city to enhance public transit, provide needed transportation links from the city to other major cities throughout Michigan and beyond, reduce traffic congestion and adverse environmental impacts, and to promote economic activity and commerce; and

WHEREAS, the Ypsilanti city council has received and accepted the *Proposed Amtrak Scheduled Stop Feasibility Report* dated November 13, 2018, from OHM Advisors and Bergmann Architects, Engineers, and Planners with rail platform design alternatives, cost estimates, and feasibility locations; and

WHEREAS, the city understands that the federal government intends to increase funding for its Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program from the current $318 million to approximately $468 million; and

WHEREAS, the city is very confident that the City of Ypsilanti Amtrak Rail Platform Project meets the requirements for funding under the CRISI grant program and is an excellent candidate for funding; and

WHEREAS, the city desires to apply for CRISI funding to complete the city's rail platform project.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF YPSILANTI that the Ypsilanti city council does hereby authorize administration to engage the services of OHM Advisors and Bergman Architects, Engineers, and Planners to prepare and submit an application for funding on behalf of the city to the federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program for the City of Ypsilanti Amtrak Rail Platform Project as follows:

1. **The project design shall be in accordance with Alternative 1 contained in the November 13, 2018, *Proposed Amtrak Scheduled Stop Feasibility Study* with an estimated construction cost of $3,962,000.**
2. **The project shall be located in Depot Town as indicated in the Alternative 1 conceptual design outlined in the feasibility study.**
3. **The CRISI grant application shall seek funding in the amount of 50% of the total project cost, with 25% additional funding to be obtained from State of Michigan, Amtrak, Congestion Mitigation and Air Quality (CMAQ) grant, or other funding sources, and up to 25% funding to be provided by the City of Ypsilanti not to exceed $990,500 without additional city council approval; and**

BE IT FURTHER RESOLVED that the Ypsilanti city council does hereby authorize the City Manager to execute all necessary documents on behalf of the city to effectuate the preparation and submittal of this grant application.

OFFERED BY: Mayor Pro-Tem Richardson
SECONDED BY: Council Member Nicole Brown

OHM Kent Early provided a synopsis regarding what has been submitted for approval.

Council Member Wilcoxen asked if the city should ask for the full 80% from CRISI, and up to 25% match from the city. Also, is there potential to drop the city's match down to 10% of other funding sources are identified. Mr. Early responded there is potential for that.

Mayor Pro-Tem Richardson asked how the $990,500 was developed. Mr. Early responded it is 25% of the $3,962,000. Ms. Richardson stated Mayor Bashert informed her this is enough in the General Fund to finance this project. Mayor Bashert responded in the affirmative. City Manager Darwin McClary added there is $6.5 million in the General Fund Reserves. Municipalities should maintain 15% to 20%, which would be roughly $2.8 million. Ms. Richardson stated if the funding is not obligated they can be moved, and does not want the city to find itself without funding. Mr. Early stated because of the short turnaround time makes it difficult to obligate the funding until it is found projects meet the criteria.

Council Member Morgan stated OHM believes this train station would be an excellent candidate for this grant. He asked what the criteria are giving Ypsilanti that standing. Mr. Early responded this project would essentially be a new stop, and the Federal Rail Administration (FRA) is looking to fund that type of project. Mr. Morgan asked what has delayed the project in Kansas for eight years. Mr. Early stated the application for that project was for a very expansive upgrade to the facility. The CRISI grant did not fund the entire project, but it did fund a significant amount, and there are some fund matching and environmental issues. As a result only approximately 30% of the project is complete. OHM's concern is that if Ypsilanti is approved for the grant there is an expectation to expend the money in a short amount of time. The FRA was asked who evaluates the project and it responded the municipality would need to submit a report regarding the progress of the project. Mr. Morgan asked what the engineering cost and other studies needing to happen to apply for this grant. Mr. Early replied the environmental study has already budgeted, the reminder would be roughly $35,000 but there is potential to cut that cost. Mr. Morgan asked if the grant is dependent on the site and option council selects. Mr. Early responded no. Mr. Morgan asked if the city prepares an application for the CRISI grant is there a chance it would be denied. Mr. Early responded there is always that chance. Mr. Morgan asked if that payment for the preparation of the application be due by the time the grant is approved or not. Mr. Early replied in the affirmative.

Council Member Symanns stated she feels more comfortable with the grant match being up to 25%. She asked if Council approves this resolution it is approving the expending of nearly $1 million, without a second chance to look over the grant. Mr. McClary asked if the grant is awarded a contract would come back to the Council for approval. Mr. Early responded in the affirmative. City Attorney John Barr stated this resolution would direct staff to expend $990,500 for this grant without further Council approval. Ms. Symanns responded than she cannot support this resolution. Mayor Pro-Tem Richardson agreed. Mr. Early suggested the resolution allow city administration to work with OHM and Bergmann to seek this CRISI grant but if awarded the ultimate selection of the site come back to Council. Ms. Symanns stated she wants the resolution to state there needs to be a second round of Council approval.

Mr. Barr asked why Council is approving this resolution now if it will approve the contract at a later meeting. Mr. McClary responded for the preparation of the grant application. Mayor Bashert stated she does not believe staff may go any further without the approval of Council.

Mr. Barr asked how the $990,500 will be paid. Mayor Bashert replied it would require a budget amendment. Mr. McClary stated the language of the resolution does not authorize the spending of funds. He added there is still approval needed to move forward by contract with the Federal Government.

Mayor Pro-Tem Richardson stated she has an issue with the spending of funds, the city has always had the City Attorney as part of authorization. She does not feel comfortable with only the City Manager authorizing the spending of these funds. Mayor Bashert asked if that is customary. Mr. Barr responded for contracts it is, he is comfortable with the alternate resolution.

Mayor Pro-Tem Richardson read the new version of the resolution into the record.

Mayor Pro-Tem Richardson moved, seconded by Council Member Brown to approve the substitute resolution.

Council Member Wilcoxen asked why there was an increase in cost between the new resolution and the old resolution. Mr. McClary responded the discrepancy is a result of not selecting a specific location. OHM informed him to include the higher dollar amount for the LeForge location, opposed to the Depot Town location. Mr. Wilcoxen asked the cost of Alternative 1 with the tunnel. Mr. Early responded over $7 million. Mr. Wilcoxen stated if he wanted the option with the tunnel, asking for the tunnel will be based on what the city is willing to match.

Council Member Symanns asked if requesting the amount for the LeForge site would than commit the city to that site. Mr. Early responded the FRA would simply scale done the amount awarded, there would not be a commitment to that site.

Council Member Morgan asked how many times the city can apply for the CRISI Grant. Mr. Early responded once a year. Mr. Morgan asked if not awarded this grant the city would need to find another funding source. Mr. Early replied that funding process begins in July, and the city would not have another opportunity to apply until July 2020. Mr. Morgan asked when the environmental testing would be completed. Mr. Early responded in late summer to early fall.

Council Member Wilcoxen asked if the city is applying for 80%, why the resolution would state 50%. Mr. Early responded the grant will fund between 50% and 80%, the max is 80%. Mr. Wilcoxen asked why if the resolution states up to 25% on the city's end why not up to 80% match from the grant.

Council Member Wilcoxen moved, seconded by Mayor Pro-Tem Richardson to amend the resolution to read "up to 80%" in item number 2.

Mayor Pro-Tem Richardson offered a friendly amendment indicating the city is applying to be awarded an 80% match.

Council Member Wilcoxen accepted the friendly amendment.

On a roll call, the vote to amend Resolution No. 2019-043 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

Council Member Wilcoxen stated the last minute change to this resolution is unnerving and unacceptable. Mayor Pro-Tem Richardson agreed.

On a roll call, the vote to approve Resolution No. 2019-043 as amended was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	No	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 5 NO: 1 (Morgan) ABSENT: 1 (Murdock) VOTE: Carried

Council Member Brown asked the City Manager if the new resolution was sent to Council electronically. Mr. McClary responded no. Ms. Brown asked for it to be emailed to Council.

3. Resolution No. 2019-044, approving the 2019-2020 City Council Goals.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, during the months of January and February 2019, the city council engaged in goal setting and budget prioritization exercises with the valuable assistance from facilitator Dr. Morgan Milner and city administration; and

WHEREAS, Dr. Milner prepared a report titled *Ypsilanti City Council 2019-2020 Goal-Setting Report* which outlines the results of the city council's goal setting sessions; and

WHEREAS, pursuant to Section 5.02 of the Ypsilanti city charter, the city council desires to adopt goals, objectives, and budget priorities for 2019-20 to provide the necessary direction to the City Manager for allocation of resources for the FY 2019-20 and FY 2020-21 proposed budgets.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF YPSILANTI that the Ypsilanti city council does hereby adopt the attached Ypsilanti City Council 2019-2020 Goal-Setting Report as the city council's goals, objectives, and budget priorities for FY 2019-20 with the following revisions:

If any; and

BE IT FURTHER RESOLVED THAT the Ypsilanti city council does hereby direct the City Manager to consider these adopted goals, objectives, and budget priorities during the preparation of the FY 2019-20 and FY 2020-21 proposed budgets in accordance with Section 5.02 of the Ypsilanti city charter

OFFERED BY: Council Member Symanns
SECONDED BY: Council Member Brown

Council Member Morgan stated Council and staff did a good job developing these goal, but wants timeframes and action steps attached to the goals to make them a reality. Mayor Bashert stated through the budget process staff will attach dollar amounts to achieve those goals. Over the course of the next two years Council will approve tasks to achieve those goals. Mr. Morgan asked how Council will assess staff if they have achieved those goals. Mr. McClary stated budget presentations will begin in May. Mayor Pro-Tem Richardson agreed a timeframe should be attached to the goals. Council Member Brown stated in May Department Heads provide presentations on how to achieve goals for their departments. It does not mean the projects have actually began, she agrees timeframes should be attached to goals. Council Member Wilcoxen asked what would be the mechanism for creating the timeframes. Ms. Bashert stated she believes it is too early to assess timeframes, but Council should develop a plan to review goals. Mr. Morgan stated there have been times in which allocated funds go unexpended, and that is what he wants to avoid.

Mayor Pro-Tem Richardson stated there are goals that do not require funding, and those goals would require a timeframe.

On a roll call, the vote to approve Resolution No. 2019-044 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

Council Member Brown moved, seconded by Council Member Morgan to extend the meeting until 10:30 p.m.

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

4. Resolution No. 2019-045, adopting timeline for the City Manager and City Clerk evaluation process.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, City Council is the governing body of the City of Ypsilanti charged by law with certain powers and duties to conduct the affairs of the City; and

WHEREAS, there is a desire to codify an evaluation process for the City Manager and City Clerk.

NOW, THEREFORE, BE IT RESOLVED that the Ypsilanti City Council hereby adopts the following timeline for the City Manager and City Clerk evaluation process.

March 5th – Evaluation Committee selected

March 5th – Council approves the process

March 6th – evaluation forms distributed to the City Clerk and Manager

March 12th – evaluation forms due

March 13th – evaluation forms will be distributed to Council. Council will have two weeks to complete the evaluations.

March 27th – City Council evaluations forms are due

OFFERED BY: Council Member Symanns
SECONDED BY: Council Member Brown

Council Member Wilcoxen asked when the evaluation is complete. Mayor Bashert responded in April the final evaluations will be distributed to Council and staff. Staff may than request a Closed Session or Open Session to have their evaluations.

Council Member Morgan asked if Council may fire or promote an employee based on the evaluations. Mayor Bashert responded there is no position to promote the employee to, and she does not believe an evaluation could be the basis of firing. Mayor Pro-Tem Richardson asked the City Attorney's opinion on Council Member Morgan's question. Mr. Barr responded the City Clerk and City Manager are hired by Council and they are at will employees. Council has the option to dismiss them at any time for any reason. The Council provides the employee an evaluation and the employee has the right to have a hearing, either in Open or Closed Session to address the determination. Council Member Brown stated the evaluation does not dictate whether or not Council can dismiss an employee. Mr. Barr responded in the affirmative.

Mayor Bashert asked who would like to be on the committee, and she believes she is required to be on the committee. Mayor Pro-Tem Richardson responded the Mayor is not required to be on the committee.

Council Member Morgan moved, seconded by Mayor Pro-Tem Richardson that a member of each Ward be a member of the committee.

Mayor Pro-Tem Richardson stated the only time she has ever known the Mayor to sit on the evaluation committee was last year. The Committee historically has included a member of each Ward.

Council Member Symanns stated she did some research on practices from other cities, and the Mayor leads this process. She does not see why it is an issue for the Mayor to tabulate the results, at least one person would tabulate the results. Clerk Frances McMullan stated former Council Member Robb used to tabulate results of evaluations. Ms. Symanns volunteered to be the point person for the tabulation. Council Member Morgan appreciates the research of Council Member Symanns, but Ypsilanti has performed evaluations differently, until the former Mayor arbitrarily changed the process without input from Council.

Mayor Bashert asked if Council Member Morgan would like to be on the committee. Council Member Morgan responded if Council Member Murdock is unable to be a member of the committee he would be honored. Ms. Bashert asked if Council Member Brown would like to be a member of the committee, since she was on the committee last year. Mayor Pro-Tem Richardson stated she would like to sit on the committee this year, and she and Council Member Brown can rotate years.

Mayor Bashert listed the committee as Mayor Pro-Tem Richardson, Council Member Symanns, and Council Member Morgan.

Mayor Pro-Tem Richardson stated during past evaluations the committee has selected the evaluation tool. Mayor Bashert responded with all due respect to what was done historically, this is what is happening for this evaluation. Council Member Brown stated in the past Council has been able to review the forms. Ms. Bashert stated she is not in favor of creating forms by group. Ms. Richardson responded Council will need to approve the forms. Ms. Bashert replied the forms will be distributed for approval, and this resolution can be tabled.

On a roll call, the vote to have a Council Member from each Ward selected for the Evaluation Committee Resolution No. 2019-045 was as follows:

Council Member Brown	Yes	Council Member Symanns	No
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 4 NO: 2 (Bashert, Symanns) ABSENT: 1 (Murdock) VOTE: Carried

Council Member Symanns, moved seconded by Council Member Brown to table Resolution No. 2019-045 until the March 19, 2019 meeting.

On a roll call, the vote to table Resolution No. 2019-018 until March 19th was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	No	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	No		

VOTE:

YES: 4 NO: 2 (Richardson, Morgan) ABSENT: 1 (Murdock) VOTE: Carried

Mayor Bashert stated the reason she suggested to postpone this resolution is because the forms were not available at this meeting. Council Member Wilcoxen stated there needed to be background, and the process in place prior to Council approval.

5. Resolution No. 2019-046, adopting the Responsive Traffic Safety Improvement Policy and Process.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti is desirous of ensuring the safety of all right-of-way users in the City; and

WHEREAS, the City of Ypsilanti is invested in ensuring that the capital improvement process and related processes are clear and consistent; and

WHEREAS, road and right-of-way improvements outside the customary Capital Improvement Program may be required to ensure the safety of our residents and visitors from time to time;

NOW THEREFORE BE IT RESOLVED that the Ypsilanti City Council adopt the Responsive Traffic Safety Improvement Policy and Process.

OFFERED BY: Mayor Pro-Tem Richardson
SECONDED BY: Council Member Morgan

Planner Bonnie Wessler provided synopsis to why this has been submitted for approval.

Mayor Pro-Tem Richardson asked how the policy will be implemented. Ms. Wessler responded if residents of a certain street submitted a petition it would be reviewed by staff. Staff would complete a report, including all relevant data, and submit it to Council. Council would than approve, disapprove, or amend the calming method recommended by staff.

On a roll call, the vote to approve Resolution No. 2019-046 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

Council Member Brown moved, seconded by Council Member Symanns to extend the meeting until 10:45 p.m.

On a voice vote, the motion carried, and the meeting was extended until 10:45 p.m.

6. Resolution No. 2019-047, accepting the proposal from Beckett & Raeder for a Master Plan & Sustainability Plan Creation.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti adopted a Master Plan in October of 2013; and

WHEREAS, the Planning Commission has found that the Master Plan needs to be updated to reflect new information, new trends, and new tools; and

WHEREAS, City Council enacted an ordinance in January 2017 to create a Sustainability Commission; and

WHEREAS, the Sustainability Commission is charged by ordinance with creation of a Sustainability Plan, and

WHEREAS, four proposals were submitted, which were reviewed by staff with input from both Planning Commission and Sustainability Commission, and

WHEREAS, staff recommends awarding the proposal to Beckett & Raeder of Ann Arbor for a cost of $25,024, and recommends the options for additional public engagement for an additional $3,465;

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council accepts the proposal from Beckett & Raeder of Ann Arbor for a Master Plan Update & Sustainability Plan Creation for an amount not to exceed $29,000; and

NOW THEREFORE BE IT FURTHER RESOLVED THAT the fifteen thousand of the above amount be drawn from that allocated for Sustainability Plan to be drawn from the Capital Improvement General Government Contractual Services (414-7-2650-818-00) and fourteen thousand of the above amount be drawn from Economic Development's Planning Contractual Services (101-7-7210-818-00); and

OFFERED BY: Council Member Morgan
SECONDED BY: Council Member Symanns

Council Member Wilcoxen asked if the city is required to do this every five years. Mayor Bashert responded in the affirmative, and the Sustainability Commission is charged with creating a Sustainability plan by ordinance.

Council Member Morgan stated the resolution the plans are not to exceed $29,000, and asked if the city has prior experience with Beckett & Raeder. Ms. Wessler responded in the affirmative. Mr. Morgan asked if the company has a good reputation. Ms. Wessler responded in the affirmative.

On a roll call, the vote to approve Resolution No. 2019-047 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Absent		

VOTE:

YES: 5 NO: 0 ABSENT: 2 (Murdock, Richardson) VOTE: Carried

7. Resolution No. 2019-048, adoption of the City of Ypsilanti Energy Plan.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, in November of 2017 the City has entered into a Memorandum of Understanding with EcoWorks to complete an Energy Plan that draws from and updates the 2012 Climate Action Plan with specific regard to City facilities; and

WHEREAS, EcoWorks has worked with the City to develop a plan that addresses the energy use of City facilities;

WHEREAS, the Sustainability Commission has been charged with the review and update of the Climate Action Plan; and

WHEREAS, the Sustainability Commission has reviewed this Energy Plan and recommended that City Council adopt it as a policy document;

NOW THEREFORE BE IT RESOLVED that the Ypsilanti City Council adopt the 2018 Energy Plan.

OFFERED BY: Council Member Brown
SECONDED BY: Council Member Symanns

Council Member Morgan stated he is vehemently opposed to a Climate Action Plan. He will be voting no on this resolution.

On a roll call, the vote to approve Resolution No. 2019-048 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	No	Mayor Bashert	Yes
Council Member Murdock	Absent	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 5 NO: 1 (Morgan) ABSENT: 1 (Murdock) VOTE: Carried

XIII. <u>LIAISON REPORTS</u> –

A. SEMCOG Update – Mayor Pro-Tem Richardson circulated the 2045 Transportation Plan. On March 14th SEMCOG will hold its General Assembly, and she will forward the location to Council.

Mayor Bashert stated the long term vision of SEMCOG is very exciting.

B. Washtenaw Area Transportation Study – Council Member Symanns stated during the last meeting there were discussions regarding budget.
C. Urban County – None
D. Ypsilanti Downtown Development Authority – Mayor Bashert stated a City Council and DDA joint meeting is going to be scheduled to discuss the parking strategy. The meeting will be scheduled on wither a Monday or Tuesday in the next month.
E. Ypsilanti Youth Safety Collaboration – Council Member Morgan stated he has spoken with a few AAATA bus drivers who have provided him with further insight regarding issues that have occurred at the Depot.
F. Friends of Rutherford Pool – Mayor Bashert stated the organization is nearing the end of their Patronicity campaign.

Mr. Meyers stated the group has reached its fundraising goal.

G. Housing Equity Leadership Team - None

XIV. <u>COUNCIL PROPOSED BUSINESS</u> –

<u>Wilcoxen</u>

- Stated he and Council Member Symanns held office hours this past weekend.

- He is proposing developing working groups for each of the proposals for Penn Dam. The point of this is to get people in the community to provide their voice. He would like Council's input on potential group members from their perspective Wards.

<u>Richardson</u>

- The Parkridge Community Center Black History event was very well attended, it was a great program. The Ypsilanti Community School Choir was excellent.

- She will be leaving for Washington DC Thursday, March 7th to attend the National League of Cities Conference.

Morgan

- He is following up on information from Ward 3 residents regarding a possible homeless shelter in the Ward.

- He invited the Ypsilanti Community Schools Superintendent Alena Zachery-Ross to the next City Council meeting. To provide a perspective on the regional landscape of education and what City Council can do to assist.

  Mayor Pro-Tem Richardson stated it has been the practice that Council hold a joint meeting with the YCS School Board. She agrees it would be good to have the superintendent attend the next Council meeting.

XV. COMMUNICATIONS FROM THE MAYOR –

- There is an event coming up entitled the Workforce Pipeline Summit. The event is being presented by the Regional Chamber of Commerce. She was approached by a group that would like to provide training regarding robotics. The city needs greater exposure to STEM carriers.

- This Saturday, March 9th at 4:00 p.m. there will be a historical tour of the Ypsilanti Water Tower. The tour is for staff on Council.

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

- He provided information regarding the pension millage.

- Civic Plus is providing a free website design this year. A committee has been created with representation from each department. The project will roughly take six to eight months.

- He will be at a conference during the next Council meeting on March 19th.

- City Manager Coffee Hours occur on Wednesdays from 5:30 pm to 6:30 pm.

XVII. COMMUNICATIONS –

- Michigan Trout Unlimited Support for the Removal of Penn Dam.

XVIII. AUDIENCE PARTICIPATION/PUBLIC COMMENT -

1. An audience member stated the Michigan Penal Code a city may regulate the operation of electronic mobility devices on sidewalks, highways, streets, or crosswalks. He believes there should be clarification on if the city actually has the power to create these regulations. Regulating mobility would be a violation of peoples civil rights. The ordinance is broad and could be used in grocery stores, unless it could be excluded on private property.

   Mayor Bashert stated this ordinance is in response to the potential of a company bringing in many electronic scooters, not for individuals.

XX. REMARKS FROM THE MAYOR –

XXI. ADJOURNMENT –

Resolution No. 2019-049, 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 three (3) members of Council.

OFFERED BY: Council Member Brown
SECONDED BY: Council Member Symanns

On a voice vote, the motion carried, and the meeting adjourned at 10:45 p.m.

CITY OF YPSILANTI
COUNCIL SPECIAL MEETING AGENDA
CITY COUNCIL CHAMBERS
ONE SOUTH HURON STREET, YPSILANTI, MI 48197
THURSDAY, MARCH 7, 2019
4:00 P.M.

I. CALL TO ORDER -

The meeting was called to order at 4:00 p.m.

II. ROLL CALL –

Council Member Brown	Present	Council Member Symanns	Present
Council Member Morgan	Present	Council Member Wilcoxen	Present
Council Member Murdock	Present	Mayor Bashert	Present
Mayor Pro-Tem Richardson	Present		

III. INVOCATION –

Mayor Bashert asked all to stand for a moment of silence.

IV. AGENDA APPROVAL –

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

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

V. PUBLIC COMMENT –

1. Jim Roberts, 5950 Plum Hollow, stated he is a former Ypsilanti Fire Chief and is here in favor of Ken Hobbs becoming Ypsilanti's next Fire Chief.

2. James Hawkins, 2144 Collegewood, spoke in favor of Ken Hobbs and that it is disrespectful to all city employees Mr. Hobbs is not being provided an opportunity to advance.

3. John McMillan, 504 N. Huron, stated he is a Civil Service Commissioner and the Commission supports the hiring of Ken Hobbs as the city's next chief. Those working in the Fire Department are in support of Mr. Hobbs being appointed.

4. Sammone Dixon stated she is a city employee and is concerned with the hiring and promoting practices of the city. She has concern for this city's leadership. She also spoke in favor of Ken Hobbs being promoted to Fire Chief.

5. Lee Tooson asked for the banners on the Council Chamber walls to be removed. He spoke about the diminished morale of city staff, and is disappointed the City Manager was hired.

6. Kyle Hunter supported the promotion of Ken Hobbs and asked for the removal of the City Manager.

7. Brian Geiringer supported the promotion of Ken Hobbs and is confused about decisions being made by the City Manager. He stated the City Manager is making it difficult for communications between city boards and commissions. He asked that the City Manager be removed.

8. Dave Hiekenen, business owner 133 W. Michigna, stated the people are the strength of this city and asked that Ken Hobbs be appointed Fire Chief.

9. Valerie Brown Tooson, 107 Middle, voiced her support for the appointment of Ken Hobbs to Fire Chief. She stated she did not know why the City Manager wanted to hire from outside the city.

10. Shoshana DeMaria, NAACP President, stated the city shouldn't need to look outside the city when there is a qualified applicant in the ranks of the department. She supports equal rights and the appointment of Ken Hobbs to Fire Chief.

11. Morie Thomas, Congress, spoke about white privilege and how the communities views this as a racist act.

12. Tru Ajani, National Representative THECREAM, stated he is from a generation that has lost its faith in the political process. Stated there need to be more African American role models like Ken Hobbs.

13. Ken Hobbs thanked everyone for their support.

14. Ricky Jefferson, 113 Devonshire, Washtenaw County Commissioner, stated was happy when he heard Ken Hobbs wanted to become Fire Chief. He has great faith in Ken Hobbs and was disappointed he was not appointed.

15. William Simmons stated he would like the City Manager removed from his position.

VI. <u>REMARKS BY THE MAYOR</u> -

None

IV. <u>PLEDGE OF ALLEGIANCE</u> -

"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. <u>INTRODUCTIONS</u> -

None

VI. CLOSED SESSION –

1. Resolution No. 2019-050, adjourning to Closed Session pursuant to section 8(a) of the Michigan Open Meetings Act, MCL 15.268 8(a)

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

   City Council go into closed session to discuss personnel evaluation of City Manager Darwin D.P. McClary, at his request, pursuant to section 8 (a) of the Michigan Open Meetings Act, MCL 15.268 8 (a).

OFFERED BY: Mayor Pro-Tem Richardson
SECONDED BY: Council Member Wilcoxen

On a roll call, the vote to approve Resolution No. 2019-050 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Yes	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

The meeting adjourned to Closed Session at 4:37 p.m.

Council Member Brown moved, supported by Council Member Symanns to reconvene to open session.

On a voice vote, the motion carried, and the meeting reconvened to Open Session.

The meeting reconvened to Open Session at 4:54 p.m.

VII. RESOLUTIONS/MOTIONS/DISCUSSOINS –

1. Resolution No. 2019-051, approving the resignation and separation agreement with Darwin D.P. McClary.

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

   The resignation of Mr. Darwin D. P. McClary as City Manager of the City of Ypsilanti, is accepted and his separation agreement (copy attached hereto), and all its terms and conditions are hereby approved, and the Mayor and City Clerk are authorized to sign said separation agreement for and on behalf of the city, subject to approval by the City Attorney.

OFFERED BY: Council Member Brown
SECONDED BY: Council Member Morgan

On a roll call, the vote to approve Resolution No. 2019-051 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Yes	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

2. Resolution No. 2019, 054, approving Police Chief Tony DeGiusti as Temporary Action City Manager until Frances McMullan returns to work and assumes position of Acting City Manager.

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

   Tony DeGiusti is appointed Temporary Acting City Manager to serve at the pleasure of City Council until such time as Frances McMullan returns to work and assumes the position and duties of Acting City Manager, to serve at the pleasure of City Council, until a regular City Manager is appointed.

OFFERED BY: Council Member Morgan
SECONDED BY: Mayor Pro-Tem Richardson

On a roll call, the vote to approve Resolution No. 2019-054 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Yes	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

3. Resolution No. 2019-052, approving the appointment of Frances McMullan as Acting City Manager.

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

   Frances McMullan is appointed Acting City Manager to serve at the pleasure of City Council until a regular City Manager is appointed.

OFFERED BY: Council Member Wilcoxen
SECONDED BY: Council Member Morgan

On a roll call, the vote to approve Resolution No. 2019-052 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Yes	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

4. Resolution No. 2019-053, approving the appointment of Andrew Hellenga as Acting City Clerk.

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

   Andrew Hellenga is appointed acting City Clerk to serve at the pleasure of City Council in the absence of City Clerk Frances McMullan.

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

On a roll call, the vote to approve Resolution No. 2019-053 was as follows:

Council Member Brown	Yes	Council Member Symanns	Yes
Council Member Morgan	Yes	Mayor Bashert	Yes
Council Member Murdock	Yes	Council Member Wilcoxen	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

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

Mayor Bashert stated she plans to identify an Interim City Manager, and will be forth coming with that resolution. Mayor Pro-Tem Richardson stated the Charter provides that the City Clerk acts as City Manager until a regular City Manager is hired. Clerk McMullan has filled in as Interim City Manager on more than one occasion and did a stellar job. Ms. Bashert stated there was no intent of disrespect or lack of faith in her comment. This has more to do with the several projects the city is undertaking.

VIII. <u>PUBLIC COMMENT</u> –

1. Sam Jones-Darling, 210 Brown Hall, stated if Council has such faith in Frances McMullan she should be given the position of City Manager permanently. The fact the City Manager has resigned causes the city to look good to the state and businesses. Council needs to decide what it wants, it needs a strategic plan. Council needs to know what it wants to do and do it.

2. Lee Tooson stated hopefully the city can begin to move forward without any obstructions. He warned Council that the Mayor wants to build her own team.

3. Brian Geiringer asked how Ken Hobbs will be appointed and supported the appointment of Frances McMullan to City Manager.

4. Valarie Brown Tooson stated her support for the appointment of Ken Hobbs to Fire Chief.

5. Ricky Jefferson stated the hiring process for the new City Manager should have a meet and greet in order for the public to meet the candidates prior to Council making a decision.

IX. REMARKS BY THE MAYOR -

— Addressed the importance of racism and homophobia in city processes, we are all steeped in racism and homophobia. The city must work to overcome them together not in separate silos. One of the most important aspect of being an elected official is transparency. She asked if this action was taken with adequate transparency was given for today's meeting. The issue of racism in hiring of the new Fire Chief was brought forward during Tuesday's regular Council Meeting. She asked if there had been any inquiries into that charge, or Mr. McClary approached about that issue. The answer is no, no City Council Member approached him. It is always the job of elected officials to do their due diligence in investigating these claims. She stated homophobic comments have been made against Mr. McClary and herself. She would have supported the responsible action of putting the Fire Chief hiring process on hold to investigate these claims. The city is on the cusp of several projects that need immediate action. The capacity to handle the projects is greatly diminished by this circumstance. She asked what the impact of the City Manager search will have on these projects. She would like to continue to address the systemic issues that allow implicit bias to enter into hiring. She wants to work to build a more fair and robust hiring process. She wonders how this will affect potential partners of the city for future projects. The Council Members that called this meeting might have set in motion unplanned repercussions. She asked that for all to work together in order for Ypsilanti to be all it can be.

Council Member Morgan responded he appreciates the need for transparency. He stated there were a host of issues that led to this meeting, not just the selection of Fire Chief. He does not believe there was a way that everyone agreed with, but this is how it happened. He said all of Council is accountable, and need to take responsibility for the state of the city.

X. ADJOURNMENT –

Resolution No. 2019-054, 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 three (3) members of Council.

OFFERED BY: Mayor Pro-Tem Richardson
SECONDED BY: Council Member Wilcoxen

On a voice vote, the motion carried, and the meeting adjourned at 5:19 p.m.

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

105 Pearl Street
Ypsilanti, MI 48197
(734) 481-1234
Fax (734) 483-3871
www.barrlawfirm.com
e-mail: jbarr@barrlawfirm.com

John M. Barr
Karl A. Barr
~~~~~~~

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

REQUEST FOR LEGISLATION

DATE: February 28, 2019

FROM: John M. Barr, Ypsilanti City Attorney

SUBJECT: Ordinance for electric scooters

SUMMARY/BACKGROUND

Modern business can sometimes get ahead of municipal peace and orderliness. Recently companies have flooded some cities with unregulated bikes and electric scooters. Problems arose with bikes and scooters endangering the public and causing a nuisance on the right of way. The state of Michigan recently enacted e-scooter legislation.

At the request of the city manager we have drafted an ordinance to regulate e-scooters and other shared mobility devices, and to require a franchise agreement with the ownership companies to use the public right of way. The proposed draft ordinance came to city council and the matter was tabled for review by the non-motorized transportation committee. The proposed ordinance has now been revised to incorporate their suggestions, including exempting existing bike rental businesses. The fee provision has been changed to being set by resolution and a resolution for fees is also attached and fees have been lowered at the suggestion of the committee.

ATTACHMENTS: Proposed Ordinance

RECOMMENDED ACTION: Adoption of the ordinance

DATE RECEIVED:________________ AGENDA ITEM NO.

CITY MANAGER COMMENTS:

FOR AGENDA OF:____________ FINANCE DIR. APPROVAL

COUNCIL ACTION TAKEN:
~~~~~~~

Resolution No. 2019-063
March 19, 2019

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

An ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties,

Be approved on second and final reading.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

CITY OF YPSILANTI
NOTICE OF ADOPTED ORDINANCE
Ordinance No. 1332

An ordinance to amend Chapter 114 of the Ypsilanti City Code, entitled "Vehicles for Hire", by adding a new Article IV, entitled "Shared Mobility Devices", to require a franchise permit to offer shared mobility devices for public use in the City of Ypsilanti, to set forth procedures, regulations, and rules, and to provide for penalties.

THE CITY OF YPSILANTI HEREBY ORDAINS:

Section 1: Amendments, additions, and deletions to the Code of Ordinances, City of Ypsilanti, Michigan.

That Chapter 114 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Vehicles for Hire," is hereby amended by adding Article IV "Shared Mobility Devices", which Article reads as follows:

Article IV. Shared Mobility Devices.

Sec. 114-160. - Definitions.

The following words, terms and phrases when used in this article shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Bicycle" means that term as defined in The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended.

"Electric bicycle" means that term as defined in The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended.

"Electric personal assistive mobility device" means that term as defined in The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended.

"Electric skateboard" means that term as defined in The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended.

"Low-speed vehicle" means that term as defined in The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended.

"Motor vehicle" means that term as defined in The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended.

"Shared mobility device" includes all bicycles, electric bicycles, electric personal assistive mobility devices, electric skateboards, low-speed vehicles, and any other small, wheeled vehicles that are not "motor vehicles" under the Michigan Vehicle Code.

Sec. 114-161. - Franchise Permit Required.

Every person or entity (company) desiring to offer shared mobility devices for public use in the City of Ypsilanti must obtain a franchise permit from the City Clerk to operate in the City of Ypsilanti. A maximum of three permits may be issued or be in issue at any one time. Each permit will allow not more than 100 shared mobility devices in the City.

Section 114-161.1 - A franchise permit is not required for a person or entity: a) with a City business license, and b) a physical business located in the city, and c) shared mobility devices are rented or leased and returned to the physical business location at the end of the rental or lease.

Sec. 114-162. - Franchise Permit Application Procedure and Requirements.

(A) Procedure.

a. An original permit. A franchise permit to offer shared mobility devices for public use in the City of Ypsilanti shall be requested by filing a Permit Application on a form provided by the City Clerk, paying an application fee as set by City Council resolution, and agreeing in writing to and complying with all the requirements of this Article.

b. A transfer permit. A franchise permit to offer shared mobility devices for public use in the City of Ypsilanti may be transferred upon the transferee completing a new Permit Application, paying a transfer fee as set by City Council resolution, agreeing in writing to and complying with all the requirements of this Article, and receiving approval by the City Manager.

(B) Requirements.

(1) A franchise fee per permitted shared mobility device per day shall be paid as set by City Council resolution. Twenty five percent of revenue from franchise fees shall be devoted to city non-motorized projects.

(2) Permits shall be for a period of one year and may be renewed by filing a renewal application, bond, insurance and renewal fees as set by City Council resolution.
(3) Permit holders shall provide for payments for use of shared mobility devices by cash, credit card, or smartphone.
(4) The permit holder shall defend, hold harmless, release, and indemnify the City and its officers, employees' agents, volunteers and affiliated entities from all claims, damages, losses, expenses, attorney fees, or suits of any nature that arise from, are related to or that the City may be subjected to, by reason or account of the Permit, except to the extent due to the gross negligence or willful misconduct of the City or its officers, agents or employees.
(5) Permit holders shall require users by contract to release the City and its officers, employees agents, volunteers and affiliated entities from all claims, damages, losses, expenses, attorney fees, or suits of any nature that arise from, are related to or that the City may be subjected to, by reason or account of the Permit, except to the extent due to the gross negligence or willful misconduct of the City or its officers, agents or employees.
(6) Insurance. Each permit holder and applicant shall obtain and maintain liability insurance with minimum limits of two million ($2,000,000) dollars with the City a named primary insured. For itself and any of its insurers, the permit holder waives any right of recovery against the City for any damages covered by the permit holder's insurance. The City, without qualification, shall be entitled to 30-days written notice of any cancellation or non-renewal of the permit holder's insurance.
(7) Bond. Each permit holder and applicant shall furnish the City a surety bond or letter of credit of not less than $5,000 to insure the proper storage, parking, removal and disposal of its shared mobility devices in the City and to reimburse the City for any actions needed to correct any improper storage, parking, removal or disposal of the permit holder's shared mobility devices, and to other guarantee compliance with this Article.
(8) Each shared mobility device shall be conspicuously marked with a unique serial or other identification number inscribed on the vehicle, the permit holder's contact information (including a 24-hour toll-free phone number and email address), and its unique branding. The permit holder shall not apply any other markings to any shared mobility device. The permit holder must provide to and keep current (at least monthly) a list with the City of each shared mobility device, including its unique serial or other identification number.

(9) Permits are a temporary license to leave, park or deposit shared mobility devices that are not "motor vehicles" under the Michigan Vehicle Code in the City Right of Way.
(10) Permits and nothing in this Article shall grant any rights or interests in the City Right of Way and are not an easement, lease, fee or other interest in the City Right of Way.
(11) Permits are personal and not an interest in real estate.
(12) Permits shall not be recorded in the Washtenaw County Register of Deeds or any other government agency except the office of the Ypsilanti City Clerk.
(13) Permits may be revoked without court action or court order at any time for nonpayment of permit fees, failure to file a bond or letter of credit as required, failure to provide or maintain insurance as required, violations of the Michigan Vehicle Code, the Michigan Uniform Traffic Code as amended, or the Ypsilanti City Code, or the permitted shared mobility devices causing a nuisance by three or more occurrences of the City removing them for blocking the City Right of Way or private property from pedestrian or vehicle traffic.
(14) Insurance, bond, and indemnity obligations shall survive the expiration and/or termination of the franchise permit.
(15) Compliance with laws. The permit holder shall be responsible for and guarantee that its employees, agents and contractors, including independent contractors, and its users with all applicable laws and its franchise permit agreement.
(16) Education. The permit holder shall provide education to its users (riders) on responsible and legal use of its shared mobility devices. The permit holder shall not allow any use of its shared mobility devices by third parties (users and/or riders) unless the users/riders have first reviewed the education materials.
(17) Parking. The permit holder's shared mobility devices be must be parked in an upright position and cannot be parked in any motor vehicle portion of any street, including parking spots and loading zones. Nor shall the shared mobility devices be parked as to block any driveway, curb ramps, fire escapes, bus shelters or bus stops, in driveways, doorways or on any unauthorized private property or unapproved public or non-public spaces. The City Manager may by order designate parking/staging spots for shared mobility devices in the public right of way, including sidewalks.
(18) Entire City. Shared mobility devices must be available throughout the entire city area.
(19) Maintenance. The permit holder shall maintain all permitted shared mobility devices in a good and safe working manner and all applicable laws, and shall promptly remove from the City right of way any shared mobility device not so maintained.

(20) Abandonment. The permit holder shall promptly recover and take custody of all of its abandoned shared mobility devices.

(21) Seized devices. The City may seize and impound any shared mobility device that is operated, abandoned or parked in violation of any law, this Article, or the Franchise Permit, with or without issuing a ticket, citation, or violation notice. Unless the City's continued possession of the shared mobility device is necessary for evidentiary or investigatory purposes, the permit holder may recover possession of any seized or impounded shared mobility device upon the permit holder payment to the City of a fee as set by the resolution of City Council and an additional fee per day of impoundment in an amount as set by resolution of City Council, which amounts are partial reimbursement of the City for its costs related to the seizure and storage of the shared mobility device, and which amounts shall be due and owing from the permit holder even if the permit holder elects not to recover possession. The City shall not be liable for damages to the permit holder for the City's seizure or impoundment, or both, of any shared mobility device.

(22) Damages to City property. To the fullest extent lawful, the permit holder shall be liable to and shall promptly reimburse the City for any damage to City property related to or arising from the shared mobility devices, except to the extent due to the negligence or willful misconduct of the City or its agents and employees.

(23) Notices. All notices or other correspondence or communications required or related to a franchise permit must be in writing and sent by both email and regular U.S. mail, postage prepaid. Notices provided by the permit holder to the City must be sent to the City Manager. The permit holder at the time of application, renewal, or transfer, must provide the City with a contact person, including that person's address, email, and phone number who the City may send all notices to. Either the City or the permit holder may change its notice recipient with 10-days written notice to the other.

Sec. 114.163. - Violation and Penalty.

Any violation of this Article or any provision shall be a municipal civil, subject to payment of a civil fine as set forth in section 70-38. Repeat offenses under this article shall be subject to increased fines as set forth in section 70-38.

2. Severability. If any clause, sentence, section, paragraph, or part of this ordinance, or the application thereof to any person, firm, corporation, legal entity, or circumstances, shall be for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not effect, impair, or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, legal entities, or circumstances by such judgment shall be confined in its operation to the clause, sentence, section, paragraph, or part of this Ordinance thereof directly involved in the case or controversy in which such judgment shall have been rendered and to the person, firm, corporation, legal entity, or circumstances then and there involved. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

3. Repeal. All other Ordinances inconsistent with the provisions of this Ordinance are, to the extent of such inconsistencies, hereby repealed.

4. Savings Clause. The balance of the Code of Ordinances, City of Ypsilanti, Michigan, except as herein or previously amended, shall remain in full force and effect. The repeal provided herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.

5. Copies to be available. Copies of the Ordinance are available at the office of the city clerk for inspection by, and distribution to, the public during normal office hours. A complete copy of the ordinance is also available for inspection on the City's website, www.cityofypsilanti.com.

6. Publication and Effective Date. The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published according to Section 11.13 of the City Charter. This Ordinance shall become effective after publication at the expiration of 30 days after adoption.

MADE, PASSED AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS ________ DAY OF ____________________, 2019.

____
Frances McMullan, City Clerk

Attest

I do hereby confirm that the above Ordinance No. ___ was published in The Ypsilanti Courier on the ___________ day of _______________________, 2019.

____
Frances McMullan, City Clerk

CERTIFICATE OF ADOPTING

I hereby certify that the foregoing is a true copy of the Ordinance passed at the regular meeting of the City Council held on the _____ day of _________________, 2019.

____
Frances McMullan, City Clerk

Notice Published: ____________________________

First Reading: ______________________________

Second Reading: ____________________________

Published: _________________________________

Effective Date: ______________________________

REQUEST FOR LEGISLATION
March 19, 2019

To: Mayor and Council

From: Joe Meyers, Director of Community and Economic Development

Subject: LDFA Smart Zone Agreement

SUMMARY & BACKGROUND: In 2001, the Michigan Economic Development Corporation (MEDC) created eleven separate SmartZones throughout the state, including Ann Arbor/Ypsilanti. The purpose of the Ann Arbor/Ypsilanti SmartZone (LDFA) is to provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University and the development of private high technology enterprises that, but for this organization, would be deferred, or located outside of the SmartZone area.

The SmartZone is equal to the Downtown Development Authority (DDA) district in the City of Ann Arbor and a portion of a DDA district in Ypsilanti.

The SmartZone is funded from the State of Michigan, and without the SmartZone, these monies would otherwise not be received locally. The tax capture revenue is collected only within the geographic boundaries of the Ann Arbor DDA, since the portion in the Ypsilanti DDA is being used for other purposes. The tax capture is based on the increase in taxable value due to new development and appreciation above the base year of 2002. These dollars come from taxes committed to schools and are, by law, repaid to the local school district by the state so their funding remains whole. So in effect, the State funds the LDFA.

The Smart Zone was approved in 2002 as a 2 party agreement for Ann Arbor and Ypsilanti. In 2014 Adrian and Tecumseh were added as a satellite Smart Zone to improve regionalization in Prosperity Region 9.

From its inception, the LDFA did not capture any taxes in Ypsilanti so, no funding could be spent in Ypsilanti. In 2017, an extension was granted by the MEDC which allowed up to 10% of the funding to be spent in Ypsilanti which equates to approximately 315,000 per year. These funds are used to fund the SPARK East Incubator and business acceleration of high tech companies, as defined by the MEDC. Staff is currently working on a youth employment program to be funding by the LDFA.

In 2018, the state of Michigan began investigating all LDFA Boards membership to ensure they were in compliance with state law. The Ann Arbor/Ypsilanti LDFA board was not in compliance based on the membership. Based on the agreements signed in 2002 the city of Ann Arbor appointed 6 members to the board and the city of Ypsilanti appointed 3 members. Under state law, there are supposed to be 7 members appointed by the community, 1 member appointed by the county and 1 member appointed by the local community college. To meet the requirements of state law, Ann Arbor did not appoint a vacant position and Joe Meyers resigned his position to assume an ex-officio position on the board.

RECOMMENDED ACTION: Staff recommends approval the LDFA Agreement between the City of Ann Arbor and the City of Ypsilanti.

ATTACHMENTS: LDFA Smartzone Agreement between the City of Ypsilanti and the City of Ann Arbor.

CITY MANAGER APPROVAL: ________________ COUNCIL AGENDA DATE: __________

CITY MANAGER COMMENTS: ____________________________

FISCAL SERVICES DIRECTOR APPROVAL: ____

Resolution No. 2019-064
March 19, 2019

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, in 2001, the Michigan Economic Development Corporation (MEDC) created eleven separate SmartZones throughout the state, including Ann Arbor/Ypsilanti; and

WHEREAS, the purpose of the Ann Arbor/Ypsilanti SmartZone (LDFA) is to provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University and the development of private high technology enterprises that, but for this organization, would be deferred, or located outside of the SmartZone area; and

WHEREAS, The Ann Arbor/Ypsilanti SmartZone LDFA requires a different board composition than originally approved by the previous agreement; and

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council hereby approves the Ann Arbor/Ypsilanti SmartZone Agreement between the City of Ann Arbor and the City of Ypsilanti.

OFFERED BY: ________________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE:

AMENDED AND RESTATED AGREEMENT
BETWEEN CITY OF ANN ARBOR
AND
CITY OF YPSILANTI
COUNTY OF WASHTENAW, MICHIGAN
CREATING A LOCAL DEVELOPMENT FINANCE AUTHORITY
PURSUANT TO PA 281 OF 1986 AS AMENDED)

The City of An Arbor ("Ann Arbor") and City of Ypsilanti ("Ypsilanti"), both located in Washtenaw County, Michigan, collectively known as 'The Parties' enter into this Amended and Restated Agreement, pursuant to Public Act 281 of 1986, as amended, restating their Agreement that was effective June 27, 2002, and amended effective November 5, 2013, to read as follows:

Premises:

Having determined that it is in the best interest of the residents of their respective communities, and in an effort to eliminate the conditions of unemployment, underemployment aid joblessness, and to promote economic growth in Ann Arbor and Ypsilanti, the governing bodies of the Parties have acted to establish a multi-jurisdictional local development finance authority pursuant to Act 281 of the Public Acts of Michigan of 1986 ("PA 281") as amended, and to designate an authority district (the "District"). The local development finance authority has been named "Local Development Finance Authority of the City of An Arbor and City of Ypsilanti." (The "Authority"). The Authority is established for the purpose of enabling the implementation of the Smartzone designation awarded by the Michigan Economic Development Corporation to each community jointly.

Therefore, the Parties agree to the following:

1. Governing Board; Terms and Appointment: The governing body of the Authority ('Board') shall consist of, nine (9) voting members, appointed in the following manner:

    a. The City Council of the City of Ann Arbor shall appoint five (5) members of the Authority Board, two (2) of which shall be appointed to terms ending June 30, 2003; two (2) on June 30, 2004, and one (1) on June 30, 2005. One of the City of Ann Arbor appointments shall be a Councilmember.
    b. The City Council for the City of Ypsilanti shall appoint two (2) members of the Authority Board, one (1) on June 30, 2004, and one (1) on June 30, 2005.
    c. The Washtenaw County Board of Commissioners shall appoint one (1) member of the Authority Board, which shall be appointed initially to fill the unexpired term (through June 30, 2019) of an Authority Board seat previously filled by the City of Ypsilanti. Such Board position shall continue to be appointed in accordance with this Agreement and applicable law by the Washtenaw County Board of Commissioners.
    d. The chief executive officer of Washtenaw Community College shall appoint one (1) member of the Authority Board, who shall be appointed initially to fill the

unexpired term (through June 30, 2021) of an Authority Board seat previously filled by the City of Ann Arbor. Such Board position shall continue to be appointed in accordance with this Agreement and applicable law by the chief executive officer of Washtenaw Community College.

e. The Board shall appoint four (4) ex-officio non-voting members consisting of a representative from the MEDC, a representative from the Accelerator, a representative from the City of Ypsilanti, and a representative from the City of Ann Arbor. In Addition, the Board may appoint other ex-officio members for the Board.
f. Except as provided in this Section 1 for the initial appointments to the Board, subsequent Board members shall serve terms of four (4) years. Upon expiration of a Board member's term, the member shall continue serving as a member of the Authority Board until the appointment of his or her successor.
g. An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only.

2. Governing Board; Terms and Removal:

   a. Subject to notice and an opportunity to be heard, a member of the Board may be removed before the expiration of his or her term for cause by the governing body. The City of Ann Arbor shall constitute the “governing body” for the five members it appoints and the City of Ypsilanti shall constitute the “governing body” for the two members it appoints. For all other members, the City of Ann Arbor and the City of Ypsilanti shall together constitute the “governing body”.
   b. At least sixty (60) days prior to the expiration of a Board member’s term, the Board shall notify the entity responsible for appointment of such Board member thereof.

3. Minutes and By Laws:

   a. The approved minutes of the meetings of the Board shall be furnished by the Board on a timely basis to the governing bodies of each of the Parties and every quarter the Board shall submit a written quarterly report of the status of the Authority's activities and finances to the governing body of each Party.
   b. The first by-laws shall be approved by both governing bodies. Any subsequent amendments to the by-laws, after approval by the Board, shall be provided to both governing bodies of the Parties and unless objected to by at least one of the governing bodies of the Parties within (30) days of the Parties receipt of the proposed amendment shall become effective.

4. Budget, Financial Records of the Authority, Audit: The Authority shall annually prepare and submit for the approval of the Board a budget for the operation of the Authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information generally required of the municipal departments of the Parties. Said budget shall be in conformance with the SmartZone plan, and

consistent with the annual plan of the SmartZone for that year. Before the Board may adopt the budget, the governing bodies of the Parties shall approve it, with each governing body limited to approval of that portion of the budget that utilizes tax increment financing funds within their community. The Board shall submit financial report to the Parties at the same time and on the same basis as required of municipal departments. The Authority shall be audited annually by the City of Ann Arbor's independent auditor until the City of Ypsilanti begins contributing revenue. When the City of Ypsilanti begins contributing revenue, the Authority shall be audited by the City of Ypsilanti's auditor every other year and the City of Ann Arbor's auditor during the other years. All expense items of the Authority shall be publicized annually and records of the Authority shall be open to the public pursuant to the provisions of the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, as amended.

5. <u>Dissolution of the Authority</u>: The Authority may be dissolved and this agreement may be terminated as provided in this Section. The Authority may be dissolved at any time by resolution of either Party after written notice is given to the other Party at least thirty (30) days prior to such action being taken. This written notice shall be given to the other parties' City Administrator and City Clerk. In addition, however, the governing bodies of the parties are expressing their intent to dissolve the Authority on July 1, 2004 unless the Authority has.successfully implemented the Tax Increment and Financing Plan for the An Arbor/Ypsilanti SmartZone. Prior to dissolution at any time becoming effective, all expenses and liabilities of the Authority must be paid. Thereafter, the Authority shall distribute and convey all real property rights and interests owned by the Authority between the Parties on the basis of the location of the real property. All other tangible and intangible assets of the Authority other than unexpended tax increment revenues shall be distributed and conveyed by the Authority between the Parties on a pro-rate basis based, over the period of the Authority captured tax increment revenues, on the aggregate captured values of property located in each city that was subject to the Authority's tax increment financing plan for purposes of determining tax increment revenues. All unexpended and unencumbered tax increment revenues of the Authority upon dissolution shall be remitted to each taxing jurisdiction in proportion to their millage subject to capture.

6. <u>Governing Law</u>: This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

7. <u>Severability</u>: If any court of competent jurisdiction shall rule any clause of this Agreement invalid or unenforceable, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

IN WITNESS WHEREOF, the Parties have caused this Amended and Restated Agreement to be duly executed on the dates indicated below.

FOR THE CITY OF ANN ARBOR

By ________________________________
Christopher Taylor, Mayor DATE

By __________________________________
Jacqueline Beaudry, City Clerk DATE

Approved as to substance:

By:________________________________
Tom Crawford, Chief Financial Officer

By ________________________________
Howard S. Lazarus, City Administrator

Approved as to form and content

By ________________________________
Stephen K. Postema, City Attorney

FOR THE CITY OF YPSILANTI

By ________________________________
Beth Bashert, Mayor DATE

By __________________________________
Andrew Hellenga, Acting City Clerk DATE

Approved as to substance:

By ________________________________
Frances McMullan, Acting City Manager

Approved as to form and content

By ________________________________
John M. Barr, City Attorney

YPSILANTI COMMUNITY UTILITIES AUTHORITY

YCUA

www.ycua.org

Years Ended
August 31, 2018
and 2017

Comprehensive Annual Financial Report

This page intentionally left blank.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Table of Contents

■ ■ ■ ■ ■

This page intentionally left blank.

INTRODUCTORY SECTION

This page intentionally left blank.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

2777 STATE ROAD
YPSILANTI, MICHIGAN 48198-9112
TELEPHONE: (734) 484-4600
FAX: (734) 484-3369
WEBSITE: www.ycua.org

January 31, 2019

To the Commissioners of the Ypsilanti Community Utilities Authority and Citizens of the Member Communities

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Ypsilanti Community Utilities Authority ("YCUA" or the "Authority") for the fiscal year ended August 31, 2018.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, YCUA management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Authority's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended August 31, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that YCUA's financial statements for the fiscal year ended August 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

Profile of the Authority

YCUA provides water and wastewater services to the Ypsilanti area. The Authority is governed by a Board of Commissioners comprised of two representatives from the City of Ypsilanti (the "City") and three from the Charter Township of Ypsilanti (the "Township").

The Authority provides water and sewage services to the City and Township, as well as the townships of Pittsfield, Augusta, York and Superior. YCUA also contracts with Sumpter Township for wastewater treatment and Western Townships Utility Authority to provide wastewater treatment services for the townships of Canton, Northville and Plymouth.

The Authority was formed in 1974 by the Township and City in response to a number of factors occurring at that time. The need for a new wastewater treatment facility was the most significant driving force to bring about the creation of YCUA. By combining the water and sewer departments of both the City and Township, economic benefits through the elimination of staff duplication and economies of scale could be achieved. The fact that the City is almost completely surrounded by the Township makes the combination of the two systems an obvious economic advantage.

The current wastewater plant was opened in 1982 with a capacity of 28.9 million gallons per day (MGD). The wastewater treatment consists of primary screening, grit removal, primary clarification, and secondary and tertiary treatment utilizing the activated sludge process. A permit is issued from the Michigan Department of Environmental Quality (MDEQ) that regulates the discharge from the wastewater treatment plant. This permit requires stable effluent treatment levels and the plant currently is in compliance with its permit.

Growth in the Wayne County townships of Plymouth, Canton and Northville resulted in a request by Western Townships Utilities Authority (WTUA, the organization that represents the three townships) to expand the plant to treat the wastewater generated by these communities. Presently, the wastewater from the three communities is divided between the YCUA and Wayne County systems.

Construction on the plant expansion and improvements project, which increased the YCUA wastewater facility treatment capacity by 17 MGD to 45.9 MGD, began in 2002 with completion in 2010. The expanded capacity is for the WTUA, which is presently negotiating with Wayne County and is anticipated a majority of the sewage from Northville, Plymouth and Canton Townships will be diverted to YCUA upon completion of those negotiations. The construction updated equipment, adding additional odor controls, safer disinfection equipment and a more efficient incinerator for burning sewage sludge, which replaced a multiple hearth unit. Air incineration emissions have been reduced by more than 80%. Eight MGD capacity has been leased to WTUA, which helped pay for many of these improvements. The Authority requested and was granted an updated wastewater treatment plant design capacity from the Michigan Department of Environment Quality in 2009. The new design capacity is for 51.2 MGD. Of the 51.2 MGD of total capacity, WTUA now has rights to use up to 54% of the total plant capacity.

Improvements to the tertiary filters in the original portion of the wastewater treatment plant as well as in-kind replacement of critical components of the fluidized-bed incinerator system are currently under design for construction during fiscal year 2019-2020.

Cash management policies and practices. The Authority is very conservative in its approach to cash management. Generally, cash is deposited in receiving bank accounts and then transferred to and between a variety of other bank accounts, many of which are interest bearing including money market and cash management accounts and certificates of deposit. These transfers are made to satisfy various requirements imposed, or interpreted to be imposed, by the member governments and bond ordinances.

Pension and other postemployment benefits. The Authority participates in an agent multiple-employer plan that provides pension benefits for all full-time employees. The annual actuarial valuation for this plan shows that it is 59.76% funded as of December 31, 2017 (the date of the latest actuarial valuation). The remaining unfunded amount is being systematically funded over 21 years as part of the annual determined contribution calculated by the actuary.

The Authority also provides postemployment health care benefits to all full-time employees upon retirement. As of August 31, 2018, there were 86 retired employees receiving these benefits. In September 2005, the Authority adopted the Michigan Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle to fund the obligation.

Further information regarding the Authority's retirement and other postemployment benefits plans can be found in Notes 11 and 12 in the notes to the financial statements.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Ypsilanti Community Utilities Authority. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Commissioners for their support in maintaining the highest standards of professionalism in the management of the Authority's finances.

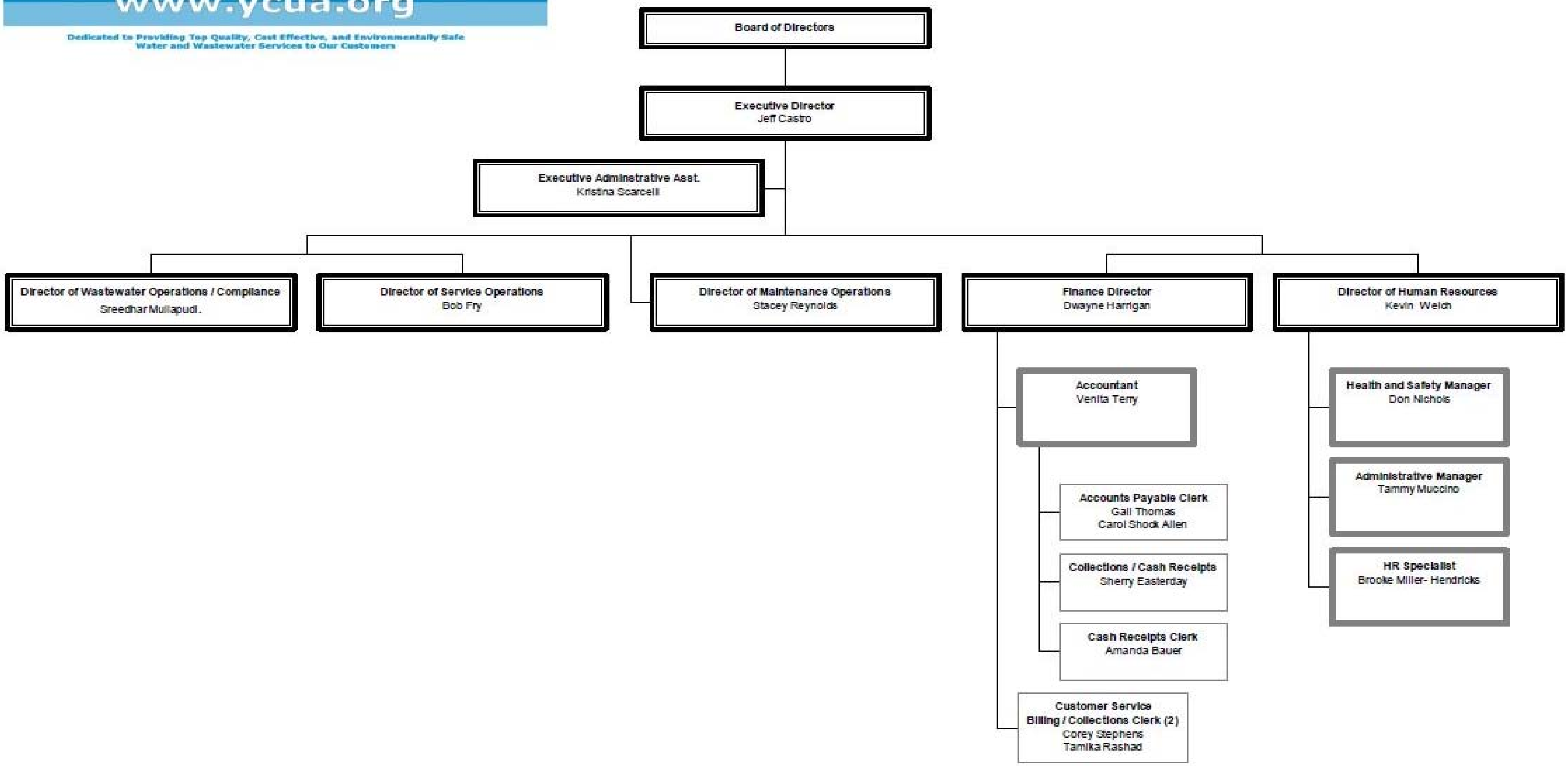
Jeff Castro
Executive Director

This page intentionally left blank.

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Environmental Leaders
www.ycua.org
Dedicated to Providing Top Quality, Cost Effective, and Environmentally Safe Water and Wastewater Services to Our Customers

August 31, 2018

Upper Management and Other Key Accounting Personnel



YPSILANTI COMMUNITY UTILITIES AUTHORITY

PRINCIPAL OFFICIALS

At August 31, 2018

Board of Commissioners

Brenda L. Stumbo, Chair
Charter Township of Ypsilanti

Michael Bodary, City of Ypsilanti
Jon R. Ichesco, City of Ypsilanti
Larry J. Doe, Charter Township of Ypsilanti
Keith P. Jason, Charter Township of Ypsilanti

Executive Director

Jeff Castro

Finance Director

Dwayne Harrigan

FINANCIAL SECTION

This page intentionally left blank.

Rehmann

Rehmann Robson

675 Robinson Rd.
Jackson, MI 49203
Ph: 517.787.6503
Fx: 517.788.8111
rehmann.com

INDEPENDENT AUDITORS' REPORT

January 31, 2019

To the Board of Commissioners of the
Ypsilanti Community Utilities Authority
Ypsilanti, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the *Ypsilanti Community Utilities Authority,* as of and for the years ended August 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ypsilanti Community Utilities Authority as of August 31, 2018 and 2017, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 75

As described in Note 15, the Authority implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* in the current year. Accordingly, beginning net position was restated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and postemployment benefit information, as listed in the table of contents, be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Rehmann Robson LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ypsilanti Community Utilities Authority (the "Authority" or "YCUA") we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended August 31, 2018, 2017 and 2016. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $135,334,413 (net position). Of this net amount, there is an unrestricted deficit of $10,128,010 because of the net pension liability recorded under GASB Statement No. 68, which was first adopted for fiscal 2015, and the net other postemployment benefit liability recorded under GASB Statement No. 75, which was first adopted for fiscal 2018.

- The Authority's total net position increased by $1,649,411 for fiscal 2018 and decreased by $3,349,697 for fiscal 2017.

- The Authority's total long-term debt including compensated absences decreased by a net of $3,175,518 for fiscal 2018 and decreased by $1,316,720 for fiscal 2017; new debt was issued during both years as described in detail in Note 7 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of:

- The *statement of net position* presents information on all of the Authority's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the residual reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

- The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

- The *statement of cash flows* presents the change in the Authority's cash and investments for the two most recent fiscal years.

- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. Generally, these schedules provide a breakdown of revenue and expenses between the political subdivisions (i.e., the City and Township) and/or the primary operating functions (i.e., water and wastewater), along with a comparison of planned and actual expenses.

The Authority presents its supplementary financial information classified into the components of city, township, water and wastewater. The city and township divisions together comprise the activity of the Authority in total. The water and wastewater divisions together also comprise the activity of the Authority in total. The water and wastewater divisions assist management in assessing the financial activity of the Authority's principal functions. The city and township divisions assist the member communities in assessing the impact of operations on their constituents.

The Authority operates a single wastewater treatment plant, obtains its water from a single source and maintains a single group of related supporting functions. It is not possible to directly associate the cost of these activities to the city or township divisions. Instead, the reporting by division is achieved by allocating particular revenue and expense account balances using relevant objective measures. Similar allocations are used to produce financial information for the water and wastewater divisions.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of YCUA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $135,334,413 at the close of the most recent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

By far the largest portion of the Authority's net position is its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, wastewater treatment plant, water and wastewater systems, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although YCUA's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Authority's ongoing obligations to system users and creditors.

At the end of the current and prior fiscal year, the Authority reported an unrestricted deficit in net position due to the implementation of GASB 68 in 2015 and GASB 75 in 2018.

	YCUA's Net Position		
	2018	2017	2016
Current and other assets	$ 18,312,962	$ 14,862,913	$ 12,214,009
Restricted assets	12,518,149	12,535,418	11,690,543
Capital assets	197,595,253	204,976,122	210,951,228
Total assets	228,426,364	232,374,453	234,855,780
Deferred outflows of resources	3,963,559	4,305,455	5,929,221
Other liabilities	6,029,999	6,441,455	5,666,470
Long-term debt	67,043,117	70,218,635	71,535,355
Other liabilities due in more than one year:			
Net pension liability	21,695,295	23,743,896	24,050,720
Net other postemployment benefit liability	1,051,627	-	-
Total liabilities	95,820,038	100,403,986	101,252,545
Deferred inflows of resources	1,235,472	261,623	168,460
Net investment in capital assets	132,944,274	137,234,843	142,374,482
Restricted	12,518,149	12,535,418	11,690,543
Unrestricted deficit	(10,128,010)	(13,755,962)	(14,701,029)
Total net position	$ 135,334,413	$ 136,014,299	$ 139,363,996

The Authority's net position increased by $1,649,411 for fiscal 2018 and decreased by $3,349,697 for fiscal 2017. Key elements of the 2018 changes include:

- Capital contributions to the Authority were $675,182 (and $585,470 last year).

- Water sales increased by approximately $870,000 (or 4.9%). There was a 0.1% decrease in consumption and a rate increase of 3.2% in the City and a 3.2% increase in the Township. Corresponding direct costs for water distribution remained flat.

- Sewage disposal sales increased by approximately $880,000 (or 4.8%). Direct costs for treatment decreased by approximately $1.4 million. Total wastewater treatment expense was down 7.7%.

- Total operating expenses decreased by approximately $3.0 million (or 6.8%) primarily due to the decrease in pension and other postemployment benefits expenses. Pension expenses decreased approximately $777,000 and other postemployment benefit expenses decreased approximately $2.7 million.

- The city division increased sewer rates by 4.0% and water rates increased by 3.2%; the surcharge decreased to 60%. These rates all became effective October 5, 2017.

- The township division sewer rates increased by 4.0% and water rates increased 3.2%. The water rate increase became effective October 1, 2017. The surcharge rate remained unchanged at 5.0%.

	YCUA's Change in Net Position		
	2018	2017	2016
Operating revenues	$ 43,734,205	$ 42,045,384	$ 39,181,616
Operating expenses			
Water distribution	17,767,893	17,657,649	17,721,050
Wastewater treatment	23,381,039	26,511,447	26,152,174
Total operating expenses	41,148,932	44,169,096	43,873,224
Operating income (loss)	2,585,273	(2,123,712)	(4,691,608)
Nonoperating expenses	(1,611,044)	(1,811,455)	(2,980,169)
Income (loss) before contributions	974,229	(3,935,167)	(7,671,777)
Capital contributions	675,182	585,470	648,886
Change in net position	1,649,411	(3,349,697)	(7,022,891)
Net position, beginning:			
As previously stated	136,014,299	139,363,996	146,386,887
Restatement for implementation of GASB 75	(2,329,297)	-	-
Net position, end of year	$ 135,334,413	$ 136,014,299	$ 139,363,996

Key elements of the 2017 changes include:

- Capital contributions to the Authority were $585,470 (and $648,886 the previous year).

- Water sales increased by $0.5 million (or 2.5%). There was a 4.7% decrease in consumption and a rate increase of 6.2% in the City and a 6.2% increase in the Township. Corresponding direct costs for water distribution remained flat.

- Sewage disposal sales increased by $2.4 million (or 11.7%). Direct costs for treatment increased $.4 million. Total wastewater treatment expense was up 6.0%.

- Total operating expenses increased by $.3 million (or .45%) primarily reflecting the increase for purchasing water from the City of Detroit.

- The city division increased sewer rates by 5.0% and water rates increased by 6.2%; the surcharge decreased to 61.0%. These rates all became effective October 6, 2016.

- The township division sewer rates increased by 5.0% and water rates increased 6.2%. The water rate increase became effective October 1, 2016. The surcharge rate remained unchanged at 5.0%.

Capital Assets and Debt Administration

Capital assets. YCUA's investment in capital assets as of August 31, 2018 amounted to $197.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, wastewater treatment plant, water and wastewater systems, vehicles, equipment, and construction in process. Total net capital assets decreased by $7.4 million (or 3.6%). The net decrease is primarily attributable to depreciation in excess of current year additions.

	YCUA's Capital Assets		
	2018	2017	2016
Land	$ 1,298,704	$ 1,298,704	$ 1,298,704
Buildings and improvements	673,243	732,258	791,274
Wastewater treatment plant	74,661,449	79,860,291	84,551,909
Water and wastewater systems	113,346,595	116,045,941	119,414,861
Vehicles	758,511	831,825	972,830
Equipment	682,401	747,946	835,591
Construction in process	6,174,350	5,459,157	3,086,059
Total	$ 197,595,253	$ 204,976,122	$ 210,951,228

Additional information on the Authority's capital assets can be found in Note 6.

Long-term debt. At year-end, the Authority had $64.3 million of long-term debt including limited tax obligation bonds, revenue bonds and other obligations as summarized below.

	YCUA's Outstanding Debt		
	2018	2017	2016
Limited tax obligation bonds	$ 47,208,108	$ 48,319,888	$ 47,943,176
Revenue bonds	16,015,000	17,835,000	19,560,000
Environmental liability	1,041,456	1,041,456	1,041,456
Total	$ 64,264,564	$ 67,196,344	$ 68,544,632

Additional information on the Authority's long-term debt can be found in Note 7.

Economic Factors Affecting Next Year's Operations and Rates

The City and Township independently set their own water rates. In October 2018, YCUA changed the rate structure to the residents of Ypsilanti Township and City of Ypislanti. YCUA eliminated the minimum usage charge and incorported the surcharge in to the new rate system. The new rate structure incorporates a readiness to serve charge along with a consumption charge.

Water and wastewater revenues fluctuate from year to year depending on factors such as consumer behavior, population growth, industrial usage and rate changes. Consumer behavior is affected by local economic conditions, the weather, conservation education efforts and imposition of water restrictions.

Other factors also affect the Authority's operating plan for fiscal 2019. The most significant among them are changes in consumer behavior in response to local economic conditions, the effects of inflation on the local labor market and health care costs, and the rates charged by the Authority's water supplier (i.e., the Great Lakes Water Authority or GLWA).

YCUA's plan reflects a belief that local economic conditions will not improve or deteriorate from those during fiscal year 2018. Inflation in the local labor markets will remain moderate, whereas inflation in the utility and health care costs will be significant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Authority’s operating budget for fiscal 2019 is approximately $45.3 million; key provisions include:

- An increase of 1.7% in operating revenue, attributable to an increase in water rates along with a conservative consumption forecast due to little or no growth in our residential and manufacturing customers.

- A net increase of 0.7% in operating expenses with a general decrease in operating costs including a decrease in the cost of water purchased from GLWA.

The capital budget for fiscal 2019 totals approximately $2.25 million due primarily to wastewater plant improvements and water main replacement projects. Delivering water to our customers and collecting and treating the wastewater generated are the primary functions of the Authority. In addition, planning for the future water and wastewater needs of our communities is a vital function. Other capital asset activity scheduled to occur includes:

- Many water mains and sanitary sewers within the city and township have been identified as needing replacement, either because of age or inadequate size. These replacements are being scheduled as time and funds permit. In fiscal 2019, about 2.1 miles of water main replacement are scheduled for replacement.

- The authority implemented a new rate structure for the city and township. YCUA eliminated the minium use charge and incorporated a readiness to serve charge, which will increase overall revenue one percent.

Requests for Information

This financial report is designed to provide a general overview of YCUA’s finances for all those with an interest in the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ypsilanti Community Utilities Authority, Accounting Department, 2777 State Road, Ypsilanti, Michigan 48198.

BASIC FINANCIAL STATEMENTS

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Net Position

	August 31, 2018	August 31, 2017
Assets		
Current assets:		
Cash and investments	$ 11,571,335	$ 7,462,754
Receivables, net	5,202,692	5,886,845
Inventories	1,308,354	1,244,573
Prepaid items	63,177	66,928
Total current assets	18,145,558	14,661,100
Noncurrent assets:		
Restricted assets:		
Cash and investments	10,068,302	10,085,571
Bond reserve funds held by City of Ypsilanti	2,449,847	2,449,847
Receivables, long-term portion	167,404	201,813
Capital assets not being depreciated	7,473,054	6,757,861
Capital assets being depreciated, net	190,122,199	198,218,261
Total noncurrent assets	210,280,806	217,713,353
Total assets	228,426,364	232,374,453
Deferred outflow of resources		
Deferred pension amounts	3,199,192	3,757,182
Deferred other postemployment benefit amounts	288,503	-
Deferred charge on refunding	475,864	548,273
Total deferred outflow of resources	3,963,559	4,305,455
Liabilities		
Current liabilities:		
Accounts payable	3,280,914	3,465,874
Retentions, deposits and other liabilities	2,157,052	2,361,163
Accrued interest payable	592,033	614,418
Current maturities of long-term debt	4,467,065	4,146,842
Current maturities of accrued compensated absences	437,409	443,814
Total current liabilities	10,934,473	11,032,111
Noncurrent liabilities:		
Long-term debt:		
Bonds payable	61,109,778	64,592,710
Environmental liability	591,456	591,456
Accrued compensated absences	437,409	443,813
Net pension liability	21,695,295	23,743,896
Net other postemployment benefit liability	1,051,627	-
Total noncurrent liabilities	84,885,565	89,371,875
Total liabilities	95,820,038	100,403,986
Deferred inflow of resources		
Deferred pension amounts	1,137,789	261,623
Deferred other postemployment benefit amounts	97,683	-
Total deferred inflow of resources	1,235,472	261,623
Net position		
Net investment in capital assets	132,944,274	137,234,843
Restricted for special purposes	12,518,149	12,535,418
Unrestricted (deficit)	(10,128,010)	(13,755,962)
Total net position	$ 135,334,413	$ 136,014,299

The accompanying notes are an integral part of these financial statements.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

	For the Year Ended August 31,	
	2018	**2017**
Operating revenues		
Water sales	$ 18,520,302	$ 17,650,152
Sewage disposal sales	19,138,366	18,256,939
Surcharges and other usage fees:		
Capital improvement surcharge	3,807,750	3,706,541
Construction reserve	265,547	290,106
Environmental reserve	110,332	113,870
Other operating revenue	1,891,908	2,027,776
Total operating revenues	43,734,205	42,045,384
Operating expenses		
Water distribution	12,144,581	12,161,179
Wastewater treatment	16,383,759	17,754,991
Wastewater pump stations	1,190,581	1,468,251
Industrial surveillance	391,466	518,743
Transmission and distribution	7,717,835	8,233,710
Meter service	1,039,549	1,343,907
Customer accounting and collections	470,545	680,123
General and administration	1,810,616	2,008,192
Total operating expenses	41,148,932	44,169,096
Operating income (loss)	2,585,273	(2,123,712)
Nonoperating revenues (expenses)		
Investment earnings	173,521	178,601
Connection fees	86,958	102,322
Interest and amortization expense	(1,872,822)	(2,097,371)
Other nonoperating revenues	1,299	4,993
Total nonoperating expenses	(1,611,044)	(1,811,455)
Income (loss) before contributions	974,229	(3,935,167)
Capital contributions	675,182	585,470
Change in net position	1,649,411	(3,349,697)
Net position, beginning of year:		
As previously stated	136,014,299	139,363,996
Restatement for GASB 75 implementation	(2,329,297)	-
Net position, beginning of year, as restated	133,685,002	139,363,996
Net position, end of year	$ 135,334,413	$ 136,014,299

The accompanying notes are an integral part of these financial statements.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Cash Flows

	For the Year Ended August 31,	
	2018	2017
Cash flows from operating activities		
Receipts from customers and users	$ 44,452,767	$ 41,947,228
Payments to suppliers	(20,149,923)	(18,357,241)
Payments to employees and employee benefits	(12,312,191)	(12,960,605)
Net cash provided by operating activities	11,990,653	10,629,382
Cash flows from capital and related financing activities		
Proceeds from issuance of and draws on long-term debt	1,669,132	10,126,197
Proceeds from federal grants for capital assets	675,182	585,470
Proceeds from original issuance premiums on bonds	-	544,082
Acquisition and construction of capital assets	(4,009,314)	(5,295,454)
Principal payments on long-term debt	(4,600,912)	(4,599,485)
Payment to refunding bond escrow agent	-	(6,875,000)
Interest payments on long-term debt	(1,895,207)	(2,122,379)
Receipts from connection fees	86,958	102,322
Net cash used in capital and related financing activities	(8,074,161)	(7,534,247)
Cash flows from investing activities		
Earnings received on investments	174,820	183,594
Net change in cash and investments	4,091,312	3,278,729
Cash and investments, beginning of year	17,548,325	14,269,596
Cash and investments, end of year	$ 21,639,637	$ 17,548,325
Reconciliation to statements of net position		
Cash and investments	$ 11,571,335	$ 7,462,754
Restricted cash and investments	10,068,302	10,085,571
Total cash and investments	$ 21,639,637	$ 17,548,325

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Cash Flows

	For the Year Ended August 31,	
	2018	2017
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$ 2,585,273	$ (2,123,712)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	11,390,183	11,270,560
Amortization of bond discounts, bond premiums and deferred loss on refunding	(158,520)	(31,261)
Changes in current assets and liabilities:		
Receivables	718,562	(98,156)
Inventories	(63,781)	(110,879)
Prepaid items	3,751	(6,015)
Deferred outflow of resources - pension amounts	557,990	1,451,298
Deferred outflow of resources - other postemployment benefit amounts	14,202	-
Accounts payable	(184,960)	449,822
Retentions, deposits and other liabilities	(204,111)	350,171
Accrued compensated absences	(12,809)	(308,785)
Net pension liability	(2,048,601)	(306,824)
Net other postemployment benefit liability	(1,580,375)	-
Deferred inflow of resources - pension amounts	876,166	93,163
Deferred inflow of resources - other postemployment benefit amounts	97,683	-
Net cash provided by operating activities	$ 11,990,653	$ 10,629,382

concluded.

The accompanying notes are an integral part of these financial statements.

This page intentionally left blank.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of the Ypsilanti Community Utilities Authority (the “Authority” or "YCUA"). The Authority has no component units – i.e., separately legal entities for which the Authority is financially accountable – nor is it reported as a component unit of another government.

The Authority was formed on March 19, 1974, when the City of Ypsilanti (the “City”) and Ypsilanti Township (the “Township”) entered into an agreement to create a utility authority pursuant to Public Act 233 of 1955, as amended. The two governments approved the Authority’s Articles of Incorporation on September 3, 1974.

On October 1, 1974, a contract was executed between the Authority and the two governments giving the Authority the responsibility for providing water distribution and wastewater treatment services to residents of the City and Township. This responsibility includes all activities necessary to provide such services including but not limited to: administration, operations, maintenance, financing, debt service, billing and collections. The contract also permits the Authority to expand and improve both the water and wastewater systems.

A five-member board of commissioners governs the Authority. Three of the members are appointed by the Township, the other two are appointed by the City. In addition to serving residents of the City and Township, the Authority also sells water distribution and wastewater treatment services capacity to neighboring governments under contractual agreements.

Any rate changes, including increases, must be approved by the Authority Board, as well as the governing board of either the City or Township depending on the particular service and service area. That is, the Ypsilanti City Council has the ultimate rate setting responsibility for users located in the City, whereas the Ypsilanti Township Board of Trustees has the ultimate responsibility for users located in the Township.

Basis of Presentation / Measurement Focus / Basis of Accounting

The Authority uses a single proprietary or enterprise fund to account for and report its financial activities, which is limited to *business-type activities* – i.e., activities that are financed in whole or in part by fees charged to external parties and are operated in a manner similar to private business where the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations, which for the Authority is water distribution and wastewater treatment. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize local governments to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments. Investments are stated at fair value.

Receivables

Trade receivables are shown net of an allowance for uncollectible non-residential accounts; an allowance is not made for residential accounts since any such delinquencies may be added to the City and/or Township property tax rolls for collection.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

The proceeds of certain bond issues, as well as certain other resources, are classified as restricted assets on the statement of net position to indicate that their use is limited as stipulated by contract or ordinance.

Capital Assets

Capital assets, which include property, plant and equipment, are recorded at cost. The Authority defines capital assets as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of two years. Donated capital assets, if any, are recorded at estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Wastewater treatment plant	5-50
Water and wastewater systems	5-50
Vehicles	5-20
Equipment	5-20

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Authority reports a deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Authority also reports deferred outflows of resources related to the net pension liability and net other postemployment benefit liability. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick leave pay benefits, subject to certain limitations. All vacation and sick pay are accrued when incurred since 100 percent of the unused benefits are payable upon employee separation from service with the Authority.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until that time. The Authority reports deferred inflows of resources for changes in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefits plans.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

2. BUDGETARY INFORMATION

State statutes provide that local units shall adopt budget appropriations for general and special revenue funds (i.e., governmental fund types); as such, the Authority is not required to adopt a budget for State compliance purposes. However, under its contract with the City and Township, the Authority is required to prepare an annual operating budget that is subject to review and approval by the Authority Board, as well as the governing boards of the City and Township.

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS

Following is a summary of deposit and investment balances as of August 31:

	2018	2017
Statement of Net Position		
Cash and investments	$ 11,571,335	$ 7,462,754
Restricted cash and investments	10,068,302	10,085,571
Total	$ 21,639,637	$ 17,548,325
Deposits and Investments		
Bank deposits (checking accounts, savings accounts and certificate of deposits)	$ 10,393,125	$ 6,161,301
Investments in money market accounts	11,245,662	11,386,174
Cash on hand	850	850
Total	$ 21,639,637	$ 17,548,325

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to the government. As of August 31, 2018, $19,783,712 of the Authority's total bank balance of $21,283,712 (total book balance was $21,638,787) was exposed to custodial credit risk as it was uninsured and uncollateralized. As of August 31, 2017, $17,854,067 of the Authority's total bank balance of $19,114,182 (total book balance was $17,547,475) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The Authority's investment policy does not specifically address this risk, although the Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits Authority funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of August 31, 2018 and 2017, all of the Authority's investments were held in money market accounts, which are not subject to custodial credit risk.

Credit Risk. The Authority held investments in money market accounts, which are not rated. All of the Authority's investments comply with its policy regarding the types of investments it may hold.

Interest Rate Risk. The Authority's policy is that funds be invested in securities whose maturities do not exceed two years at the time of purchase, except that debt retirement, motor pool and capital funds may be invested for longer periods provided the maturity dates match anticipated cash needs. The Authority's investments comply with this policy.

Notes to the Financial Statements

Fair Value. The Authority categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets or liabilities in active markets; and Level 3 inputs are unobservable in the market and are the least reliable. All of the Authority's investments were level 2 as of August 31, 2018.

4. RECEIVABLES

Receivables as of August 31 are summarized as follows:

	2018	2017
Accounts, net of $25,000 allowance	$ 5,172,369	$ 5,807,101
Accrued investment interest	9,583	9,583
Special assessments and benefit charges	188,144	271,974
Total receivables	5,370,096	6,088,658
Less long-term portion of benefit charges and special assessments	(167,404)	(201,813)
Current portion of receivables	$ 5,202,692	$ 5,886,845

Special assessments receivable, which represent liens against the applicable properties, mature through December 2024 and are due in equal annual installments plus interest at 5.0% of the outstanding balance.

Notes to the Financial Statements

5. RESTRICTED ASSETS

Restricted cash and investments as of August 31 are summarized as follows:

Description / Reference	2018	2017
Township bond and interest reserve (Ordinance No. 11, section 13, amended by No. 47)	$ 302,002	$ 301,204
Township construction reserve surcharge (Ordinance No. 124, sections A(10) and B(9))	2,477,555	2,255,177
WWTP future construction reserve (WWTP construction agreement, as amended)	1,044,125	1,038,274
City construction reserve surcharge (Ordinance No. 697, section 2.137)	778,163	704,674
City debt retirement and capital improvement surcharge (Ordinance No. 696, amended by Ordinance No. 959)	356,191	918,517
Wastewater treatment plant improvement reserve (WTUA wastewater disposal agreement, as amended)	1,956,448	1,732,752
EPA replacement reserve (EPA regulatory requirements)	1,042,590	1,126,733
Township environmental reserve surcharge (Ordinance No. 11, section 9; amended by No. 134)	1,708,676	1,588,780
Construction project bond/capital lease proceeds (Bond ordinances)	402,552	419,460
	$ 10,068,302	$ 10,085,571

YPSILANTI COMMUNITY UTILITIES AUTHORITY

6. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,298,704	$ -	$ -	$ 1,298,704
Construction in progress	5,459,157	2,922,361	(2,207,168)	6,174,350
Total capital assets not being depreciated	6,757,861	2,922,361	(2,207,168)	7,473,054
Capital assets being depreciated:				
Buildings and improvements	2,216,082	-	-	2,216,082
Wastewater treatment plant	189,620,723	1,661,534	-	191,282,257
Water and wastewater systems	196,032,153	1,553,688	-	197,585,841
Vehicles	4,210,391	55,988	-	4,266,379
Equipment	6,680,781	22,911	-	6,703,692
Total capital assets being depreciated	398,760,130	3,294,121	-	402,054,251
Less accumulated depreciation for:				
Buildings and improvements	(1,483,824)	(59,015)	-	(1,542,839)
Wastewater treatment plant	(109,760,432)	(6,860,376)	-	(116,620,808)
Water and wastewater systems	(79,986,212)	(4,253,034)	-	(84,239,246)
Vehicles	(3,378,566)	(129,302)	-	(3,507,868)
Equipment	(5,932,835)	(88,456)	-	(6,021,291)
Total accumulated depreciation	(200,541,869)	(11,390,183)	-	(211,932,052)
Total capital assets being depreciated, net	198,218,261	(8,096,062)	-	190,122,199
Total capital assets, net	$ 204,976,122	$ (5,173,701)	$ (2,207,168)	$ 197,595,253

Capital assets activity for the year ended August 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,298,704	$ -	$ -	$ 1,298,704
Construction in progress	3,086,059	4,700,132	(2,327,034)	5,459,157
Total capital assets not being depreciated	4,384,763	4,700,132	(2,327,034)	6,757,861
Capital assets being depreciated:				
Buildings and improvements	2,216,082	-	-	2,216,082
Wastewater treatment plant	187,557,213	2,063,510	-	189,620,723
Water and wastewater systems	195,177,750	854,403	-	196,032,153
Vehicles	4,210,391	-	-	4,210,391
Equipment	6,676,338	4,443	-	6,680,781
Total capital assets being depreciated	395,837,774	2,922,356	-	398,760,130
Less accumulated depreciation for:				
Buildings and improvements	(1,424,808)	(59,016)	-	(1,483,824)
Wastewater treatment plant	(103,005,304)	(6,755,128)	-	(109,760,432)
Water and wastewater systems	(75,762,889)	(4,223,323)	-	(79,986,212)
Vehicles	(3,237,561)	(141,005)	-	(3,378,566)
Equipment	(5,840,747)	(92,088)	-	(5,932,835)
Total accumulated depreciation	(189,271,309)	(11,270,560)	-	(200,541,869)
Total capital assets being depreciated, net	206,566,465	(8,348,204)	-	198,218,261
Total capital assets, net	$ 210,951,228	$ (3,648,072)	$ (2,327,034)	$ 204,976,122

7. LONG-TERM DEBT

Limited tax general obligation bonds. The Authority issues bonds that are backed by the full faith and credit of the City or Township, but where the income derived from the acquired or constructed assets is intended to pay debt service. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. The original amount of bonds issued for the issues outstanding as of August 31, 2018 was $67,840,107.

During fiscal 2018 and 2017, the cash draws against the Drinking Water Revolving Fund and Clean Water State Revolving Fund bonds amounted to $1,669,132 and $3,681,197, respectively, which were the project construction costs incurred during those years. The total amount authorized under these issues was $12,091,272 of which $718,459 is still available and expected to be drawn through August 31, 2019.

Limited tax general obligation bonds outstanding at August 31, 2018 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1999 water (DWRF)	City	2.50%	$ 170,000	$ -	$ (55,000)	$ 115,000	$ 55,000
2003 water (DWRF)	Twp	2.50%	1,277,426	-	(170,000)	1,107,426	175,000
2007 water (DWRF)	City	2.125%	178,702	-	(15,000)	163,702	15,000
2007 water (DWRF)	Twp	2.125%	1,230,075	-	(105,000)	1,125,075	105,000
2008 water (DWRF)	Twp	2.50%	733,213	-	(55,000)	678,213	55,000
2008 water (DWRF)	City	2.50%	279,253	-	(20,000)	259,253	20,000
2009 water (DWRF)	City	2.50%	104,029	-	(5,000)	99,029	5,000
2009 water (DWRF)	Twp	2.50%	203,566	-	(17,000)	186,566	17,000
2010 water (SRF)	Shared	2.50%	510,151	-	(30,000)	480,151	30,000
2010 water (SRF)	Twp	2.50%	2,087,658	-	(130,000)	1,957,658	130,000
2010 water (SRF)	Twp	2.50%	346,641	-	(20,000)	326,641	20,000
2010 refunding	Twp	1.50-3.125%	705,252	-	(168,912)	536,340	174,136
2010 water	Twp	4.0-5.0%	1,425,000	-	(80,000)	1,345,000	80,000
2011 water refunding	Twp	2.0-4.0%	4,840,000	-	(430,000)	4,410,000	450,000
2012 water (DWRF)	Shared	2.50%	1,284,554	-	(65,000)	1,219,554	65,000
2012 water (DWRF)	City	2.50%	2,550,000	-	(120,000)	2,430,000	125,000
2012 water (DWRF)	Twp	2.50%	2,622,119	-	(145,000)	2,477,119	150,000
2012 water	Twp	2.0-4.0%	2,230,000	-	(95,000)	2,135,000	100,000
2012 water (DWRF)	Twp	2.00%	1,748,748	-	(95,000)	1,653,748	95,000
2013 water refunding	Twp	0.45-3.25%	3,835,000	-	(285,000)	3,550,000	290,000
2013 water (DWRF)	Shared	2.00%	998,207	-	(50,000)	948,207	50,000
2014 water (DWRF)	Shared	2.50%	4,043,036	-	(180,000)	3,863,036	175,000
2015 water (DWRF)	Shared	2.50%	410,000	-	(20,000)	390,000	20,000
2016 sewer refunding	Twp	2.0-4.0%	4,550,000	-	(350,000)	4,200,000	345,000
2017 sewer refunding	Twp	4.00%	6,445,000	-	(75,000)	6,370,000	100,000
2017 water (DWRF)	Shared	2.50%	986,403	738,360	-	1,724,763	75,000
2017 water (DWRF)	Twp	2.50%	2,525,855	930,772	-	3,456,627	155,000
			$48,319,888	$ 1,669,132	$ (2,780,912)	$47,208,108	$ 3,076,136

Limited tax general obligation bonds outstanding at August 31, 2017 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1998 water (DWRF)	Twp	2.50%	$ 157,056	$ -	$ (157,056)	$ -	$ -
1999 water (DWRF)	City	2.50%	225,000	-	(55,000)	170,000	55,000
2003 water (DWRF)	Twp	2.50%	1,442,426	-	(165,000)	1,277,426	170,000
2007 sewer refunding	Twp	4.00-4.10%	6,975,000	-	(6,975,000)	-	-
2007 water (DWRF)	City	2.125%	193,702	-	(15,000)	178,702	15,000
2007 water (DWRF)	Twp	2.125%	1,330,075	-	(100,000)	1,230,075	105,000
2008 water (DWRF)	Twp	2.50%	783,213	-	(50,000)	733,213	55,000
2008 water (DWRF)	City	2.50%	299,253	-	(20,000)	279,253	20,000
2009 water (DWRF)	City	2.50%	109,029	-	(5,000)	104,029	5,000
2009 water (DWRF)	Twp	2.50%	220,566	-	(17,000)	203,566	17,000
2010 water (SRF)	Shared	2.50%	540,151	-	(30,000)	510,151	30,000
2010 water (SRF)	Twp	2.50%	2,212,658	-	(125,000)	2,087,658	130,000
2010 water (SRF)	Twp	2.50%	366,641	-	(20,000)	346,641	20,000
2010 refunding	Twp	1.50-3.125%	870,681	-	(165,429)	705,252	168,912
2010 water	Twp	4.0-5.0%	1,505,000	-	(80,000)	1,425,000	80,000
2011 water refunding	Twp	2.0-4.0%	5,255,000	-	(415,000)	4,840,000	430,000
2012 water (DWRF)	Shared	2.50%	1,349,554	-	(65,000)	1,284,554	65,000
2012 water (DWRF)	City	2.50%	2,670,000	-	(120,000)	2,550,000	120,000
2012 water (DWRF)	Twp	2.50%	2,767,119	-	(145,000)	2,622,119	145,000
2012 water	Twp	2.0-4.0%	2,320,000	-	(90,000)	2,230,000	95,000
2012 water (DWRF)	Twp	2.00%	1,838,748	-	(90,000)	1,748,748	95,000
2013 water refunding	Twp	0.45-3.25%	4,110,000	-	(275,000)	3,835,000	285,000
2013 water (DWRF)	Shared	2.00%	1,048,207	-	(50,000)	998,207	50,000
2014 water (DWRF)	Shared	2.50%	4,049,097	168,939	(175,000)	4,043,036	180,000
2015 water (DWRF)	Shared	2.50%	430,000	-	(20,000)	410,000	20,000
2016 sewer refunding	Twp	2.0-4.0%	4,875,000	-	(325,000)	4,550,000	350,000
2017 sewer refunding	Twp	4.00%	-	6,445,000	-	6,445,000	75,000
2017 water (DWRF)	Shared	2.50%	-	986,403	-	986,403	-
2017 water (DWRF)	Twp	2.50%	-	2,525,855	-	2,525,855	-
			$47,943,176	$10,126,197	$ (9,749,485)	$48,319,888	$ 2,780,912

During fiscal 2017, the Authority (through the Township) issued $6,445,000 of refunding bonds to refund (call) $6,875,000 of the 2007 sewer bonds. The refunding resulted in a savings of $648,313 and an economic gain of $484,452.

Because certain principal and interest payments on bonds are due September 1, the Authority may make payment on those obligations on or before August 31. As such, since the amounts due within one year for those certain issues were already paid, no amounts are shown as payable within one year for those particular issues.

Annual debt service requirements to maturity for limited tax general obligation bonds are as follows:

Year Ended August 31,	Principal	Interest
2019	$ 3,076,136	$ 1,337,449
2020	3,176,360	1,250,597
2021	3,239,844	1,156,464
2022	3,137,000	1,061,682
2023	3,217,000	966,941
2024-2028	15,891,203	3,355,419
2029-2033	13,357,781	918,843
2034-2038	2,831,243	-
	47,926,567	$10,047,395
Less amount remaining to draw on outstanding projects	(718,459)	
	$ 47,208,108	

For purposes of presenting the above maturities, the debt amortization schedules for the outstanding projects present the maturities based on the total authorized project amount whereas the debt per the financial statements is based on the actual draws through year end. Further, the interest for the years 2034 through 2038 is not known until those final project draws are made.

Revenue bonds. The Authority, in conjunction with the City, also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. The original amount of revenue bonds for the issues outstanding as of August 31, 2018 was $28,845,000. No new or refunding revenue bonds were issued during the current year.

Revenue bonds outstanding at August 31, 2018 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2002B water (DWRF)	City	2.50%	$ 150,000	$ -	$ (30,000)	$ 120,000	$ 30,000
2003C water (DWRF)	City	2.50%	320,000	-	(40,000)	280,000	45,000
2003D water (DWRF)	City	2.50%	2,160,000	-	(285,000)	1,875,000	295,000
2004B water (DWRF)	City	2.125%	2,860,000	-	(330,000)	2,530,000	340,000
2013 refunding	City	2.00-4.00%	3,890,000	-	(600,000)	3,290,000	-
2016 refunding	City	2.00-4.00%	8,455,000	-	(535,000)	7,920,000	-
			$17,835,000	$ -	$ (1,820,000)	$16,015,000	$ 710,000

Revenue bonds outstanding at August 31, 2017 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2002B water (DWRF)	City	2.50%	$ 180,000	$ -	$ (30,000)	$ 150,000	$ 30,000
2003C water (DWRF)	City	2.50%	360,000	-	(40,000)	320,000	40,000
2003D water (DWRF)	City	2.50%	2,440,000	-	(280,000)	2,160,000	285,000
2004B water (DWRF)	City	2.125%	3,185,000	-	(325,000)	2,860,000	330,000
2013 refunding	City	2.00-4.00%	4,940,000	-	(1,050,000)	3,890,000	-
2016 refunding	City	2.00-4.00%	8,455,000	-	-	8,455,000	-
			$19,560,000	$ -	$ (1,725,000)	$17,835,000	$ 685,000

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ended August 31,	Principal	Interest
2019	$ 710,000	$ 550,420
2020	1,905,000	487,410
2021	1,970,000	427,872
2022	2,015,000	372,238
2023	2,075,000	308,869
2024-2028	7,340,000	584,007
	$16,015,000	$ 2,730,816

Environmental liability. In fiscal 1988, the U.S. Environmental Protection Agency (EPA) notified the Authority that it had been named a potential responsible party (PRP) for contaminated sites commonly known as the Willow Run Sludge Lagoon, Tyler Pond, and Willow Creek. The other entities named as PRP's in this matter included the Township, Wayne County, Ford Motor Company, General Motors Corporation, the University of Michigan and the federal government.

In fiscal 1995, the named PRP's entered into an agreement to fund the cost of the clean up. Based on this agreement, the Authority recorded a liability totaling $1,250,000 and agreed that it will: (1) make three annual payments of $250,000 each beginning in 2002; and (2) pay up to an additional $500,000 for certain water treatment costs over a period of not more 30 years with no more than $50,000 payable in any one year. Through August 31, 2008, two payments of $50,000 each were made between fiscal 1997 and 1998. During fiscal year 2009, following receipt of a reimbursement request from General Motors Corporation, the Authority made a payment of $108,544 to cover costs from 1998 through 2007. No payments have been made or requested since 2009.

Accordingly, the Authority's obligation for this matter is carried on the financial statements until it is released from the agreement by the EPA. Of the total liability, $450,000 is reported as a current liability (i.e., one payment of $250,000 and four payments of $50,000 each) and $591,456 is reported as long-term.

Compensated absences. The Authority records a liability for accrued compensated absences, which includes earned but unused vacation and sick leave. The liability is classified between current and long-term portions based on estimated usage.

Changes in long-term debt. Following is a summary of long-term debt activity for the year ended August 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited tax obligation bonds	$48,319,888	$ 1,669,132	$ (2,780,912)	$47,208,108	$ 3,076,136
Revenue bonds	17,835,000	-	(1,820,000)	16,015,000	710,000
Environmental liability	1,041,456	-	-	1,041,456	450,000
Compensated absences	887,627	709,401	(722,210)	874,818	437,409
	68,083,971	2,378,533	(5,323,122)	65,139,382	4,673,545
Deduct deferred amounts for:					
Issuance discounts	(309,901)	-	33,135	(276,766)	(33,135)
Issuance premiums	2,444,565	-	(264,064)	2,180,501	264,064
	$70,218,635	$ 2,378,533	$ (5,554,051)	$67,043,117	$ 4,904,474

Following is a summary of long-term debt activity for the year ended August 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited tax obligation bonds	$47,943,176	$10,126,197	$ (9,749,485)	$48,319,888	$ 2,780,912
Revenue bonds	19,560,000	-	(1,725,000)	17,835,000	685,000
Environmental liability	1,041,456	-	-	1,041,456	450,000
Compensated absences	1,196,412	421,093	(729,878)	887,627	443,814
	69,741,044	10,547,290	(12,204,363)	68,083,971	4,359,726
Deduct deferred amounts for:					
Issuance discounts	(343,036)	-	33,135	(309,901)	(33,135)
Issuance premiums	2,137,347	544,082	(236,864)	2,444,565	264,065
	$71,535,355	$11,091,372	$(12,408,092)	$70,218,635	$ 4,590,656

Notes to the Financial Statements

8. CAPITAL CONTRIBUTIONS

The sources of capital contributions for the year ended August 31 are summarized as follows:

	2018	2017
State of Michigan	$ 70,910	$ 506,149
City of Ypsilanti	246,252	-
Ypsilanti Township	358,020	79,321
	$ 675,182	$ 585,470

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee injuries; and natural disasters, as well as medical and death benefits provided to employees. The Authority purchases commercial insurance to cover all risks of losses. The Authority has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

10. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies, including amounts borrowed under the Michigan revolving loan fund programs, are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

11. DEFINED BENEFIT PENSION PLAN

Plan Description. The Authority participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at *www.mersofmich.com.*

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 year period) and multipliers ranging from 1.5% to 2.0%. Participants are considered to be fully vested in the plan after 6-10 years depending on the division/bargaining unit. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 25 years of service, or age 55 with 15 years of service, depending on division/bargaining unit.

Employees Covered by Benefit Terms. At December 31, 2017, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	16
Active employees	107
Total membership	242

Contributions. The Authority is required to contribute at an actuarially determined percentage (for open groups) or amount (for closed groups) as follows for the year ended August 31, 2018:

	2018
AFSCME (open)	4.47%
AFSCME (closed)	$ 877,476
Teamsters (closed)	622,944
Management (closed)	493,740

The Authority's non-union and AFSCME unionized employees are required to contribute 3.0% of their annual covered payroll to the plan, whereas Teamster unionized employees are required to contribute 4.0%. The Authority's contribution requirements are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the Authority, subject to collective bargaining agreements and depending on the MERS contribution program adopted by the Authority.

Net Pension Liability. The Authority's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

Although no explicit price inflation assumption is used in the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.5%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study of 2009-2013.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.5%	5.02%	2.89%
Global fixed income	20.0%	2.18%	0.44%
Real assets	12.5%	4.23%	0.51%
Diversifying strategies	10.0%	6.56%	0.66%
	100.0%		
Inflation			3.25%
Administrative expenses netted above			0.25%
Investment rate of return			8.00%

Discount Rate. The discount rate used to measure the total pension liability is 8.00% for the 2017 valuation. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to the Financial Statements

Changes in Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	$ 52,883,046	$ 29,139,150	$ 23,743,896
Changes for the year:			
Service cost	645,677	-	645,677
Interest	4,127,204	-	4,127,204
Differences between expected and actual experience	(512,109)	-	(512,109)
Employer contributions	-	2,338,685	(2,338,685)
Employee contributions	-	213,873	(213,873)
Net investment income	-	3,817,227	(3,817,227)
Benefit payments, including refunds of employee contributions	(3,231,682)	(3,231,682)	-
Administrative expense	-	(60,412)	60,412
Net changes	1,029,090	3,077,691	(2,048,601)
Balances at December 31, 2017	$ 53,912,136	$ 32,216,841	$ 21,695,295

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Authority, calculated using the discount rate of 8.0%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
$ 27,515,996	$ 21,695,295	$ 16,734,343

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions. For the year ended August 31, 2018, the Authority recognized pension expense of $2,690,614. The Authority reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ (579,292)	$ (579,292)
Changes in assumptions	860,052	-	860,052
Difference between expected and actual experience	-	(558,497)	(558,497)
	860,052	(1,137,789)	(277,737)
Contributions subsequent to the measurement date	2,339,140	-	2,339,140
Total	$ 3,199,192	$ (1,137,789)	$ 2,061,403

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending August 31, 2019. Other amounts reported as net deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended August 31,	Amount
2019	$ 372,748
2020	268,090
2021	(615,439)
2022	(303,136)
Total	$ (277,737)

Payable to the Pension Plan. At August 31, 2018, the Authority had $167,283 recorded as a payable for contributions to the pension plan required for the year ended August 31, 2018.

12. OTHER POSTEMPLOYMENT BENEFITS

The Authority administers a single-employer defined benefit healthcare plan (OPEB Plan), that provides certain health care benefits to all full-time employees upon retirement, in accordance with the applicable labor agreements. These benefits are integrated with Medicare to provide benefits comparable to those received at the date of retirement for the employee's life. In September 2005, the Authority adopted the Michigan Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle to fund the obligation. Stand-alone financial statements are not issued for the OPEB Plan.

Benefits Provided. YCUA has four Medical / Rx, three dental and three vision benefit options. The plans offered to Pre-2014 retirees will not change over time. All the plans renew on a calendar year basis. Retirees and covered spouses have coverage as long as the retiree is alive and receiving a MERS pension. When a covered retiree dies, spouse coverage depends on the individual contract. In general for future AFSCME retirees, spouse coverage upon retiree death is available until the earlier of remarriage, the retiree would have been eligible for Medicare or other health insurance becomes available. For Teamsters and Non-Union future retirees, spouse coverage upon retiree death is available until the earlier of remarriage, the spouse is eligible for Medicare or other health insurance becomes available.

Employees Covered by Benefit Terms. At June 30, 2018, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	90
Active employees	107
Total membership	197

Contributions. The Authority has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment. Administrative costs of the plan are paid for by the Authority. Plan participants are not required to contribute to the plan.

Net Other Postemployment Benefit Liability. The Authority's net other postemployment benefit liability was measured as of June 30, 2018, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total other postemployment benefit liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per year
Salary increases	2.25% per year
Investment rate of return	7.75%, net of investment expense and including inflation
Healthcare cost trend rate	3.5% per year

Mortality rates used were based on the Society of Actuaries RPH-2014 adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2018 Full Generational Improvement for healthy life and Society of Actuaries RPH-2014 Adjusted to 2006 Disabled Retiree Mortality Table with MP-2018 Full Generational Improvement.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

Changes from the fiscal 2018 valuation relative to the December 31, 2016 valuation are noted below:

- The prior valuation utilized a discount rate of 7.0%. It has been clarified the discount rate should be 7.75%.
- The assumed salary scale was changed from 3% to 2.25% per year.
- The per capita costs, trend rates and retiree premium contributions were updated as part of the actuarial analysis. These updates produced lower than expected present value costs. The actuary was able to use more YCUA experience in their evaluation.
- The assumed mortality improvement scale as published by the Society of Actuaries was changed from MP 2016 to MP 2017. (From beginning to end of year FY 2018 measurement MP 2017 was changed to MP 2018.)

Long-term Expected Return on Plan Assets. The long-term expected rate of return on other postemployment benefit plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.5%	6.15%	3.42%
Global fixed income	18.5%	1.26%	0.23%
Real assets	13.5%	7.22%	0.97%
Diversifying strategies	12.5%	5.00%	0.63%
	100.0%		
Inflation			2.50%
Investment rate of return			7.75%

Discount Rate. The discount rate used to measure the total other postemployment benefit liability is 7.75% for the 2018 valuation. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the other postemployment benefit plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total other postemployment benefit liability.

Changes in Net Other Postemployment Benefit Liability

Changes in Net Other Postemployment Benefit Liability. The components of the change in the net other postemployment benefit (OPEB) liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	$ 26,136,731	$ 23,504,729	$ 2,632,002
Changes for the year:			
Service cost	217,372	-	217,372
Interest	1,994,044	-	1,994,044
Changes in assumptions	(100,802)	-	(100,802)
Employer contributions	-	1,889,255	(1,889,255)
Net investment income	-	1,862,287	(1,862,287)
Benefit payments, including refunds of employee contributions	(1,249,001)	(1,249,001)	-
Administrative expense	-	(60,553)	60,553
Net changes	861,613	2,441,988	(1,580,375)
Balances at June 30, 2018	$ 26,998,344	$ 25,946,717	$ 1,051,627

Sensitivity of the Net Other Postemployment Benefit Liability to Changes in the Discount Rate. The following presents the net other postemployment benefit liability of the Authority, calculated using the discount rate of 7.75%, as well as what the Authority's net other postemployment benefit liability would be if it were calculated using a discount rate that is 1% lower (6.75%) or 1% higher (8.75%) than the current rate:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
$ 4,319,075	$ 1,051,627	$ (1,673,869)

Sensitivity of the Net Other Postemployment Benefit Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net other postemployment benefit liability of the Authority, calculated using the health care cost trend rate of 3.5%, as well as what the Authority's net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (2.5%) or 1% higher (4.5%) than the current rate:

1% Decrease (2.5%)	Healthcare Cost Trend Rate (3.5%)	1% Increase (4.5%)
$ (2,011,523)	$ 1,051,627	$ 4,745,973

Other Postemployment Benefit Expense and Deferred Outflows/Inflows of Resources Related to Other Postemployment Benefits. For the year ended August 31, 2018, the Authority recognized other postemployment benefit expense of $406,563. The Authority reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 14,566	$ (14,566)
Changes in assumptions	-	83,117	(83,117)
	-	97,683	(97,683)
Contributions subsequent to the measurement date	288,503	-	288,503
Total	$ 288,503	$ 97,683	$ 190,820

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net other postemployment benefit liability for the year ending August 31, 2019. Other amounts reported as net deferred outflows/inflows of resources related to the other postemployment benefit will be recognized in other postemployment benefit expense as follows:

Year Ended August 31,	Amount
2019	$ (21,326)
2020	(21,326)
2021	(21,326)
2022	(21,328)
2023	(12,377)
Total	$ (97,683)

Payable to the Other Postemployment Benefit Plan. At August 31, 2018, the Authority had no payable for contributions to the other postemployment benefit plan.

13. ALLOCATION METHODS

Financial information of the Authority can be separated by component or division. For such purposes, the City and Township divisions together comprise the Authority, in aggregate, as is the same for the Water and Wastewater divisions. In certain instances, revenues and expenses are directly attributable to the respective divisions, whereas other revenues and expenses are shared or not directly attributable. For these latter items, the Authority uses a variety of objectively measurable allocation methods to equitably distribute the account balances between the applicable divisions. These methods include metered water and sewage flows, work orders, time and attendance, number of meters and so on.

Notes to the Financial Statements

14. NET INVESTMENT IN CAPITAL ASSETS

The composition of the Authority's net investment in capital assets as of August 31, 2018 and 2017 was as follows:

	2018	2017
Capital assets:		
Capital assets not being depreciated	$ 7,473,054	$ 6,757,861
Capital assets being depreciated, net	190,122,199	198,218,261
	197,595,253	204,976,122
Related debt:		
Deferred charge on refunding	(475,864)	(548,273)
Limited tax obligation bonds	47,208,108	48,319,888
Revenue bonds	16,015,000	17,835,000
Issuance discounts	(276,766)	(309,901)
Issuance premiums	2,180,501	2,444,565
	64,650,979	67,741,279
Net investment in capital assets	$ 132,944,274	$ 137,234,843

15. RESTATEMENT

The Authority adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* in the current year. As a result, the beginning net position was decreased by $2,329,297.

16. SEGMENT INFORMATION

Revenue bonds have been issued through the City to finance certain water and wastewater capital projects. The City and Township divisions are accounted for in a single fund (i.e., the Authority). However, investors in the revenue bonds rely solely on the revenue generated by the City division for repayment. Accordingly, summary information for the City and Township divisions as of and for the year ended August 31, 2018 is presented below.

	Condensed Statement of Net Position		
	City	Township	Totals
Assets			
Current and other assets	$ 9,948,358	$ 20,882,753	$ 30,831,111
Capital assets	59,608,794	137,986,459	197,595,253
Total assets	69,557,152	158,869,212	228,426,364
Deferred outflows of resources	1,100,825	2,862,734	3,963,559
Liabilities			
Long-term debt	22,880,288	44,162,829	67,043,117
Net pension liability	5,045,181	16,650,114	21,695,295
Net OPEB liability	244,553	807,074	1,051,627
Other liabilities	1,079,982	4,950,017	6,029,999
Total liabilities	29,250,004	66,570,034	95,820,038
Deferred inflows of resources	287,306	948,166	1,235,472
Net position			
Net investment in capital assets	37,299,262	95,645,012	132,944,274
Restricted	4,405,415	8,112,734	12,518,149
Unrestricted deficit	(584,010)	(9,544,000)	(10,128,010)
Total net position	$ 41,120,667	$ 94,213,746	$ 135,334,413

	Condensed Statement of Revenues, Expenses and Changes in Net Position						
	City			Township			Totals
	Water	Wastewater	Total	Water	Wastewater	Total	
Operating revenues	$ 4,753,676	$ 5,632,147	$ 10,385,823	$ 16,260,208	$ 17,088,174	$ 33,348,382	$ 43,734,205
Operating expenses							
Depreciation	911,347	1,897,944	2,809,291	1,659,814	6,921,075	8,580,889	11,390,180
Other operating	2,612,503	3,551,329	6,163,832	12,584,229	11,010,691	23,594,920	29,758,752
	3,523,850	5,449,273	8,973,123	14,244,043	17,931,766	32,175,809	41,148,932
Operating income (loss)	1,229,826	182,874	1,412,700	2,016,165	(843,592)	1,172,573	2,585,273
Nonoperating expense	(265,938)	(300,790)	(566,728)	(258,516)	(785,800)	(1,044,316)	(1,611,044)
Capital contributions, net	-	163,596	163,596	-	511,586	511,586	675,182
Change in net position	$ 963,888	$ 45,680	1,009,568	$ 1,757,649	$ (1,117,806)	639,843	1,649,411
Net position							
Beginning of year, as restated			40,111,099			93,573,903	133,685,002
End of year			$ 41,120,667			$ 94,213,746	$135,334,413

■ ■ ■ ■ ■

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Defined Benefit Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended August 31,			
	2018	2017	2016	2015
Total pension liability				
Service cost	$ 645,677	$ 647,067	$ 673,845	$ 701,844
Interest on total pension liability	4,127,204	4,019,882	3,741,270	3,727,652
Difference between expected and actual experience	(512,109)	(180,371)	(210,575)	-
Assumption changes	-	-	2,150,127	-
Benefit payments and refunds	(3,231,682)	(3,057,059)	(2,894,018)	(2,772,550)
Other changes	-	-	116,915	-
Net change in total pension liability	1,029,090	1,429,519	3,577,564	1,656,946
Total pension liability, beginning of year	52,883,046	51,453,527	47,875,963	46,219,017
Total pension liability, end of year	53,912,136	52,883,046	51,453,527	47,875,963
Plan fiduciary net position				
Employer contributions	2,338,685	1,793,233	1,443,666	1,331,966
Employee contributions	213,873	-	214,851	221,036
Pension plan net investment income (loss)	3,817,227	3,060,630	(425,351)	1,785,353
Benefit payments and refunds	(3,231,682)	(3,057,059)	(2,894,018)	(2,772,550)
Pension plan administrative expense	(60,412)	(60,461)	(62,806)	(65,374)
Net change in plan fiduciary net position	3,077,691	1,736,343	(1,723,658)	500,431
Plan fiduciary net position, beginning of year	29,139,150	27,402,807	29,126,465	28,626,034
Plan fiduciary net position, end of year	32,216,841	29,139,150	27,402,807	29,126,465
Net pension liability	$ 21,695,295	$ 23,743,896	$ 24,050,720	$ 18,749,498
Plan fiduciary net position as a percentage of total pension liability	59.76%	55.10%	53.26%	60.84%
Covered payroll	$ 6,591,541	$ 6,618,831	$ 6,704,320	$ 6,907,282
Net pension liability as a percentage of covered payroll	329.14%	358.73%	358.73%	271.45%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Defined Benefit Pension Plan

Schedule of the Net Pension Liability

Fiscal Year Ending August 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll
2015	$ 47,875,963	$ 29,126,465	$ 18,749,498	60.84%	$ 6,907,282
2016	51,453,527	27,402,807	24,050,720	53.26%	6,704,320
2017	52,883,046	29,139,150	23,743,896	55.10%	6,618,831
2018	53,912,136	32,216,841	21,695,295	59.76%	6,591,541

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Defined Benefit Pension Plan

Schedule of Contributions

Fiscal Year Ending August 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2015	$ 1,408,321	$ 1,408,321	$ -	$ 7,040,912	20.00%
2016	1,515,456	1,515,456	-	6,835,505	22.17%
2017	1,929,047	1,929,047	-	6,842,564	28.19%
2018	3,003,711	3,003,711	-	7,105,563	42.27%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date	Actuarially determined contribution rates are calculated as of the December 31 that is 21 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2017, based on the 12/31/2017 valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	21 years
Asset valuation method	10 year smoothed
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	8.0%, gross of administrative expenses
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2009 actuarial valuations. The Early Retirement rates were first used for the December 31, 2011 actuarial valuations.
Mortality	1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Other Postemployment Benefits

Schedule of Changes in Net Other Postemployment Benefit Liability and Related Ratios

	Fiscal Year Ended August 31, 2018
Total other postemployment benefit liability	
Service cost	$ 217,372
Interest on total other postemployment benefit liability	1,994,044
Assumption changes	(100,802)
Benefit payments and refunds	(1,249,001)
Net change in total other postemployment benefit liability	861,613
Total other postemployment benefit liability, beginning of year	26,136,731
Total other postemployment benefit liability, end of year	26,998,344
Plan fiduciary net position	
Employer contributions	1,889,255
Other postemployment benefit plan net investment income	1,862,287
Benefit payments and refunds	(1,249,001)
Other postemployment benefit plan administrative expense	(60,553)
Net change in plan fiduciary net position	2,441,988
Plan fiduciary net position, beginning of year	23,504,729
Plan fiduciary net position, end of year	25,946,717
Net other postemployment benefit liability	$ 1,051,627
Plan fiduciary net position as a percentage of total other postemployment benefit liability	96.10%
Covered payroll	$ 6,481,158
Net other postemployment benefit liability as a percentage of covered payroll	16.23%

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Other Postemployment Benefits

Schedule of the Net Other Postemployment Benefit Liability

Fiscal Year Ending August 31,	Total Other Post-employment Benefit Liability	Plan Net Position	Net Other Post-employment Benefit Liability	Plan Net Position as Percentage of Total Other Post-employment Benefit Liability	Covered Payroll
2018	$ 26,998,344	$ 25,946,717	$ 1,051,627	96.10%	$ 6,481,158

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Other Postemployment Benefits

Schedule of Contributions

Fiscal Year Ending August 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2018	$ 1,773,549	$ 1,773,549	$ -	$ 7,092,754	25.01%

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date	June 30, 2018

Methods and assumptions used to determine contribution rates (2018, based on the 12/31/2016 valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	22 years
Asset valuation method	10 year smoothed
Healthcare cost trend rate	3.5% per year
Inflation	2.50% per year
Salary increases	2.25% per year
Investment rate of return	7.75%, net of investment expense and including inflation
Retirement age	Assumed rates are based on those used for the Municipal Employees' Retirement System (MERS) of Michigan pension report and the prior YCUA OPEB report. Retirement rates project the probability of eligible employees who will retire during the next year.
Mortality	Mortality rates used were based on the Society of Actuaries RPH-2014 adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2018 Full Generational Improvement for healthy life and Society of Actuaries RPH-2014 Adjusted to 2006 Disabled Retiree Mortality Table with MP-2018 Full Generational Improvement.

continued...

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Other Postemployment Benefits

- The prior valuation utilized a discount rate of 7.0%. It has been clarified the discount rate should be 7.75%.

- The assumed salary scale was changed from 3% to 2.25% per year.

- The per capita costs, trend rates and retiree premium contributions were updated as part of the actuarial analysis. These updates produced lower than expected present value costs. The actuary was able to use more YCUA experience in their evaluation.

- The assumed mortality improvement scale as published by the Society of Actuaries was changed from MP 2016 to MP 2017. (From beginning to end of year FY 2018 measurement MP 2017 was changed to MP 2018.)

concluded.

SUPPLEMENTARY INFORMATION

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

City and Township Allocation
For the Year Ended August 31, 2018

	City	Township	Total
Operating revenues			
Water sales	$ 2,905,530	$ 15,614,772	$ 18,520,302
Sewage disposal sales	3,979,905	15,158,461	19,138,366
Surcharges and other usage fees:			
Capital improvement surcharge	3,116,446	691,304	3,807,750
Construction reserve	59,010	206,537	265,547
Environmental reserve	-	110,332	110,332
Other operating revenue	324,932	1,566,976	1,891,908
Total operating revenues	10,385,823	33,348,382	43,734,205
Operating expenses			
Water distribution	1,896,372	10,248,209	12,144,581
Wastewater treatment	3,969,782	12,413,977	16,383,759
Wastewater pump stations	256,074	934,507	1,190,581
Industrial surveillance	94,851	296,615	391,466
Transmission and distribution	1,977,703	5,740,132	7,717,835
Meter service	237,252	802,297	1,039,549
Customer accounting and collections	107,567	362,978	470,545
General and administration	433,522	1,377,094	1,810,616
Total operating expenses	8,973,123	32,175,809	41,148,932
Operating income	1,412,700	1,172,573	2,585,273
Nonoperating revenues (expenses)			
Investment earnings	51,730	121,791	173,521
Connection fees	11,233	75,725	86,958
Interest and amortization expense	(629,691)	(1,243,131)	(1,872,822)
Gain on sale of capital assets	-	1,299	1,299
Total nonoperating expenses	(566,728)	(1,044,316)	(1,611,044)
Income before contributions	845,972	128,257	974,229
Capital contributions	163,596	511,586	675,182
Change in net position	1,009,568	639,843	1,649,411
Net position, beginning of year, as restated	40,111,099	93,573,903	133,685,002
Net position, end of year	$ 41,120,667	$ 94,213,746	$ 135,334,413

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

Water and Wastewater Allocation
For the Year Ended August 31, 2018

	Water	Wastewater	Total
Operating revenues			
Water sales	$ 18,520,302	$ -	$ 18,520,302
Sewage disposal sales	-	19,138,366	19,138,366
Surcharges and other usage fees:			
Capital improvement surcharge	2,222,062	1,585,688	3,807,750
Construction reserve	143,116	122,431	265,547
Environmental reserve	-	110,332	110,332
Other operating revenue	128,404	1,763,504	1,891,908
Total operating revenues	21,013,884	22,720,321	43,734,205
Operating expenses			
Water distribution	12,144,581	-	12,144,581
Wastewater treatment	-	16,383,759	16,383,759
Wastewater pump stations	-	1,190,581	1,190,581
Industrial surveillance	-	391,466	391,466
Transmission and distribution	4,077,316	3,640,519	7,717,835
Meter service	519,773	519,776	1,039,549
Customer accounting and collections	235,272	235,273	470,545
General and administration	790,951	1,019,665	1,810,616
Total operating expenses	17,767,893	23,381,039	41,148,932
Operating income (loss)	3,245,991	(660,718)	2,585,273
Nonoperating revenues (expenses)			
Investment earnings	102,615	70,906	173,521
Connection fees	43,480	43,478	86,958
Interest and amortization expense	(670,549)	(1,202,273)	(1,872,822)
Gain on sale of capital assets	-	1,299	1,299
Total nonoperating expense	(524,454)	(1,086,590)	(1,611,044)
Income (loss) before contributions	2,721,537	(1,747,308)	974,229
Capital contributions	-	675,182	675,182
Change in net position	$ 2,721,537	$ (1,072,126)	$ 1,649,411

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

Water and Wastewater Allocation by Member
For the Year Ended August 31, 2018

	City		
	Water	**Wastewater**	**Total**
Operating revenues			
Water sales	$ 2,905,530	$ -	$ 2,905,530
Sewage disposal sales	-	3,979,905	3,979,905
Surcharges and other usage fees:			
Capital improvement surcharge	1,775,249	1,341,197	3,116,446
Construction reserve	26,397	32,613	59,010
Environmental reserve	-	-	-
Other operating revenue	46,500	278,432	324,932
Total operating revenue	4,753,676	5,632,147	10,385,823
Operating expenses			
Water distribution	1,896,372	-	1,896,372
Wastewater treatment	-	3,969,782	3,969,782
Wastewater pump stations	-	256,074	256,074
Industrial surveillance	-	94,851	94,851
Transmission and distribution	1,264,904	712,799	1,977,703
Meter service	118,622	118,630	237,252
Customer accounting and collections	53,780	53,787	107,567
General and administration	190,172	243,350	433,522
Total operating expenses	3,523,850	5,449,273	8,973,123
Operating income (loss)	1,229,826	182,874	1,412,700
Nonoperating revenues (expenses)			
Investment earnings	27,685	24,045	51,730
Connection fees	5,617	5,616	11,233
Interest and amortization expense	(299,240)	(330,451)	(629,691)
Gain on sale of capital assets	-	-	-
Total nonoperating expense	(265,938)	(300,790)	(566,728)
Income (loss) before contributions	963,888	(117,916)	845,972
Capital contributions	-	163,596	163,596
Change in net position	$ 963,888	$ 45,680	$ 1,009,568

Township Water	Township Wastewater	Township Total	Total
$ 15,614,772	$ -	$ 15,614,772	$ 18,520,302
-	15,158,461	15,158,461	19,138,366
446,813	244,491	691,304	3,807,750
116,719	89,818	206,537	265,547
-	110,332	110,332	110,332
81,904	1,485,072	1,566,976	1,891,908
16,260,208	17,088,174	33,348,382	43,734,205
10,248,209	-	10,248,209	12,144,581
-	12,413,977	12,413,977	16,383,759
-	934,507	934,507	1,190,581
-	296,615	296,615	391,466
2,812,412	2,927,720	5,740,132	7,717,835
401,151	401,146	802,297	1,039,549
181,492	181,486	362,978	470,545
600,779	776,315	1,377,094	1,810,616
14,244,043	17,931,766	32,175,809	41,148,932
2,016,165	(843,592)	1,172,573	2,585,273
74,930	46,861	121,791	173,521
37,863	37,862	75,725	86,958
(371,309)	(871,822)	(1,243,131)	(1,872,822)
-	1,299	1,299	1,299
(258,516)	(785,800)	(1,044,316)	(1,611,044)
1,757,649	(1,629,392)	128,257	974,229
-	511,586	511,586	675,182
$ 1,757,649	$ (1,117,806)	$ 639,843	$ 1,649,411

Detailed Schedule of Operating Expenses

City and Township Allocation
For the Year Ended August 31, 2018

	City	Township	Total
Water distribution			
Wages	$ 68,259	$ 361,582	$ 429,841
Benefits allocation	38,722	205,117	243,839
Purchased water	1,730,533	9,167,033	10,897,566
Utilities	6,744	238,427	245,171
Maintenance and supplies	8,866	46,958	55,824
Depreciation	1,552	8,219	9,771
Other	15,070	79,823	94,893
Fleet allocation	1,344	7,124	8,468
Engineering allocation	225	1,193	1,418
Information technology allocation	2,582	13,678	16,260
Maintenance allocation	22,475	119,055	141,530
	1,896,372	10,248,209	12,144,581
Wastewater treatment			
Wages	372,627	1,165,248	1,537,875
Benefits allocation	220,314	688,949	909,263
Utilities	572,264	1,789,536	2,361,800
Sludge removal	54,700	171,052	225,752
Maintenance	199,594	624,158	823,752
Engineering	18,750	58,632	77,382
Laboratory	14,016	43,828	57,844
Chemicals	153,979	481,510	635,489
Depreciation	1,720,471	5,380,113	7,100,584
Other	54,844	171,500	226,344
Fleet allocation	68,151	213,118	281,269
Engineering allocation	8,426	26,348	34,774
Information technology allocation	20,359	63,665	84,024
Maintenance allocation	415,750	1,300,098	1,715,848
Laboratory allocation	75,537	236,222	311,759
	3,969,782	12,413,977	16,383,759
Wastewater pump stations			
Wages	87,473	273,539	361,012
Benefits allocation	51,898	162,292	214,190
Utilities	75,456	317,767	393,223
Maintenance and supplies	20,797	65,033	85,830
Engineering	90	281	371
Depreciation	19,794	61,896	81,690
Other	-	51,930	51,930
Engineering allocation	566	1,769	2,335
	256,074	934,507	1,190,581

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation
For the Year Ended August 31, 2018

	City	Township	Total
Industrial surveillance			
Wages	$ 53,048	$ 165,886	$ 218,934
Benefits allocation	31,427	98,278	129,705
Other	5,501	17,206	22,707
Fleet allocation	935	2,925	3,860
Information technology allocation	3,940	12,320	16,260
	94,851	296,615	391,466
Transmission and distribution			
Wages	352,220	1,151,708	1,503,928
Benefits allocation	218,254	714,816	933,070
Utilities	17,885	58,482	76,367
Sewer overflow settlements	120,300	30,139	150,439
Maintenance:			
Shop and office	8,180	26,747	34,927
Water and sewer mains	49,694	165,943	215,637
Engineering	1,000	3,272	4,272
Depreciation	1,018,666	2,971,486	3,990,152
Other	56,440	175,817	232,257
Fleet allocation	88,769	290,361	379,130
Engineering allocation	23,209	75,877	99,086
Information technology allocation	13,964	45,655	59,619
Maintenance allocation	9,122	29,829	38,951
	1,977,703	5,740,132	7,717,835
Meter service			
Wages	113,504	383,012	496,516
Benefits allocation	68,016	229,519	297,535
Utilities	1,335	6,211	7,546
Maintenance and supplies	3,768	12,718	16,486
Meter parts	(390)	(1,320)	(1,710)
Depreciation	10,436	35,214	45,650
Other	26,770	90,331	117,101
Fleet allocation	10,096	34,069	44,165
Information technology allocation	3,717	12,543	16,260
	237,252	802,297	1,039,549

continued…

Detailed Schedule of Operating Expenses

City and Township Allocation
For the Year Ended August 31, 2018

	City	Township	Total
Customer accounting and collections			
Wages	$ 46,089	$ 155,524	$ 201,613
Benefits allocation	27,366	92,346	119,712
Utilities	5,208	17,573	22,781
Maintenance and supplies	9,633	32,503	42,136
Postage	12,904	43,546	56,450
Depreciation	1,521	5,133	6,654
Other	1,129	3,810	4,939
Information technology allocation	3,717	12,543	16,260
	107,567	362,978	470,545
General and administrative			
Wages	49,252	154,015	203,267
Benefits allocation	27,671	86,532	114,203
Utilities	1,568	5,293	6,861
Maintenance and supplies	1,584	4,953	6,537
Engineering	39,340	123,022	162,362
Building and liability insurance	43,918	137,339	181,257
Legal and settlements	9,484	29,659	39,143
Other professional services	1,207	3,775	4,982
Depreciation	483	1,509	1,992
Other	3,907	9,678	13,585
Bad debt expense	1,027	4,033	5,060
Fleet allocation	3,974	12,427	16,401
Engineering allocation	7,068	22,102	29,170
Information technology allocation	6,566	20,534	27,100
Maintenance allocation	79	246	325
Human resource allocation	118,737	391,934	510,671
Accounting allocation	117,657	370,043	487,700
	433,522	1,377,094	1,810,616
Fleet			
Wages	42,021	135,817	177,838
Benefits allocation	25,170	81,353	106,523
Maintenance parts and supplies	30,854	99,724	130,578
Gas, oil and grease	29,665	95,881	125,546
Insurance	11,100	35,878	46,978
Depreciation	32,893	106,312	139,205
Other	1,566	5,059	6,625
Allocated to various departments	(173,269)	(560,024)	(733,293)
	-	-	-

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation

For the Year Ended August 31, 2018

	City	Township	Total
Human resources			
Wages	$ 58,122	$ 191,816	$ 249,938
Benefits allocation	34,138	112,660	146,798
Utilities	1,012	3,416	4,428
Safety program	590	1,947	2,537
Training and education	793	2,619	3,412
Legal and professional	10,511	34,685	45,196
Physicals	2,721	8,979	11,700
Office supplies	844	2,787	3,631
Depreciation	128	423	551
Other	6,731	22,214	28,945
Information technology allocation	3,147	10,388	13,535
Allocated to general and administrative	(118,737)	(391,934)	(510,671)
	-	-	-
Benefits and payroll taxes			
Health insurance	269,859	890,590	1,160,449
Life insurance	4,966	16,388	21,354
Disability insurance	9,719	32,074	41,793
Social security	124,663	411,413	536,076
Workers compensation	12,044	39,747	51,791
Pension expense	555,617	1,833,649	2,389,266
Uniforms	4,132	13,637	17,769
Allocated to various departments	(981,000)	(3,237,498)	(4,218,498)
	-	-	-
Maintenance			
Wages	258,268	836,539	1,094,807
Benefits allocation	152,901	495,251	648,152
Utilities	4,077	13,204	17,281
Office and supplies	13,838	44,821	58,659
Other professional services	455	1,473	1,928
Depreciation	967	3,133	4,100
Other	5,413	17,535	22,948
Information technology allocation	11,507	37,272	48,779
Allocated to various departments	(447,426)	(1,449,228)	(1,896,654)
	-	-	-

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses
City and Township Allocation
For the Year Ended August 31, 2018

	City	Township	Total
Engineering			
Wages	$ 22,741	$ 73,295	$ 96,036
Benefits allocation	13,183	42,490	55,673
Utilities	110	353	463
Maintenance and supplies	1,414	4,559	5,973
Other professional services	1,575	5,075	6,650
Other	471	1,517	1,988
Allocated to various departments	(39,494)	(127,289)	(166,783)
	-	-	-
Information technology			
Wages	31,693	104,104	135,797
Benefits allocation	18,587	61,052	79,639
Utilities	108	355	463
Maintenance and supplies	20,719	68,058	88,777
Other	358	1,178	1,536
Allocated to various departments	(71,465)	(234,747)	(306,212)
	-	-	-
Laboratory			
Wages	36,723	114,838	151,561
Benefits allocation	21,418	66,978	88,396
Utilities	905	2,829	3,734
Maintenance and supplies	9,387	29,356	38,743
Contractual services	4,993	15,613	20,606
Depreciation	1,038	3,246	4,284
Other	1,073	3,362	4,435
Allocated to wastewater treatment	(75,537)	(236,222)	(311,759)
	-	-	-
Accounting			
Wages	56,648	177,145	233,793
Benefits allocation	31,935	99,865	131,800
Utilities	559	1,886	2,445
Office supplies	1,468	4,590	6,058
Audit and accounting services	13,181	41,219	54,400
Depreciation	1,344	4,205	5,549
Other	10,556	34,984	45,540
Information technology allocation	1,966	6,149	8,115
Allocated to general and administrative	(117,657)	(370,043)	(487,700)
	-	-	-
Total operating expenses	$ 8,973,123	$ 32,175,809	$ 41,148,932

concluded.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation
For the Year Ended August 31, 2018

	Water	Wastewater	Total
Water distribution			
Wages	$ 429,841	$ -	$ 429,841
Benefits allocation	243,839	-	243,839
Purchased water	10,897,566	-	10,897,566
Utilities	245,171	-	245,171
Maintenance and supplies	55,824	-	55,824
Depreciation	9,771	-	9,771
Other	94,893	-	94,893
Fleet allocation	8,468	-	8,468
Engineering allocation	1,418	-	1,418
Information technology allocation	16,260	-	16,260
Maintenance allocation	141,530	-	141,530
	12,144,581	-	12,144,581
Wastewater treatment			
Wages	-	1,537,875	1,537,875
Benefits allocation	-	909,263	909,263
Utilities	-	2,361,800	2,361,800
Sludge removal	-	225,752	225,752
Maintenance	-	823,752	823,752
Engineering	-	77,382	77,382
Laboratory	-	57,844	57,844
Chemicals	-	635,489	635,489
Depreciation	-	7,100,584	7,100,584
Other	-	226,344	226,344
Fleet allocation	-	281,269	281,269
Engineering allocation	-	34,774	34,774
Information technology allocation	-	84,024	84,024
Maintenance allocation	-	1,715,848	1,715,848
Laboratory allocation	-	311,759	311,759
	-	16,383,759	16,383,759
Wastewater pump stations			
Wages	-	361,012	361,012
Benefits allocation	-	214,190	214,190
Utilities	-	393,223	393,223
Maintenance and supplies	-	85,830	85,830
Engineering	-	371	371
Depreciation	-	81,690	81,690
Other	-	51,930	51,930
Engineering allocation	-	2,335	2,335
	-	1,190,581	1,190,581

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation
For the Year Ended August 31, 2018

	Water	Wastewater	Total
Industrial surveillance			
Wages	$ -	$ 218,934	$ 218,934
Benefits allocation	-	129,705	129,705
Other	-	22,707	22,707
Fleet allocation	-	3,860	3,860
Information technology allocation	-	16,260	16,260
	-	391,466	391,466
Transmission and distribution			
Wages	666,240	837,688	1,503,928
Benefits allocation	414,348	518,722	933,070
Utilities	33,831	42,536	76,367
Sewer overflow settlements	-	150,439	150,439
Maintenance:			
Shop and office	15,474	19,453	34,927
Water and sewer mains	95,648	119,989	215,637
Engineering	1,892	2,380	4,272
Depreciation	2,491,732	1,498,420	3,990,152
Other	102,586	129,671	232,257
Fleet allocation	167,975	211,155	379,130
Engineering allocation	43,893	55,193	99,086
Information technology allocation	26,439	33,180	59,619
Maintenance allocation	17,258	21,693	38,951
	4,077,316	3,640,519	7,717,835
Meter service			
Wages	248,258	248,258	496,516
Benefits allocation	148,767	148,768	297,535
Utilities	3,773	3,773	7,546
Maintenance and supplies	8,242	8,244	16,486
Meter parts	(855)	(855)	(1,710)
Depreciation	22,825	22,825	45,650
Other	58,551	58,550	117,101
Fleet allocation	22,082	22,083	44,165
Information technology allocation	8,130	8,130	16,260
	519,773	519,776	1,039,549

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses
Water and Wastewater Allocation
For the Year Ended August 31, 2018

	Water	Wastewater	Total
Customer accounting and collections			
Wages	$ 100,806	$ 100,807	$ 201,613
Benefits allocation	59,856	59,856	119,712
Utilities	11,391	11,390	22,781
Maintenance and supplies	21,068	21,068	42,136
Postage	28,225	28,225	56,450
Depreciation	3,327	3,327	6,654
Other	2,469	2,470	4,939
Information technology allocation	8,130	8,130	16,260
	235,272	235,273	470,545
General and administrative			
Wages	101,633	101,634	203,267
Benefits allocation	57,102	57,101	114,203
Utilities	3,431	3,430	6,861
Maintenance and supplies	3,268	3,269	6,537
Engineering	81,181	81,181	162,362
Building and liability insurance	90,628	90,629	181,257
Legal and settlements	19,572	19,571	39,143
Other professional services	2,491	2,491	4,982
Depreciation	996	996	1,992
Other	6,793	6,792	13,585
Bad debt expense	2,529	2,531	5,060
Fleet allocation	8,201	8,200	16,401
Engineering allocation	14,585	14,585	29,170
Information technology allocation	13,550	13,550	27,100
Maintenance allocation	163	162	325
Human resource allocation	140,979	369,692	510,671
Accounting allocation	243,849	243,851	487,700
	790,951	1,019,665	1,810,616
Fleet			
Wages	50,135	127,703	177,838
Benefits allocation	30,030	76,493	106,523
Maintenance parts and supplies	36,812	93,766	130,578
Gas, oil and grease	35,393	90,153	125,546
Insurance	13,244	33,734	46,978
Depreciation	39,244	99,961	139,205
Other	1,868	4,757	6,625
Allocated to various departments	(206,726)	(526,567)	(733,293)
	-	-	-

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation

For the Year Ended August 31, 2018

	Water	Wastewater	Total
Human resources			
Wages	$ 68,511	$ 181,427	$ 249,938
Benefits allocation	40,239	106,559	146,798
Utilities	2,214	2,214	4,428
Safety program	695	1,842	2,537
Training and education	936	2,476	3,412
Legal and professional	12,388	32,808	45,196
Physicals	3,207	8,493	11,700
Office supplies	995	2,636	3,631
Depreciation	151	400	551
Other	7,933	21,012	28,945
Information technology allocation	3,710	9,825	13,535
Allocated to general and administrative	(140,979)	(369,692)	(510,671)
	-	-	-
Benefits and payroll taxes			
Health insurance	318,091	842,358	1,160,449
Life insurance	5,853	15,501	21,354
Disability insurance	11,456	30,337	41,793
Social security	146,944	389,132	536,076
Workers compensation	14,196	37,595	51,791
Pension expense	654,924	1,734,342	2,389,266
Uniforms	4,871	12,898	17,769
Allocated to various departments	(1,156,335)	(3,062,163)	(4,218,498)
	-	-	-
Maintenance			
Wages	91,752	1,003,055	1,094,807
Benefits allocation	54,319	593,833	648,152
Utilities	1,448	15,833	17,281
Office and supplies	4,915	53,744	58,659
Other professional services	162	1,766	1,928
Depreciation	344	3,756	4,100
Other	1,923	21,025	22,948
Information technology allocation	4,088	44,691	48,779
Allocated to various departments	(158,951)	(1,737,703)	(1,896,654)
	-	-	-

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses
Water and Wastewater Allocation
For the Year Ended August 31, 2018

	Water	Wastewater	Total
Engineering			
Wages	$ 34,489	$ 61,547	$ 96,036
Benefits allocation	19,994	35,679	55,673
Utilities	166	297	463
Maintenance and supplies	2,145	3,828	5,973
Other professional services	2,388	4,262	6,650
Other	714	1,274	1,988
Allocated to various departments	(59,896)	(106,887)	(166,783)
	-	-	-
Information technology			
Wages	37,413	98,384	135,797
Benefits allocation	21,941	57,698	79,639
Utilities	128	335	463
Maintenance and supplies	24,459	64,318	88,777
Other	423	1,113	1,536
Allocated to various departments	(84,364)	(221,848)	(306,212)
	-	-	-
Laboratory			
Wages	-	151,561	151,561
Benefits allocation	-	88,396	88,396
Utilities	-	3,734	3,734
Maintenance and supplies	-	38,743	38,743
Contractual services	-	20,606	20,606
Depreciation	-	4,284	4,284
Other	-	4,435	4,435
Allocated to wastewater treatment	-	(311,759)	(311,759)
	-	-	-
Accounting			
Wages	116,896	116,897	233,793
Benefits allocation	65,900	65,900	131,800
Utilities	1,223	1,222	2,445
Office supplies	3,030	3,028	6,058
Audit and accounting services	27,200	27,200	54,400
Depreciation	2,774	2,775	5,549
Other	22,769	22,771	45,540
Information technology allocation	4,057	4,058	8,115
Allocated to general and administrative	(243,849)	(243,851)	(487,700)
	-	-	-
Total operating expenses	$ 17,767,893	$ 23,381,039	$ 41,148,932

concluded.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual
For the Year Ended August 31, 2018

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Water distribution				
Wages	$ 414,298	$ 414,298	$ 429,841	$ 15,543
Benefits allocation	392,057	392,057	243,839	(148,218)
Purchased water	10,956,538	10,956,538	10,897,566	(58,972)
Utilities	205,150	205,150	245,171	40,021
Maintenance and supplies	46,615	46,615	55,824	9,209
Engineering	1,000	1,000	-	(1,000)
Depreciation	1,420	1,420	9,771	8,351
Other	60,100	60,100	94,893	34,793
Fleet allocation	18,476	18,476	8,468	(10,008)
Engineering allocation	370	370	1,418	1,048
Information technology allocation	18,590	18,590	16,260	(2,330)
Maintenance allocation	211,300	211,300	141,530	(69,770)
	12,325,914	12,325,914	12,144,581	(181,333)
Wastewater treatment				
Wages	1,603,544	1,603,544	1,537,875	(65,669)
Benefits allocation	1,961,558	1,961,558	909,263	(1,052,295)
Utilities	2,605,939	2,605,939	2,361,800	(244,139)
Sludge removal	600,000	600,000	225,752	(374,248)
Maintenance	920,050	920,050	823,752	(96,298)
Engineering	50,000	50,000	77,382	27,382
Laboratory	27,650	27,650	57,844	30,194
Chemicals	700,000	700,000	635,489	(64,511)
Depreciation	6,942,171	6,942,171	7,100,584	158,413
Other	434,600	434,600	226,344	(208,256)
Fleet allocation	295,337	295,337	281,269	(14,068)
Engineering allocation	48,102	48,102	34,774	(13,328)
Information technology allocation	95,982	95,982	84,024	(11,958)
Maintenance allocation	2,011,786	2,011,786	1,715,848	(295,938)
Laboratory allocation	444,099	444,099	311,759	(132,340)
	18,740,818	18,740,818	16,383,759	(2,357,059)
Wastewater pump stations				
Wages	387,503	387,503	361,012	(26,491)
Benefits allocation	366,700	366,700	214,190	(152,510)
Utilities	447,150	447,150	393,223	(53,927)
Maintenance and supplies	198,000	198,000	85,830	(112,170)
Engineering	500	500	371	(129)
Depreciation	11,496	11,496	81,690	70,194
Other	35,000	35,000	51,930	16,930
Engineering allocation	3,860	3,860	2,335	(1,525)
	1,450,209	1,450,209	1,190,581	(259,628)

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual
For the Year Ended August 31, 2018

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Industrial surveillance				
Wages	$ 167,573	$ 167,573	$ 218,934	$ 51,361
Benefits allocation	158,577	158,577	129,705	(28,872)
Other	39,100	39,100	22,707	(16,393)
Fleet allocation	12,309	12,309	3,860	(8,449)
Information technology allocation	18,590	18,590	16,260	(2,330)
	396,149	396,149	391,466	(4,683)
Transmission and distribution				
Wages	1,496,000	1,496,000	1,503,928	7,928
Benefits allocation	1,415,689	1,415,689	933,070	(482,619)
Utilities	69,910	69,910	76,367	6,457
Sewer overflow settlements	85,000	85,000	150,439	65,439
Maintenance:				
Shop and office	44,900	44,900	34,927	(9,973)
Water and sewer mains	215,750	215,750	215,637	(113)
Engineering	1,000	1,000	4,272	3,272
Depreciation	4,475,000	4,475,000	3,990,152	(484,848)
Other	273,500	273,500	232,257	(41,243)
Fleet allocation	380,702	380,702	379,130	(1,572)
Engineering allocation	121,967	121,967	99,086	(22,881)
Information technology allocation	68,131	68,131	59,619	(8,512)
Maintenance allocation	50,039	50,039	38,951	(11,088)
	8,697,588	8,697,588	7,717,835	(979,753)
Meter service				
Wages	504,260	504,260	496,516	(7,744)
Benefits allocation	477,189	477,189	297,535	(179,654)
Utilities	6,300	6,300	7,546	1,246
Maintenance and supplies	8,675	8,675	16,486	7,811
Meter parts	23,000	23,000	(1,710)	(24,710)
Depreciation	40,925	40,925	45,650	4,725
Other	7,100	7,100	117,101	110,001
Fleet allocation	86,389	86,389	44,165	(42,224)
Information technology allocation	18,590	18,590	16,260	(2,330)
	1,172,428	1,172,428	1,039,549	(132,879)

continued...

Detailed Schedule of Operating Expenses - Budget and Actual
For the Year Ended August 31, 2018

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Customer accounting/collections				
Wages	$ 237,070	$ 237,070	$ 201,613	$ (35,457)
Benefits allocation	224,343	224,343	119,712	(104,631)
Utilities	20,000	20,000	22,781	2,781
Maintenance and supplies	42,275	42,275	42,136	(139)
Postage	60,000	60,000	56,450	(3,550)
Depreciation	8,136	8,136	6,654	(1,482)
Other	2,650	2,650	4,939	2,289
Information technology allocation	37,146	37,146	16,260	(20,886)
	631,620	631,620	470,545	(161,075)
General and administrative				
Wages	178,948	178,948	203,267	24,319
Benefits allocation	1,301,053	1,301,053	114,203	(1,186,850)
Utilities	4,275	4,275	6,861	2,586
Maintenance and supplies	3,550	3,550	6,537	2,987
Engineering	-	-	162,362	162,362
Building and liability insurance	190,000	190,000	181,257	(8,743)
Legal and settlements	80,000	80,000	39,143	(40,857)
Other professional services	-	-	4,982	4,982
Depreciation	14,292	14,292	1,992	(12,300)
Other	55,750	55,750	13,585	(42,165)
Bad debt expense	45,000	45,000	5,060	(39,940)
Fleet allocation	30,757	30,757	16,401	(14,356)
Engineering allocation	59,660	59,660	29,170	(30,490)
Information technology allocation	18,590	18,590	27,100	8,510
Maintenance allocation	1,365	1,365	325	(1,040)
Human resource allocation	583,402	583,402	510,671	(72,731)
Accounting allocation	548,312	548,312	487,700	(60,612)
	3,114,954	3,114,954	1,810,616	(1,304,338)
Fleet				
Wages	176,447	176,447	177,838	1,391
Benefits allocation	166,975	166,975	106,523	(60,452)
Radio maintenance	500	500	-	(500)
Maintenance parts and supplies	131,250	131,250	130,578	(672)
Gas, oil and grease	170,000	170,000	125,546	(44,454)
Insurance	46,000	46,000	46,978	978
Depreciation	126,000	126,000	139,205	13,205
Other	6,800	6,800	6,625	(175)
Allocated to various departments	(823,972)	(823,972)	(733,293)	90,679
	-	-	-	-

continued...

Detailed Schedule of Operating Expenses - Budget and Actual
For the Year Ended August 31, 2018

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Human resources				
Wages	$ 247,418	$ 247,418	$ 249,938	$ 2,520
Benefits allocation	234,135	234,135	146,798	(87,337)
Utilities	2,500	2,500	4,428	1,928
Safety program	3,500	3,500	2,537	(963)
Training and education	6,000	6,000	3,412	(2,588)
Legal and professional	30,000	30,000	45,196	15,196
Physicals	8,000	8,000	11,700	3,700
Office supplies	6,650	6,650	3,631	(3,019)
Depreciation	3,556	3,556	551	(3,005)
Other	26,150	26,150	28,945	2,795
Information technology allocation	15,493	15,493	13,535	(1,958)
Allocated to general and administrative	(583,402)	(583,402)	(510,671)	72,731
	-	-	-	-
Benefits and payroll taxes				
Health insurance	3,281,479	3,281,479	1,160,449	(2,121,030)
Life insurance	20,144	20,144	21,354	1,210
Disability insurance	46,983	46,983	41,793	(5,190)
Social security	506,636	506,636	536,076	29,440
Workers compensation	66,771	66,771	51,791	(14,980)
Pension expense	2,827,656	2,827,656	2,389,266	(438,390)
Uniforms	21,800	21,800	17,769	(4,031)
Allocated to various departments	(6,771,469)	(6,771,469)	(4,218,498)	2,552,971
	-	-	-	-
Maintenance				
Wages	1,102,892	1,102,892	1,094,807	(8,085)
Benefits allocation	1,043,685	1,043,685	648,152	(395,533)
Utilities	4,400	4,400	17,281	12,881
Office and supplies	50,675	50,675	58,659	7,984
Other professional services	2,500	2,500	1,928	(572)
Depreciation	4,100	4,100	4,100	-
Other	13,000	13,000	22,948	9,948
Information technology allocation	55,738	55,738	48,779	(6,959)
Allocated to various departments	(2,276,990)	(2,276,990)	(1,896,654)	380,336
	-	-	-	-

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual
For the Year Ended August 31, 2018

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Engineering				
Wages	$ 95,368	$ 95,368	$ 96,036	$ 668
Benefits allocation	90,249	90,249	55,673	(34,576)
Utilities	1,008	1,008	463	(545)
Maintenance and supplies	45,475	45,475	5,973	(39,502)
Engineering	250	250	-	(250)
Other professional services	-	-	6,650	6,650
Other	1,610	1,610	1,988	378
Allocated to various departments	(233,960)	(233,960)	(166,783)	67,177
	-	-	-	-
Information Technology				
Wages	132,052	132,052	135,797	3,745
Benefits allocation	124,962	124,962	79,639	(45,323)
Utilities	1,008	1,008	463	(545)
Maintenance and supplies	96,500	96,500	88,777	(7,723)
Other	1,625	1,625	1,536	(89)
Allocated to various departments	(356,147)	(356,147)	(306,212)	49,935
	-	-	-	-
Laboratory				
Wages	197,067	197,067	151,561	(45,506)
Benefits allocation	186,487	186,487	88,396	(98,091)
Utilities	1,350	1,350	3,734	2,384
Maintenance and supplies	32,400	32,400	38,743	6,343
Contractual services	16,100	16,100	20,606	4,506
Depreciation	4,285	4,285	4,284	(1)
Other	6,410	6,410	4,435	(1,975)
Allocated to wastewater treatment	(444,099)	(444,099)	(311,759)	132,340
	-	-	-	-
Accounting				
Wages	215,171	215,171	233,793	18,622
Benefits allocation	203,619	203,619	131,800	(71,819)
Utilities	1,170	1,170	2,445	1,275
Office supplies	6,050	6,050	6,058	8
Audit and accounting services	61,000	61,000	54,400	(6,600)
Depreciation	1,506	1,506	5,549	4,043
Other	50,500	50,500	45,540	(4,960)
Information technology allocation	9,296	9,296	8,115	(1,181)
Allocated to general and administrative	(548,312)	(548,312)	(487,700)	60,612
	-	-	-	-
Total operating expenses	$ 46,529,680	$ 46,529,680	$ 41,148,932	$ (5,380,748)

concluded.

STATISTICAL SECTION

This page intentionally left blank.

Statistical Section Table of Contents

This part of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Net Position - Unaudited

Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015
Assets				
Current assets:				
Cash and investments	$ 11,571,335	$ 7,462,754	$ 5,028,900	$ 4,597,931
Receivables, net	5,202,692	5,886,845	5,764,178	6,360,948
Inventories	1,308,354	1,244,573	1,133,694	1,091,034
Prepaid items	63,177	66,928	60,913	71,034
Total current assets	18,145,558	14,661,100	11,987,685	12,120,947
Noncurrent assets:				
Restricted assets:				
Cash and investments	10,068,302	10,085,571	9,240,696	9,186,686
Bond reserve funds held by City of Ypsilanti	2,449,847	2,449,847	2,449,847	2,641,709
Receivables, long-term portion	167,404	201,813	226,324	248,007
Capital assets not being depreciated	7,473,054	6,757,861	4,384,763	7,195,157
Capital assets being depreciated, net	190,122,199	198,218,261	206,566,465	211,538,034
Unamortized bond issuance costs	-	-	-	-
Total noncurrent assets	210,280,806	217,713,353	222,868,095	230,809,593
Total assets	228,426,364	232,374,453	234,855,780	242,930,540
Deferred outflow of resources				
Deferred pension amounts [1]	3,199,192	3,757,182	5,208,480	1,357,946
Deferred other postemployment benefit amounts [2]	288,503	-	-	-
Deferred charge on refunding	475,864	548,273	720,741	484,375
Total deferred outflow of resources	3,963,559	4,305,455	5,929,221	1,842,321
Liabilities				
Current liabilities:				
Accounts payable	3,280,914	3,465,874	3,016,052	3,091,399
Retentions, deposits and other liabilities	2,157,052	2,361,163	2,010,992	2,187,708
Accrued interest payable	592,033	614,418	639,426	612,506
Current maturities of long-term debt	4,467,065	4,146,842	3,856,098	3,762,602
Current maturities of accrued compensated absences	437,409	443,814	598,206	579,235
Total current liabilities	10,934,473	11,032,111	10,120,774	10,233,450
Noncurrent liabilities:				
Long term debt:				
Bonds payable	61,109,778	64,592,710	65,891,389	68,232,336
Environmental liability	591,456	591,456	591,456	591,456
Accrued compensated absences	437,409	443,813	598,206	579,234
Net pension liability [1]	21,695,295	23,743,896	24,050,720	18,749,498
Net other postemployment benefit liability [2]	1,051,627	-	-	-
Total noncurrent liabilities	84,885,565	89,371,875	91,131,771	88,152,524
Total liabilities	95,820,038	100,403,986	101,252,545	98,385,974
Deferred inflow of resources				
Deferred pension amounts [1]	1,137,789	261,623	168,460	-
Deferred other postemployment benefit amounts [2]	97,683	-	-	-
Total deferred outflow of resources	1,235,472	261,623	168,460	-
Net position				
Net investment in capital assets	132,944,274	137,234,843	142,374,482	147,188,253
Restricted for special purposes	12,518,149	12,535,418	11,690,543	11,828,395
Unrestricted (deficit)	(10,128,010)	(13,755,962)	(14,701,029)	(12,629,761)
Total net position	$ 135,334,413	$ 136,014,299	$ 139,363,996	$ 146,386,887

[1] GASB 68 implemented in fiscal 2015.
[2] GASB 75 implemented in fiscal 2018.

Table 1

2014	2013	2012	2011	2010	2009
$ 5,627,411	$ 6,694,067	$ 9,673,074	$ 8,596,980	$ 9,089,912	$ 8,827,608
5,752,726	5,170,802	6,123,153	5,538,276	5,464,765	6,487,910
1,057,086	1,069,510	1,143,691	1,037,421	1,004,020	994,700
366,994	379,129	118,202	112,701	88,705	85,449
12,804,217	13,313,508	17,058,120	15,285,378	15,647,402	16,395,667
9,986,612	10,547,445	10,396,426	10,771,401	11,002,749	10,516,972
2,641,709	2,641,709	2,818,781	2,814,790	2,814,790	2,814,790
273,460	292,526	244,318	356,640	384,950	439,467
6,630,946	8,248,464	10,905,836	7,965,374	8,655,598	4,680,352
218,508,207	220,965,939	216,753,174	224,347,474	229,617,964	236,898,348
-	-	1,156,689	1,182,899	1,197,902	1,207,894
238,040,934	242,696,083	242,275,224	247,438,578	253,673,953	256,557,823
250,845,151	256,009,591	259,333,344	262,723,956	269,321,355	272,953,490
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,694,691	2,480,027	3,538,756	2,322,633	3,238,050	2,316,958
2,076,998	2,767,556	2,199,221	2,029,486	2,199,817	2,359,908
993,506	540,782	626,001	607,277	564,778	568,809
4,672,205	3,588,723	3,043,240	2,755,016	2,480,000	2,381,000
521,502	533,585	591,241	679,744	639,462	672,711
10,958,902	9,910,673	9,998,459	8,394,156	9,122,107	8,299,386
69,848,604	70,236,288	65,337,620	64,349,878	65,136,104	65,108,947
591,456	591,456	591,456	591,456	591,456	641,456
521,502	533,585	591,241	679,744	639,462	672,711
-	-	-	-	-	-
-	-	-	-	-	-
70,961,562	71,361,329	66,520,317	65,621,078	66,367,022	66,423,114
81,920,464	81,272,002	76,518,776	74,015,234	75,489,129	74,722,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151,068,344	155,839,392	159,728,150	165,657,954	171,457,428	174,488,753
12,628,321	13,189,154	13,215,207	13,586,191	13,817,539	13,331,762
5,228,022	5,709,043	9,871,211	9,464,577	8,557,259	10,410,475
$ 168,924,687	$ 174,737,589	$ 182,814,568	$ 188,708,722	$ 193,832,226	$ 198,230,990

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues and Expenses - Unaudited
Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015
Operating revenues				
Water sales	$ 18,520,302	$ 17,650,152	$ 17,115,849	$ 14,774,886
Sewage disposal sales	19,138,366	18,256,939	16,226,170	15,986,337
Surcharges and other usage fees	4,183,629	4,110,517	4,213,478	3,969,419
Other operating revenue	1,891,908	2,027,776	1,626,119	1,578,254
Total operating revenues	43,734,205	42,045,384	39,181,616	36,308,896
Operating expenses				
Water distribution	12,144,581	12,161,179	11,684,881	10,070,350
Wastewater treatment	16,383,759	17,754,991	17,818,636	17,278,603
Wastewater pump stations	1,190,581	1,468,251	1,283,745	1,241,368
Industrial surveillance	391,466	518,743	441,557	417,299
Transmission and distribution	7,717,835	8,233,710	8,693,576	7,981,764
Meter service	1,039,549	1,343,907	1,314,851	1,151,856
Customer accounting and collections	470,545	680,123	681,598	645,635
General and administration	1,810,616	2,008,192	1,954,380	1,872,990
Total operating expenses	41,148,932	44,169,096	43,873,224	40,659,865
Operating income (loss)	2,585,273	(2,123,712)	(4,691,608)	(4,350,969)
Nonoperating revenues (expenses)				
Investment earnings	173,521	178,601	166,363	168,048
Connection fees	86,958	102,322	57,171	20,712
Interest and amortization expense	(1,872,822)	(2,097,371)	(2,367,830)	(2,320,778)
Gain (loss) on disposal of capital assets	1,299	4,993	-	-
Cost to dispose of capital assets	-	-	(835,873)	-
Total nonoperating expenses	(1,611,044)	(1,811,455)	(2,980,169)	(2,132,018)
Income (loss) before contributions and special item	$ 974,229	$ (3,935,167)	$ (7,671,777)	$ (6,482,987)

Table 2

2014	2013	2012	2011	2010	2009
$ 14,568,698	$ 13,917,141	$ 14,548,680	$ 13,148,378	$ 11,896,822	$ 11,829,728
14,855,053	14,325,974	14,479,442	14,805,649	13,438,220	15,683,034
4,016,188	3,915,923	3,890,623	3,757,175	3,824,805	3,915,930
1,560,864	1,627,364	1,598,545	1,635,819	1,686,828	1,863,459
35,000,803	33,786,402	34,517,290	33,347,021	30,846,675	33,292,151
9,908,197	9,483,636	9,036,006	7,792,536	7,081,762	6,680,598
15,860,564	16,150,407	16,249,549	16,017,852	16,080,897	16,928,838
1,136,517	1,285,808	1,620,234	1,027,107	1,098,445	1,106,431
379,784	422,880	393,651	368,906	378,400	516,865
7,698,787	7,290,247	7,071,733	6,706,413	6,502,734	6,814,592
1,074,717	1,099,771	1,280,659	1,229,452	1,038,294	1,281,173
670,487	673,930	594,560	641,919	757,180	842,231
1,807,617	1,805,957	1,788,764	2,511,663	2,800,453	2,917,627
38,536,670	38,212,636	38,035,156	36,295,848	35,738,165	37,088,355
(3,535,867)	(4,426,234)	(3,517,866)	(2,948,827)	(4,891,490)	(3,796,204)
168,262	187,826	212,126	237,628	265,257	462,878
34,051	68,551	35,250	2,304	3,751	593,613
(2,500,935)	(2,671,012)	(2,757,137)	(2,769,043)	(2,693,219)	(2,712,540)
21,587	12,871	1,694	31,117	(348,062)	3,602
-	-	-	-	-	-
(2,277,035)	(2,401,764)	(2,508,067)	(2,497,994)	(2,772,273)	(1,652,447)
$ (5,812,902)	$ (6,827,998)	$ (6,025,933)	$ (5,446,821)	$ (7,663,763)	$ (5,448,651)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues and Expenses - City Division - Unaudited

Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015
Operating revenues				
Water sales	$ 2,905,530	$ 2,860,296	$ 2,832,507	$ 2,527,857
Sewage disposal sales	3,979,905	3,756,937	3,403,404	3,280,032
Surcharges and other usage fees	3,175,456	3,196,778	3,272,842	3,089,769
Other operating revenue	324,932	363,276	252,063	293,374
Total operating revenues	10,385,823	10,177,287	9,760,816	9,191,032
Operating expenses				
Water distribution	1,896,372	1,902,930	1,896,746	1,750,111
Wastewater treatment	3,969,782	4,302,035	4,151,739	3,968,895
Wastewater pump stations	256,074	316,680	260,521	262,208
Industrial surveillance	94,851	125,690	102,883	95,854
Transmission and distribution	1,977,703	2,188,225	2,248,677	2,114,593
Meter service	237,252	307,488	302,974	266,589
Customer accounting and collections	107,567	155,679	157,109	149,463
General and administration	433,522	486,320	460,658	434,869
Total operating expenses	8,973,123	9,785,047	9,581,307	9,042,582
Operating income (loss)	1,412,700	392,240	179,509	148,450
Nonoperating revenues (expenses)				
Investment earnings	51,730	61,545	54,419	61,501
Connection fees	11,233	-	-	-
Interest and amortization expense	(629,691)	(716,955)	(863,381)	(925,881)
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating expenses	(566,728)	(655,410)	(808,962)	(864,380)
Income (loss) before contributions and special item	$ 845,972	$ (263,170)	$ (629,453)	$ (715,930)

Table 3

2014	2013	2012	2011	2010	2009
$ 2,503,790	$ 2,321,846	$ 2,350,010	$ 2,117,075	$ 1,959,836	$ 1,903,714
3,104,609	2,971,752	2,976,710	3,210,681	2,908,831	3,353,761
3,158,410	3,018,037	3,007,247	2,905,733	2,990,356	3,043,380
364,012	381,369	397,267	410,163	392,322	384,288
9,130,821	8,693,004	8,731,234	8,643,652	8,251,345	8,685,143
1,688,754	1,735,094	1,495,435	1,220,447	1,104,248	1,039,709
3,508,358	3,627,379	3,622,023	3,757,790	3,772,580	3,968,120
238,960	278,352	308,345	199,909	261,659	236,208
84,008	94,978	87,743	86,546	88,772	121,153
1,914,907	1,827,963	1,927,194	1,812,792	1,741,448	2,227,406
249,079	255,760	296,564	284,591	239,901	293,137
155,419	156,756	137,699	148,668	175,060	192,787
406,429	397,109	391,822	585,766	658,522	693,653
8,245,914	8,373,391	8,266,825	8,096,509	8,042,190	8,772,173
884,907	319,613	464,409	547,143	209,155	(87,030)
61,573	69,325	72,503	77,554	98,523	160,812
-	200	9,354	-	3,751	17,224
(989,579)	(1,267,179)	(1,226,770)	(1,263,478)	(1,311,768)	(1,347,719)
-	-	-	8,744	(97,805)	-
(928,006)	(1,197,654)	(1,144,913)	(1,177,180)	(1,307,299)	(1,169,683)
$ (43,099)	$ (878,041)	$ (680,504)	$ (630,037)	$ (1,098,144)	$ (1,256,713)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues and Expenses - Township Division - Unaudited

Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015
Operating revenues				
Water sales	$ 15,614,772	$ 14,789,856	$ 14,283,342	$ 12,247,029
Sewage disposal sales	15,158,461	14,500,002	12,822,766	12,706,305
Surcharges and other usage fees	1,008,173	913,739	940,636	879,650
Other operating revenue	1,566,976	1,664,500	1,374,056	1,284,880
Total operating revenues	33,348,382	31,868,097	29,420,800	27,117,864
Operating expenses				
Water distribution	10,248,209	10,258,249	9,788,135	8,320,239
Wastewater treatment	12,413,977	13,452,956	13,666,897	13,309,708
Wastewater pump stations	934,507	1,151,571	1,023,224	979,160
Industrial surveillance	296,615	393,053	338,674	321,445
Transmission and distribution	5,740,132	6,045,485	6,444,899	5,867,171
Meter service	802,297	1,036,419	1,011,877	885,267
Customer accounting and collections	362,978	524,444	524,489	496,172
General and administration	1,377,094	1,521,872	1,493,722	1,438,121
Total operating expenses	32,175,809	34,384,049	34,291,917	31,617,283
Operating income (loss)	1,172,573	(2,515,952)	(4,871,117)	(4,499,419)
Nonoperating revenues (expenses)				
Investment earnings	121,791	117,056	111,944	106,547
Connection fees	75,725	102,322	57,171	20,712
Interest and amortization expense	(1,243,131)	(1,380,416)	(1,504,449)	(1,394,897)
Gain (loss) on disposal of capital assets	1,299	4,993	-	-
Cost to dispose of capital assets	-	-	(835,873)	-
Total nonoperating expenses	(1,044,316)	(1,156,045)	(2,171,207)	(1,267,638)
Income (loss) before contributions and special item	$ 128,257	$ (3,671,997)	$ (7,042,324)	$ (5,767,057)

Table 4

2014	2013	2012	2011	2010	2009
$ 12,064,908	$ 11,595,295	$ 12,198,670	$ 11,031,303	$ 9,936,986	$ 9,926,014
11,750,444	11,354,222	11,502,732	11,594,968	10,529,389	12,329,273
857,778	897,886	883,376	851,442	834,449	872,550
1,196,852	1,245,995	1,201,278	1,225,656	1,294,506	1,479,171
25,869,982	25,093,398	25,786,056	24,703,369	22,595,330	24,607,008
8,219,443	7,748,542	7,540,571	6,572,089	5,977,514	5,640,889
12,352,206	12,523,028	12,627,526	12,260,062	12,308,317	12,960,718
897,557	1,007,456	1,311,889	827,198	836,786	870,223
295,776	327,902	305,908	282,360	289,628	395,712
5,783,880	5,462,284	5,144,539	4,893,621	4,761,286	4,587,186
825,638	844,011	984,095	944,861	798,393	988,036
515,068	517,174	456,861	493,251	582,120	649,444
1,401,188	1,408,848	1,396,942	1,925,897	2,141,931	2,223,974
30,290,756	29,839,245	29,768,331	28,199,339	27,695,975	28,316,182
(4,420,774)	(4,745,847)	(3,982,275)	(3,495,970)	(5,100,645)	(3,709,174)
106,689	118,501	139,623	160,074	166,734	302,066
34,051	68,351	25,896	2,304	-	576,389
(1,511,356)	(1,403,833)	(1,530,367)	(1,505,565)	(1,381,451)	(1,364,821)
21,587	12,871	1,694	22,373	(250,257)	3,602
-	-	-	-	-	-
(1,349,029)	(1,204,110)	(1,363,154)	(1,320,814)	(1,464,974)	(482,764)
$ (5,769,803)	$ (5,949,957)	$ (5,345,429)	$ (4,816,784)	$ (6,565,619)	$ (4,191,938)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues - Unaudited

Last Ten Fiscal Years Ended August 31

	2018	2017	2016	2015
Water revenues				
Operating:				
City bi-monthly	$ 2,151,608	$ 2,112,225	$ 2,009,546	$ 1,832,901
Township bi-monthly	7,042,900	6,765,633	6,453,602	5,687,099
City monthly	837,172	846,663	899,828	732,640
Township monthly	1,115,386	1,169,047	2,307,817	1,061,206
Contract	7,373,236	6,876,635	5,445,055	5,461,040
Surcharge	2,222,062	2,108,869	2,160,761	2,028,003
Other	271,520	152,914	272,332	256,839
Total operating	21,013,884	20,031,986	19,548,941	17,059,728
Interest	102,615	23,607	95,065	95,556
Other	43,480	28,585	28,585	10,356
Total water revenues	$ 21,159,979	$ 20,084,178	$ 19,672,591	$ 17,165,640
Wastewater revenues				
Operating:				
City bi-monthly	$ 1,864,488	$ 1,698,899	$ 1,638,121	$ 1,557,237
Township bi-monthly	4,898,722	4,703,050	4,531,609	4,221,211
City monthly	507,890	639,660	560,030	509,095
Township monthly	564,526	967,651	853,425	837,588
Contract	11,302,740	9,968,705	8,642,986	8,861,206
Surcharge	1,585,688	1,719,838	1,669,170	1,568,067
Other	1,996,267	1,874,862	1,737,334	1,694,764
Total operating	22,720,321	21,572,665	19,632,675	19,249,168
Interest	70,906	33,097	71,298	72,492
Other	44,777	28,586	28,586	10,356
Total wastewater revenues	$ 22,836,004	$ 21,634,348	$ 19,732,559	$ 19,332,016

Table 5

2014	2013	2012	2011	2010	2009
$ 1,786,477	$ 1,721,085	$ 1,650,904	$ 1,544,421	$ 1,446,730	$ 1,430,162
5,658,125	5,573,869	5,662,740	5,119,358	4,636,834	4,726,076
788,216	720,470	728,260	644,570	594,965	562,720
1,044,372	1,049,638	1,007,896	1,041,872	1,168,393	1,348,635
5,291,508	4,852,079	5,498,880	4,798,157	4,049,900	3,762,136
2,061,169	1,987,468	1,941,825	1,740,618	1,778,112	1,782,230
294,630	287,814	282,321	242,100	256,235	308,930
16,924,497	16,192,423	16,772,826	15,131,096	13,931,169	13,920,889
95,765	106,614	119,360	126,812	140,187	237,047
17,026	34,275	17,625	1,152	1,876	300,410
$ 17,037,288	$ 16,333,312	$ 16,909,811	$ 15,259,060	$ 14,073,232	$ 14,458,346
$ 1,516,145	$ 1,482,505	$ 1,444,198	$ 1,387,389	$ 1,435,574	$ 1,557,604
4,190,298	4,077,488	4,130,127	3,965,222	4,017,464	4,231,041
542,493	503,122	492,530	464,403	510,084	427,641
806,097	657,324	720,562	1,013,058	1,061,843	1,154,369
7,800,020	7,605,536	7,692,024	7,975,576	6,413,255	8,312,379
1,590,352	1,559,142	1,555,247	1,633,626	1,671,592	1,721,280
1,630,901	1,708,863	1,709,775	1,776,650	1,805,694	1,966,949
18,076,306	17,593,980	17,744,463	18,215,924	16,915,506	19,371,263
72,497	81,212	92,766	110,816	125,070	225,831
17,025	34,276	17,625	1,152	1,875	296,805
$ 18,165,828	$ 17,709,468	$ 17,854,854	$ 18,327,892	$ 17,042,451	$ 19,893,899

This page intentionally left blank.

Service Consumption (in cubic feet) - Unaudited

Last Ten Fiscal Years Ended August 31

Fiscal Year	Water Usage	Sewer Usage
2018	513,296,022	1,283,918,449
2017	521,137,800	1,001,149,321
2016	503,444,000	945,419,000
2015	465,711,500	926,283,900
2014	480,701,000	870,057,200
2013	491,552,600	858,234,600
2012	536,169,900	894,758,800
2011	508,090,200	901,517,000
2010	514,980,300	816,839,400
2009	554,048,400	976,163,600

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Water and Sewer Revenues - Major Customers

Current Year and Two Years Ago

		2018		
Company	**Product or Service**	**Revenue**	**Rank**	**% of Total**
Pittsfield Township	Contract community	$ 7,181,465	1	16.42%
Western Townships Utility Authority	Contract community	7,137,232	2	16.32%
Superior Township	Contract community	2,418,148	3	5.53%
Eastern Michigan University	University	1,618,868	4	3.70%
Augusta Township	Contract community	863,796	5	1.98%
R A C E R / ACM	Manufacturing	112,077	6	0.26%
State Hospital	Government	491,121	7	1.12%
Marsh Plating	Manufacturing	286,127	8	0.65%
Lake in the Woods	Apartments	369,169	9	0.84%
Rawsonville	Manufacturing	144,684	10	0.33%
Forest Knoll	Apartments	141,355	11	0.32%
Sumpter Township	Contract community	159,414	12	0.36%
Lakeview	Apartments	170,527	13	0.39%
Peninsular Place Apts	Apartments	139,589	14	0.32%
River Drive Apts	Apartments	133,068	15	0.30%
Totals		$ 21,366,639		48.86%

Source: Ypsilanti Community Utility Authority

Note: GASB 44 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, current year and nine years ago data will be presented.

Table 7

2016		
Revenue	Rank	% of Total
$ 7,145,653	1	18.24%
6,366,568	2	16.25%
2,069,042	3	5.28%
1,646,169	4	4.20%
958,823	5	2.45%
499,883	6	1.28%
447,640	7	1.14%
425,829	8	1.09%
350,172	9	0.89%
204,044	10	0.52%
199,397	11	0.51%
182,978	12	0.47%
154,847	13	0.40%
129,336	14	0.33%
115,365	15	0.29%
$ 20,895,746		53.33%

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Table 8

Water and Wastewater Debt Coverage - Unaudited

Last Ten Fiscal Years Ended August 31

Fiscal Year	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
2018	$ 43,994,684	$ 29,758,749	$ 14,235,935	$ 6,496,119	2.19
2017	42,326,307	32,898,538	9,427,769	6,923,769	1.36
2016	39,405,150	32,304,067	7,101,083	6,431,896	1.10
2015	36,497,656	29,589,319	6,908,337	7,925,358	0.87
2014	35,203,116	27,676,654	7,526,462	5,027,545	1.50
2013	34,042,779	27,922,291	6,120,488	5,844,681	1.05
2012	34,764,666	27,565,394	7,199,272	4,509,206	1.60
2011	33,586,953	26,167,215	7,419,738	5,683,760	1.31
2010	31,115,683	25,491,690	5,623,993	6,002,290	0.94
2009	34,348,642	26,841,880	7,506,762	5,653,810	1.33

(1) Includes operating revenue, investment earnings, connection fees and debt service contributions.

(2) Excludes depreciation expense.

(3) Includes bonds and capital leases (excludes principal reduction on refunded debt).

Resolution No. 2019-01-001
11 March 2019

RESOLVED BY THE SUSTAINABILITY COMMISSION:

RE: Peninsular Place Dam

WHEREAS, a study commissioned by the City of Ypsilanti and the Huron River Watershed Council found removal to be feasible in terms of sediment management, infrastructure stability, and riverfront land ownership;

WHEREAS, dam removal will restore the natural flow regime of the river and improve connectivity for fish and other species living upstream and downstream of the dam;

WHEREAS, studies have shown that the environmental cost of dams, in fact, contributes to climate change;

WHEREAS, the HRWC has shown that hydroelectric generation is possible but the monetary costs and benefits are unknown, and should be determined;

WHEREAS, restoration following dam removal has been shown to improve fishing habitat--e.g., dam removal in Wisconsin resulted in decreases in common carp and increases in smallmouth bass populations (Kanehl et al. 1997; Stanley et al 2003);

WHEREAS, the Peninsular Dam is a historically significant site in the City of Ypsilanti;

WHEREAS, there is subsistence and sport fishing at, and downstream of, the dam site;

WHEREAS, funding opportunities for the dam removal must be identified;

NOW THEREFORE BE IT RESOLVED that the Sustainability Commission urges City Council to:

1. Direct staff to seek out grants for the dam removal;
2. In the event of dam removal, ensure the preservation of historical structures;
3. In the event of dam removal, ensure fishing remains viable during and following the process;

11 March 2019

Position Statement
RE: Washtenaw Regional Resource Management Authority

WHEREAS, the Washtenaw Regional Resource Management Authority (WRRMA) has invited the City of Ypsilanti to join the Board of Trustees; and

WHEREAS, in partnership with our neighbors Ann Arbor Township, the City of Ann Arbor, the City of Dexter, Pittsfield Charter Township, the City of Saline, the Township of Scio, and the Charter Township of Ypsilanti; and

WHEREAS, the Climate Action Plan directs the City of Ypsilanti to seek an increase in recycling rates; and

WHEREAS, the Commission also has a strong desire to increase the quantity and quality of the recycling stream as well as a desire to move closer to zero waste over the long-term;

WHEREAS, the Commission supports the WRRMA goals of community education and outreach;

NOW THEREFORE the Sustainability Commission expresses the following concerns about Ypsilanti joining the WRRMA Board of Trustees:

1. That membership will not decrease the quality and quantity of existing services; and
2. That membership will lead to no loss of jobs within the DPW; and
3. There will be no contracted job duties that will be removed; and
4. Any additional hiring within the City of Ypsilanti as a result of the WRRMA will be AFSCME union positions; and
5. There will be no outsourcing of positions within the DPW; and
6. That the Constituent Member will vote as directed by City Council

Resolution No. 2019-005
March 13, 2019

RESOLVED BY THE HUMAN RELATIONS COMMISSION OF THE CITY OF YPSILANTI:

THAT Given that the Human Relations Commission is hindered by under-representation of commissioners we recommend that the Mayor nominate, and City Council consider Ms. Ruth Cassidy, if there should be any council policy prohibiting appointment and confirmation, we request that council consider waiving that policy.

OFFERED BY: Commissioner Hunter

SUPPORTED BY: Commissioner Fellows

YES: 5 NO: 0 ABSENT: 1 (Gaines) VOTE: Carried

Resolution No. 2019-065
March 19, 2019

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or three (3) members of Council.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE: