1. City Council Regular Meeting Agenda

   Documents: 01-10-12 FINAL AGENDA.PDF

2. City Council Regular Meeting Packet

   Documents: 1-10-12 COUNCIL PACKET.PDF

CITY OF YPSILANTI
COUNCIL MEETING AGENDA
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, JANUARY 10, 2012
7:00 P.M.

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Bodary	P A	Council Member Robb	P A
Council Member Jefferson	P A	Council Member Vogt	P A
Council Member Murdock	P A	Mayor Schreiber	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. INTRODUCTIONS –

VI. AGENDA APPROVAL –

VIII. PRESENTATIONS –

1. Audit Presentation – Mark Kettner, CPA, CGFM, Principal, Rehmann-Robson
2. Rutherford Pool Presentation – John Weiss, Friends of Rutherford Pool
3. YMCA Presentation – Cathi Duchon, YMCA President and CEO
4. Parkridge Presentation – John Barfield

IX. AUDIENCE PARTICIPATION –

X. REMARKS BY THE MAYOR –

XI. MINUTES –

Resolution No. 2012-001, approving the minutes of November 29, December 12, December 13 and December 20, 2011.

XII. CONSENT AGENDA – Resolution No. 2012-002

1. Resolution No. 2012-003, approving renewal agreement with the Ann Arbor YMCA.

2. Resolution No. 2012-004, approving appointments to Boards and Commissions.
3. Resolution No. 2012-005, approving employment contract with John Hansen.

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2011-223, approving a public transportation agreement between Ann Arbor Transit Authority, Cities of Ypsilanti and Ann Arbor and Washtenaw County. ***(Removed 12/20/11)***

2. Resolution No. No. 2011-260, approving traffic control order for Lincoln Street. ***(Tabled 12/6/11 and 12/20/11)***

3. Resolution No. 2012-006, approving Letter of Intent (LOI) with Washtenaw County for the proposed Water Street Recreation Center.

4. Resolution No. 2012-007, approving deficit elimination plan.

5. Resolution No. 2012-008, adopting a "Five-Year Financial Plan".

6. Resolution No. 2012-011, approving Washtenaw County demolition of 310 Park Street.

7. Resolution No. 2012-012, honoring City Manager Edward B. Koryzno.

XIV. LIASON REPORTS -

A. SEMCOG Update
B. Washtenaw Area Transportation Study
C. Washtenaw Metro Alliance
D. Urban Counties
E. Freight House

XV. COUNCIL PROPOSED BUSINESS –

XVI. COMMUNICATIONS FROM THE MAYOR –

XVII. COMMUNICATIONS FROM THE CITY MANAGER –

XVIII. AUDIENCE PARTICIPATION -

XIX. REMARKS FROM THE MAYOR –

XX. ADJOURNMENT –

A. Resolution No. 2012-013, adjourning the City Council Meeting.

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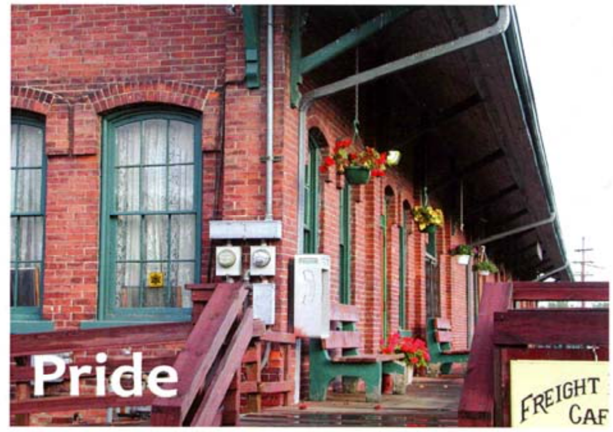
YPSILANTI

MICHIGAN



City of Ypsilanti

Pride. Diversity. Heritage.

Community Impact

Comprehensive Annual Financial Report

Year Ended June 30, 2011

CITY OF YPSILANTI, MICHIGAN

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2011

Prepared by:

Marilou Uy, Director of Fiscal Services
Sallea Tisch, Accounting Supervisor

City of Ypsilanti, Michigan
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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STATISTICAL SECTION

INTRODUCTORY SECTION

City of Ypsilanti
Office of the City Manager

December 9, 2011

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Ypsilanti

It is my pleasure to submit to you and the citizens of Ypsilanti, the Comprehensive Annual Financial Report (CAFR) of the City of Ypsilanti for the fiscal year ending June 30, 2011. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City uses a comprehensive system of internal controls to assure completeness and accuracy of the data presented in this report. City employees operate under a comprehensive system of internal controls designed to insure the completeness and accuracy of the data representing the City's activities. As a result, administration believes that the data, as presented in this report is accurate in all aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. The City uses a comprehensive system of internal controls; it was prepared by staff in the Finance Division with assistance from personnel in the Treasurer's Division, Public Services and other City departments.

This report has been formulated following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. Meeting the high standards as set forth in the guidelines of the GFOA can only assist us in improving the financial reporting of the City of Ypsilanti.

Wherever possible, the City has made use of grants to help meet the needs of the community. Examples of such grants benefitting the City include road improvements, fire truck (FEMA AFG), Freighthouse restoration, mobile license plate readers, surveillance media work station, cellular telephone forensic data capture and record system (JAG), assistance with police officer wages and fringes (COPS), recreational programs (private grants). The City has also worked with other outside organizations to help provide the infrastructure necessary to meet the City's current and future needs.

Rehmann Robson, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Ypsilanti's financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The **City of Ypsilanti**, incorporated in 1858, is located in the southeast region of Michigan's Lower Peninsula in Washtenaw County, approximately 30 miles west of Detroit, with a population of approximately 19,435. The City is bounded to the north by the Charter Township of Superior and on the west, south and east by the Charter Township of Ypsilanti.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Huron River, historic downtown and residential neighborhoods, and convenient access to I-94 and Detroit Metropolitan Airport. Annual events and festivals all contribute to the City of Ypsilanti's "small town" sense of community.

The City has operated under the council-manager form of government since 1947. The City Council is comprised of the mayor and six members, who are elected by ward, on a staggered basis for four year terms. The Mayor is elected every four years. The City Manager and City Clerk are appointed by and serve at the pleasure of the council.

The City of Ypsilanti provides a full range of services to the community: police, fire, street maintenance, recycling, yard waste removal, elections, emergency preparedness and response, planning, support services and other customer specific services. The City is responsible for the management and financing of these operations. Other services are provided through component units, i.e. Ypsilanti DDA and Economic Development Corporation.

The City Council is required to adopt a final operating budget prior to the beginning of each fiscal year. This annual budget serves as the foundation for the City of Ypsilanti's financial planning and control. The budget is approved at the fund level and, operationally, budgetary control is exercised at the departmental level. The City Manager has the authority to approve budget transfers between programs within the same fund, but Council may authorize transfers between funds. Department Heads may transfer funds between accounts within a specific program under their direction with the exception of personnel and capital expenditures, which must be approved by the City Manager.

The City maintains 85 acres of parkland, including a park system running along the Huron River, and parks and tot lots throughout neighborhoods. While the City does not directly provide recreation programming, it has partnered with many dedicated community groups. These partnerships include Friends groups that fundraise for and operate the pool, the senior center and Parkridge Community Center. The Ypsilanti Area Jaycees are coordinating special events and facility rentals and receive the rental fees in excess of costs for services provided by the City. In addition, there are neighborhoods, churches, schools, and other organizations that assist in providing numerous community gardens, park improvement projects and recreation programming. The City has also worked with the County Public Health Department to make capital improvements to park facilities, and with the County Parks and Recreation Commission to construct part of a regional biking and walking trail network.

The Riverside Foundation operates the City's Riverside Arts Center, which provides theater, gallery, and classroom space. The Center is only a small part of Ypsilanti's cultural picture, however – a wide variety of museums, galleries, and studios work in media ranging from pottery to puppetry to tattoos, and downtown's music venues have been recognized as a focal point of southeast Michigan's independent music scene. A similar diversity of events are held annually, with regional (or greater) draws; the long-running Ypsilanti Heritage Festival, Orphan Car Show, Elvisfest and the Michigan Brewers Guild Summer Festival each bring tens of thousands to Riverside Park, while summer and winter Shadow Art Fairs and MittenFest provide exposure to local artists and musicians.

Local Economy

Local unemployment is at 9.6% percent, and has been consistently at or below the state average (10.5 percent at June 30, 2011) and above the national average of 9.2 percent. As the State of Michigan adapts to the challenges of a rapidly globalizing world, community and business leaders have come together like never before to respond. Economic development officials have implemented an aggressive strategy for business growth and expansion within the region offering numerous resources to businesses with financing opportunities. An example of this is the cooperation between members of the Eastern Leaders Group. These local units of government have collaborated to locate a business incubator in Ypsilanti's downtown Central Business District.

The City of Ypsilanti has a population of 19,435 according to the 2010 U.S. Census. This is a decline from the census of 2000, which showed a population of 22,237.

The City's (state equalized value) has decreased 7.8% over the last ten years. The City's total equalized value of taxable property for 2011 is approximately $330 million, a decrease of about $23 million, or roughly 6.6% of the prior year.

The City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report.

Long Term Financial Planning

The City Council and City Manager believe long-term financial planning is essential to ensuring the City's fiscal heath. Starting in 2001, the City faced declining revenues and began its cost reduction strategy by deferring capital projects and equipment purchases. This effort continued during 2002 when the Recreation Department was eliminated and other positions and departments were combined. Further staff reductions were implemented during 2008. During fiscal year 2003, the City had a high point of 139.75 full time employees (FTE's) and this number has declined to 91.38 FTE's for fiscal 2011.

The City's working relationship with our governmental neighbors and Eastern Michigan University (EMU), our largest employer continued in earnest. The newly formed Eastern Leaders Group has continued to meet and formulated new goals related to business development, improving housing stock and improving K-12 educational opportunities. Investment continues in the downtown with the renovation of second floor apartments and façades as well as the opening of several first floor retail businesses. However, the City's tax base is eroding as the aggregate taxable value of properties in the City and the State of Michigan decline. Automotive Component Holdings (ACH), formerly the City's largest taxpayer, ceased operation in December 2008; fortunately for the City, though, Angstrom USA, LLC. has purchased the property.

Our 38-acre redevelopment project, Water Street, bounded by Michigan Avenue on the north and the Huron River on the south and west continues to face formidable challenges due to the economy. During fiscal 2011 the City utilized three Environmental Protection Agency clean-up grants for a total of $600,000 along with $250,000 from a Neighborhood Stabilization Program grant to demolish all structures on the site and to complete most of the remediation on the site. The City has successfully set aside $3.9 million in fund balance to pay the annual debt payments resulting from the sale of bonds to finance acquisition and demolition on this site. Originally, debt retirement was to be paid for by capturing tax increment financing from new development, but the City will now use fund balance. The unassigned general fund balance for fiscal year 2011 is $3,545,913, which is 26.7% of 2010-11 general fund expenditures and other financing uses.

In addition to the significant impact of declining taxable values on revenues, the City continues to face escalating financial challenges with increasing costs of employee benefits, particularly for medical and prescription drugs. The City also faces mounting pension and other postemployment benefits costs for current and retired employees. The revenue decline, coupled with the rising expenses, pose a significant threat to the City's fiscal structure and a long-term threat to the stability of the City's finances. Cost containment strategies and reductions have been employed to mitigate and reduce future stress on City finances.

Major Initiatives for the Year

Efforts to market and sell parcels in the Water Street redevelopment area continue, but are hampered by Michigan's poor economy and the general lack of available development financing. Fortunately, sufficient funding has been designated in the fund balance to make annual bond indebtedness payments for the next two years.

Additionally the City has secured funds from the Great Lakes Restoration Initiative for interim uses including a city tree nursery, and for phytoremediation of a 1-acre sized area that still has metals contamination. This funding included a comprehensive inventory of trees in the City.

Continuing with its focus on replacing aging infrastructure, the City repaired the Spring Street Bridge this season. Other major road projects included the reconstruction of East Cross Street from River to Prospect Streets. New water leads were installed under Cross Street as well as a bump-out and pedestrian crossing to continue the City's efforts toward pedestrian-scale projects and "Complete Streets" implementation. The City adopted a Complete Streets ordinance in August of 2011, and will be incorporating a complete streets review into any future road or other transportation project in the City.

The City, DDA and Eastern Leaders Group have partnered on the revitalization of West Cross Street at the doorstep of EMU. This fall, a streetscape enhancement grant including new street trees, the City's first LED streetlights, as well as accessibility improvements including stamped concrete crosswalks is nearing completion! This builds off last year's improvements to College Place featuring new pedestrian enhancements built by EMU and the addition of bike lanes to Forest Avenue from College Place (that also has bike lanes) to Huron Street. Along that commercial strip, a series of businesses have expanded or revamped their buildings as a result of grants from the DDA and Eastern Leaders Group. Tower Inn received a great facelift, as did Crossroads Bar and Grill, soon to expand in the former Magazine Rack. The dilapidated building at 511 W. Cross has been renovated, and former Art Attack and Ted's Campus Drugs has been renovated from top to bottom, featuring luxury apartments and three storefronts, with the first already occupied by a local clothing company.

The City continues to participate in Aerotropolis, the regional economic development effort that includes Wayne and Washtenaw counties as well as, the cities of Belleville, Taylor and Romulus, and the townships of Van Buren and Ypsilanti. The concept is to provide economic development opportunities (for business wanting to locate near Detroit Metro and Willow Run airports) in the respective communities by creating a cooperative development strategy for time sensitive manufacturing, e-commerce fulfillment, telecommunications and logistics industries, as well as offices for business people who travel frequently by air.

A landmark project for the City this year is the redevelopment of 144 formerly vacant and dilapidated rental units located at Hamilton and Huron. The former Parkview apartments were sold to the Ypsilanti Housing Commission who created nonprofits in cooperation with Chesapeake Community Advisors to redevelop the property into Hamilton Crossing. Every unit will be gutted and rehabbed, and the site will be re-landscaped with improvements to parking lot and grounds throughout. Occupancy of the initial work phase is expected by year end.

The renovation of Hamilton Crossing as well as the expansion of Hope Clinic and the purchase of the former ACH plant on Spring Street served as a catalyst for the City to partner with Washtenaw County on the South of Michigan Community Needs Assessment. This effort sought to use data, stakeholder meetings, focus groups and surveys to determine the priority needs and/or recommendations in the area based in five target areas: public health, housing, education/workforce development, safety and quality of life. The results of the assessment will be utilized by the City, County and local nonprofits to help direct their programming in the area, as well as provide baseline data for grant-writing and other efforts.

The City held its third annual city-wide Open House which promotes living in the city and was sponsored by the City, Ypsilanti School District, EMU, local realtors and the Ann Arbor Board of Realtors. This year, 29 houses were open on October 15, 2011. Additionally, the City began a new partnership with the Washtenaw County Treasurer's office with a tax foreclosure open house which showed 10 out of 25 properties in this year's foreclosure auction. The majority of the properties in this auction sold for more than the required minimum bid amount, and was considered a success, as more local people purchased properties than out of town speculators.

The City continues to respond to vacant and dangerous buildings through its implementation of an ordinance which has four demolitions scheduled for the end of 2011/early 2012. The Fire Department continues to monitor properties and manage this effort.

Major Initiatives in the Future

The City continues to work with local partners to improve non-motorized transportation. During 2010, a dedicated public transit millage continues to be used to fund local bus service. In January, AATA (Ann Arbor Transit Authority) will be increasing frequency of bus service between Ypsilanti and Ann Arbor along Route 4, the most frequently used service in the City. A small park and ride will be established in the Washington Street parking lot to accommodate frequent users of this and other AATA bus service originating from the Ypsilanti Transit Center. Road projects will continue into 2012 including reconstruction of West Cross Street.

The City has entered into dialogue with Washtenaw County Parks and Recreation Committee on locating a new, state-of-the-art recreational facility on a portion of the Water Street site.

In 2012 the City will continue energy-efficiency improvements in City buildings focusing on lighting. Additionally the City will continue with year two of a Climate Action plan for the City. Also, four neighborhoods in the City have been selected for the Southeast Michigan Regional Energy Office's Better Buildings for Michigan program which will provide energy audits and energy efficiency kits to participating households, as well as low-interest loans for energy-efficient improvements.

The City of Ypsilanti and Ypsilanti Township continue to explore the concept of creating a Police Authority. If successful, the Ypsilanti Police Department would dissolve and this authority would provide police services to both communities.

The cities of Ypsilanti and Ann Arbor and townships of Pittsfield and Ypsilanti have an informal agreement to operate as a box alarm system. This concept manages resources as one fire service increasing the effectiveness and efficiency of each fire department without additional costs.

Currently, the City and Friends of Rutherford Pool are negotiating an operations and capital replacement agreement. The agreement is dependent upon the City securing a Michigan Natural Resources grant to construct a new pool. The City will know in December 2011 whether the State has awarded such a grant.

Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated services of Fiscal Services accounting staff and other City departments, as well as advice from Rehmann Robson. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Marilou Uy, Sallea Tisch, Nan Schuette, and Teresa Gillotti.

My hope is that you will find this document to be a useful tool in evaluating the City's financial health. Helping you and the public obtain a thorough understanding of the City's financial condition is important to us all. Should you have any questions, comments, concerns, or suggestions regarding this document or the information it contains, Marilou Uy and I are available to respond.

Respectfully submitted,

{*signature omitted for security*}

Edward B. Koryzno, Jr.
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

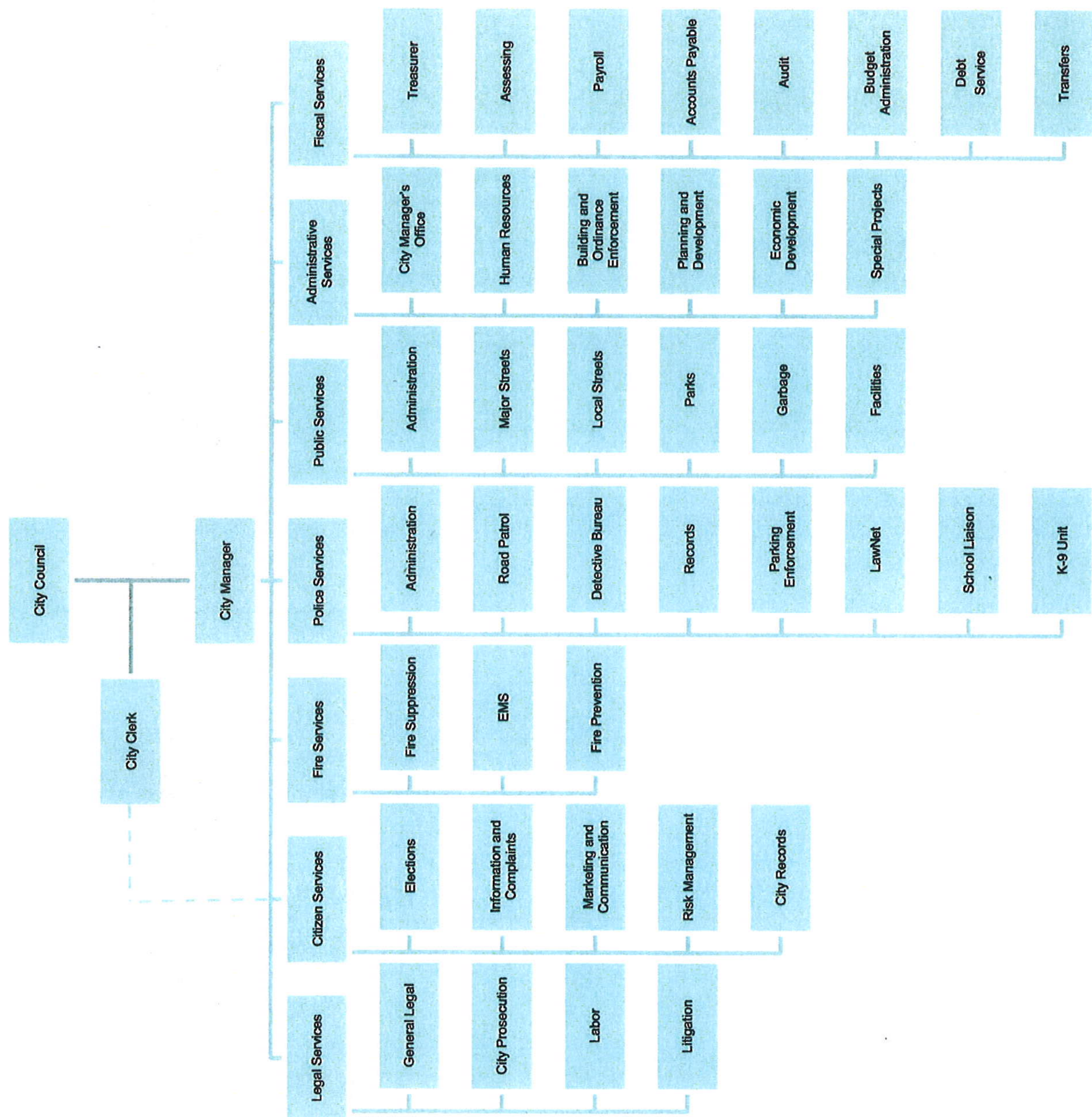
City of Ypsilanti Michigan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


City Council
City Clerk
City Manager
Legal Services
General Legal
City Prosecution
Labor
Litigation
Citizen Services
Elections
Information and Complaints
Marketing and Communication
Risk Management
City Records
Fire Services
Fire Suppression
EMS
Fire Prevention
Police Services
Administration
Road Patrol
Detective Bureau
Records
Parking Enforcement
LawNet
School Liaison
K-9 Unit
Public Services
Administration
Major Streets
Local Streets
Parks
Garbage
Facilities
Administrative Services
City Manager's Office
Human Resources
Building and Ordinance Enforcement
Planning and Development
Economic Development
Special Projects
Fiscal Services
Treasurer
Assessing
Payroll
Accounts Payable
Audit
Budget Administration
Debt Service
Transfers

CITY OF YPSILANTI, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011
List of Principal City Officials

Elected Officials

City Council:

Paul T. Schreiber, Mayor
Lois E. Richardson, Mayor Pro-Tem

Michael V. Bodary
Peter J. Murdock
Ricky Jefferson
Daniel Vogt
Brian Robb

Administration -- Appointed Officials and Senior Management

City Manager .... Edward Koryzno, Jr.

City Clerk.. Frances McMullan

Directors and Division Heads:

Director of Fiscal Services ....Marilou T. Uy
Director of Administrative Services..David Kowal
Director of Public Services... Stan Kirton
Chief of Police.. Amy Walker
Fire Chief... Jon Ichesco
Accounting Supervisor .... Sallea Tisch
City Assessor ....Courtney Dugger
City Treasurer...Kimberly D. Teamer

FINANCIAL SECTION

Rehmann

Rehmann Robson

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

INDEPENDENT AUDITORS' REPORT

December 9, 2011

Honorable Mayor and
Members of the City Council
City of Ypsilanti, Michigan

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***City of Ypsilanti, Michigan***, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ypsilanti's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-11 and the pension and other postemployment benefits supplementary information on pages 55-57 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ypsilanti's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.

Rehmann Robson

MANAGEMENT’S DISCUSSION and ANALYSIS

As management of the ***City of Ypsilanti, Michigan***, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2011.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $21,459,474 *(net assets).* This amount is net of a deficit of $6,850,753 in unrestricted net assets. The City has no business-type activities and therefore reports only governmental activities in its government-wide financial statements.

- The government's total net assets increased by $1,697,924.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $20,752,249, a decrease of $637,834 in comparison with the prior year. Approximately 17.1 percent of this total amount, or $3,545,913, is *available for spending* at the government's discretion *(unassigned fund balance).*

- At the end of the current fiscal year, unassigned fund balance for the general fund was $3,545,913 or 26.7% of total general fund expenditures and other financing uses.

- The City's total bonded debt decreased by $2,905,971 during the current fiscal year; $3,830,000 of refunding bonds and $26,253 of revenue bonds were issued during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information shows how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities).* The governmental activities of the City include general government, public safety, public works, highways and streets, culture and recreation and community development.

The government-wide financial statements include not only the City itself (known as the *primary government),* but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the land revolving capital projects fund, which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 15-20 of this report.

Proprietary funds. The City has one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its motor pool, workers' compensation self-insurance, and retiree benefits. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-54 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information.* This is limited to schedules concerning the City's progress in funding its obligation to provide pension benefits to its police and fire employees, pension benefits to employees participating in the MERS plan, and other postemployment benefits. Required supplementary information can be found on pages 55-57 of this report.

The combined statements referred to earlier in connection with nonmajor, internal service and fiduciary funds are presented immediately following the required supplementary information. Combined and individual fund financial statements and schedules can be found on pages 58-83 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Ypsilanti, assets exceeded liabilities by $21,459,474 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net assets as of fiscal year end 2011 and compared to the prior fiscal year):

City of Ypsilanti's Net Assets

	Governmental activities	
	2011	**2010**
Current and other assets	$ 57,971,919	$ 60,311,269
Capital assets	26,397,331	25,392,983
Total assets	84,369,250	85,704,252
Long-term liabilities outstanding	60,288,966	63,226,707
Other liabilities	2,620,810	2,715,995
Total liabilities	62,909,776	65,942,702
Net assets:		
Invested in capital assets, net of related debt	16,952,331	14,987,983
Restricted	11,357,896	10,975,911
Unrestricted (deficit)	(6,850,753)	(6,202,344)
Total net assets	**$ 21,459,474**	**$ 19,761,550**

By far the largest portion of the City's net assets (79.0% or $16,952,331) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its 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.

Additionally, a portion of the City's net assets (52.9% or $11,357,896) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (a deficit of $6,850,753) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

The City's total net assets increased approximately 8.6% from the prior year. This increase resulted from a number of factors. Additional structural improvements were made to the Freighthouse, electrical upgrades to the garage of Public Services were completed and windows in the Fire Department's building were replaced to improve energy efficiency. A new fire truck was purchased with funds provided by a FEMA Assistance to Fire Fighters Grant. Other vehicles and machinery were purchased to replace worn out vehicles and equipment which were disposed.

The decrease in long-term accounts receivable from the water and sewer surcharges needed for future revenue bond payments were offset by the decrease in long-term debt which reflects water and sewer bond payments made during the current fiscal year. Other bond payments further reduced long-term liabilities resulting in the net increase in total net assets.

City of Ypsilanti's Changes in Net Assets

	Governmental activities	
	2011	**2010**
Revenue:		
Program revenue:		
Charges for services	$ 2,221,096	$ 2,114,741
Operating grants and contributions	3,585,313	3,825,594
Capital grants and contributions	609,256	1,215,405
General revenue:		
Property taxes	9,907,455	11,417,456
Grants and contributions not restricted to specific programs	2,670,643	2,671,507
Other	201,895	169,291
Total revenue	19,195,658	21,413,994
Expenses:		
General government	3,326,238	3,075,617
Public safety	8,257,558	8,638,877
Public works	1,980,913	2,031,833
Highways, streets and bridges	1,192,916	3,612,341
Culture and recreation	69,221	435,711
Community development	189,050	229,274
Interest on long-term debt	2,481,838	2,748,116
Total expenses	17,497,734	20,771,769
Change in net assets	1,697,924	642,225
Net assets - beginning of year	19,761,550	19,119,325
Net assets - end of year	**$ 21,459,474**	**$ 19,761,550**

Financial Analysis of the City's Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $20,752,249, a decrease of $637,834 in comparison with the prior year. Approximately 17.1% of this total amount (or $3,545,913) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remainder $5,033,016 represents nonspendable fund balance, $5,671,778 is restricted and $6,501,542 is committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the general fund was $9,394,353. Of this amount $269,199 represents inventory and prepaid items rendering it nonspendable. $5,579,241 is committed for vested employee benefits, Water Street bond payments, an energy efficiency project and other uses as noted in note 3-I. As a measure of the general fund's liquidity it may be useful to compare unassigned fund balance to the total general fund expenditures; $3,545,913 of the general fund's fund balance is unassigned, which represents 26.7% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund decreased by $82,060 for the year, which was $417,878 less of a decrease than budgeted.

Other factors affecting the general fund financial results for the year include:

- Total general fund revenue was down about 7% (or $1,004,109) compared to the prior fiscal year. Most of the City's operating revenue is provided by property taxes that were about 10% (or $884,403) lower than last fiscal year due to a tax tribunal settlement in the prior fiscal year and about 4% (or $394,543) due to charge backs for foreclosed properties and Michigan tax tribunal. State shared revenue remained the same as the prior year. General fund revenues from licenses and permits increased about 29% (or $133,457), and from fines and forfeits about 26% (or $121,735) from the prior fiscal year.

- The City was able to replace windows in the Fire Department's building to improve energy efficiency. A new fire truck was purchased with funds provided by a FEMA Assistance to Fire Fighters Grant.

- The City's Police Department received a continuation of the COPS grant, which helped pay wages and fringes for two officers along with a continuation of the grant that helps fund the K-9 services, joint SWAT services and interagency cooperation with Washtenaw County and the University of Michigan. The Police Department also received a Lawnet Conspiracy Continuation Project grant used to assist with drug enforcement. They received a grant for 12 in-car video equipment units along with three utility pole cameras, and a Justice Assistance Grant (JAG) for license plate readers, a surveillance media work station and a cellular telephone forensic data extraction unit; an additional JAG grant was used to purchase a remote license reader.

- The City continued to invest in road infrastructure to the extent that federal and state funds were available through the Michigan Department of Transportation.

- The City made a transfer of $768,589 to the 2006 Water Street debt service fund leaving $3,919,182 committed by City Council for future Water Street bond payments.

The land revolving fund had an ending fund balance of $2,116,716, of which $2,055,128 is land held for resale and, therefore, nonspendable; $61,588 which is committed for capital projects.

General Fund Budgetary Highlights

The City amended the general fund budget to take into account various events occurring during the year. Revenue was $176,055 less than the amended budget because of charge backs from Washtenaw County and Michigan Tax Tribunal decisions. Nearly all departments stayed below budget, resulting in total expenditures being $442,526 below the amended budget. The contributions from the general fund were less than the amended budget for the Freighthouse restoration ($62,916), Water Street project ($46,025), capital equipment purchases ($34,221), and computer software and hardware ($54,265). Recreation expenditures for Parkridge, Rutherford Pool and the Senior Center continued to be funded by donations from the Ann Arbor Area Foundation, many public and private organization supporters, and City-contributed utilities. The City will continue to find ways to reduce costs and yet provide the essential services to the citizens of Ypsilanti, allowing for favorable budgetary results.

Capital Assets and Debt Administration

Capital Assets. At the end of 2011, the City had $26,397,331 invested in a broad range of net capital assets including land, land improvements, buildings and improvements, sidewalks, roads, police and fire equipment, vehicles, and other types of equipment.

City of Ypsilanti's Capital Assets
(Net of depreciation)

	Governmental activities	
	2011	**2010**
Land	$ 760,443	$ 760,443
Infrastructure	18,743,990	18,899,118
Buildings and improvements	3,910,372	3,647,190
Vehicles and equipment	2,241,461	1,861,749
Construction in progress	741,065	224,483
Total	**$ 26,397,331**	**$ 25,392,983**

Major capital asset events during the current fiscal year included:

- Completed upgrades to DPS garage for a safer working environment and to bring the electrical up to City building codes.
- Added solar panels to City Hall with pass-through grant money.
- Renovated the Police building lobby, to remove rot, mold and infestation and improve energy efficiency.
- Replaced windows in the Fire building to increase energy efficiency.
- Contributed to the Freighthouse structural repairs.
- Replaced the fuel system because old system aged beyond repair.
- Sections of Mansfield and College Place were repaved as part of the ongoing effort to upgrade the City’s streets to the extent that federal funding through the Michigan Department of Transportation was available.
- Bicycle lane additions and improvements were done on Forest Avenue.
- A new fire truck was purchased with grant funds and an old fire truck was disposed.
- DPS purchased a new stake truck and a new truck to be outfitted for recycling; both replaced old equipment.
- The Police Department replaced and outfitted four vehicles.

Additional information on the City’s capital assets can be found in Note 3-D. on pages 39-40 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $56,176,984. Of this amount, $24,560,000 is comprised of debt backed by the full faith and credit of the government. The remainder of the City’s bonded debt represents bonds secured solely by specified revenue sources.

City of Ypsilanti's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental activities	
	2011	**2010**
General obligation bonds	$ 24,560,000	$ 25,805,000
Revenue bonds	31,616,984	33,277,955
Total	**$ 56,176,984**	**$ 59,082,955**

Moody's downgraded the City's credit rating from A1 to A2 on the outstanding general obligation limited tax debt, which they say "reflects satisfactory financial position with declining liquidity, and declining tax base, while currently manageable, is expected to require general fund support beginning in 2013." Standard & Poor's continued the A1 rating for revenue bonds outstanding. A review of revenue bonds rating is scheduled for December 2011.

Additional information on the City's long-term debt can be found in Note 3-H. on pages 42-46 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's spending budget for all funds for next fiscal year is about $4,171,303 less than the current year amended budget, which includes the use of $1,272,201 fund balance from the general fund for the Water Street bond payment, $473,840 from the major street special revenue fund, and $1,016,437 from the motor pool internal service fund. Revenues for all funds are budgeted to be about $4,840,493 lower than the current fiscal year. The City expects property taxes to decrease again due to continued decline in taxable value. The City is looking at many options to reduce cost or increase revenue. Some of the measures being considered are a City income tax, a special millage to pay off the Water Street debt, storm water fees, possibly combining Fire and Police into a Public Safety Department, consolidation of City Hall offices, a special assessment for street lighting, and possible collaboration opportunities with neighboring jurisdictions.

The City is implementing the Economic Vitality Incentive Program by placing a *Citizens Guide and Performance Dashboard* on the City's website which is a requirement to receive one-third of Michigan statutory state revenue sharing under a new program of the Governor. Effective January 1, 2012, the City will begin implementing Public Act 52 (Senate Bill #7) limiting employer medical benefit cost by having employees pay 20% of their medical benefit costs as labor contracts are renegotiated.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the clerk's office at (734) 483-1100.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
June 30, 2011

	Primary Government Governmental Activities	Component Units
Assets		
Cash and cash equivalents	$ 18,026,454	$ 1,029,058
Investments	3,500,429	-
Receivables	30,368,836	20,000
Prepaid items and other assets	5,803,501	-
Other noncurrent assets - other post-employment benefits assets	272,699	-
Capital assets not being depreciated	1,501,508	53,200
Capital assets being depreciated, net	24,895,823	2,209,343
Total assets	84,369,250	3,311,601
Liabilities		
Accounts payable and accrued expenses	2,440,319	31,259
Due to other governments	-	84,389
Unearned revenue	180,491	30,300
Long-term liabilities:		
Due within one year	4,102,162	128,137
Due in more than one year	56,186,804	987,909
Total liabilities	62,909,776	1,261,994
Net assets		
Invested in capital assets, net of related debt	16,952,331	1,149,272
Restricted for:		
Highways and streets	2,209,165	-
Drug law enforcement	625,106	-
Debt service	2,837,507	-
Capital projects	5,686,118	10,758
Unrestricted (deficit)	(6,850,753)	889,577
Total net assets	$ 21,459,474	$ 2,049,607

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

CITY OF YPSILANTI, MICHIGAN
Statement of Activities
For the Year Ended June 30, 2011

		Program Revenues			
Functions / Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Primary government					
Governmental activities:					
General government	$ 3,326,238	$ 1,121,010	$ 513,409	$ 96,211	$ (1,595,608)
Public safety	8,257,558	1,098,886	221,820	292,597	(6,644,255)
Public works	1,980,913	-	-	84,448	(1,896,465)
Highways, streets and bridges	1,192,916	-	1,725,950	-	533,034
Culture and recreation	69,221	-	8,114	136,000	74,893
Community development	189,050	1,200	-	-	(187,850)
Interest on long-term debt	2,481,838	-	1,116,020	-	(1,365,818)
Total governmental activities	$ 17,497,734	$ 2,221,096	$ 3,585,313	$ 609,256	$ (11,082,069)
Component units					
Community/economic development	$ 465,996	$ -	$ -	$ -	$ (465,996)

continued…

CITY OF YPSILANTI, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended June 30, 2011

	Primary Government	
	Governmental Activities	**Component Units**
Changes in net assets		
Net expense	$ (11,082,069)	$ (465,996)
General revenues:		
Property taxes	9,907,455	535,173
Grants and contributions not restricted to specific programs	2,670,643	18,575
Unrestricted investment earnings	201,895	4,468
Total general revenues	12,779,993	558,216
Change in net assets	1,697,924	92,220
Net assets, beginning of year	19,761,550	1,957,387
Net assets, end of year	$ 21,459,474	$ 2,049,607

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

FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2011

	General	Land Revolving Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Assets				
Cash and cash equivalents	$ 7,562,512	$ 136,158	$ 6,674,088	$ 14,372,758
Investments	1,698,185	-	3,683	1,701,868
Accounts receivable	253,263	-	75,261	328,524
Land held for resale	-	2,055,128	2,700,608	4,755,736
Special assessments receivable	90,981	-	-	90,981
Due from other funds	103,558	-	-	103,558
Due from other governments	743,606	101,746	236,732	1,082,084
Prepaid items	114,538	-	8,081	122,619
Inventory	154,661	-	-	154,661
TOTAL ASSETS	$ 10,721,304	$ 2,293,032	$ 9,698,453	$ 22,712,789
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 209,897	$ 7,908	$ 176,390	$ 394,195
Accrued liabilities	457,768	-	30,557	488,325
Due to other funds	-	-	103,558	103,558
Due to other governments	68,426	-	-	68,426
Tax refunds payable	394,226	-	112,353	506,579
Deferred revenue	196,634	168,408	34,415	399,457
	1,326,951	176,316	457,273	1,960,540
Fund balances				
Nonspendable:				
Prepaid items	114,538	-	8,081	122,619
Inventory	154,661	-	-	154,661
Land held for resale	-	2,055,128	2,700,608	4,755,736
Restricted for:				
Major and local streets	-	-	2,209,165	2,209,165
Drug law enforcement	-	-	625,106	625,106
Debt service	-	-	2,837,507	2,837,507
Committed for:				
Various purposes (Note 3-I)	5,579,241	-	-	5,579,241
Capital projects	-	61,588	860,713	922,301
Unassigned	3,545,913	-	-	3,545,913
Total fund balances	9,394,353	2,116,716	9,241,180	20,752,249
TOTAL LIABILITIES AND FUND BALANCES	$ 10,721,304	$ 2,293,032	$ 9,698,453	$ 22,712,789

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

CITY OF YPSILANTI, MICHIGAN

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets

June 30, 2011

Fund balances - total governmental funds	$	20,752,249
Amounts reported for *governmental activities* in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add - capital assets		47,087,592
Deduct - accumulated depreciation		(22,704,853)
Special assessment and sale of property receivables are expected to be collected over several years but are not available to pay for current year expenditures.		218,966
An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
Add - net assets of governmental activities accounted for in internal service funds		7,176,213
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Add - other noncurrent assets - other postemployment benefits		272,699
Deduct - bonds and purchase agreements payable		(59,267,334)
Add - leases receivable from joint venture entity for debt-financed property		28,839,348
Add - unamortized debt issuance costs		701,921
Deduct - accrued interest on bonds payable		(595,695)
Deduct - compensated absences		(1,021,632)
Net assets of governmental activities	$	21,459,474

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

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General	Land Revolving Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes and special assessments	$ 7,722,939	$ -	$ 2,184,516	$ 9,907,455
Licenses and permits	597,873	-	68,713	666,586
Intergovernmental	3,172,980	496,042	4,700,039	8,369,061
Charges for services	542,669	-	-	542,669
Fines and forfeits	597,265	-	-	597,265
Investment earnings	135,791	577	28,978	165,346
Other revenues	392,155	-	148,912	541,067
Total revenues	13,161,672	496,619	7,131,158	20,789,449
Expenditures				
Current:				
General government	1,961,065	-	472,226	2,433,291
Public safety	7,988,698	-	337,740	8,326,438
Public works	720,017	-	128,737	848,754
Refuse collection	-	-	1,065,037	1,065,037
Highways, streets and bridges	-	-	1,592,516	1,592,516
Parks and recreation	348,756	-	-	348,756
Community development	2,775	496,042	-	498,817
Public transit	218,000	-	-	218,000
Unallocated employee benefits	878,085	-	-	878,085
Debt service:				
Principal	-	-	2,970,000	2,970,000
Interest and fiscal charges	-	-	2,485,869	2,485,869
Bond issuance costs	-	-	75,847	75,847
Total expenditures	12,117,396	496,042	9,127,972	21,741,410
Revenues over (under) expenditures	1,044,276	577	(1,996,814)	(951,961)
Other financing sources (uses)				
Issuance of bonds	-	-	26,253	26,253
Issuance of refunding bonds	-	-	3,830,000	3,830,000
Payment to refunding bond escrow agent	-	-	(3,749,306)	(3,749,306)
Transfers in	13,642	-	1,625,401	1,639,043
Transfers out	(1,139,978)	-	(291,885)	(1,431,863)
Total other financing sources (uses)	(1,126,336)	-	1,440,463	314,127
Net changes in fund balances	(82,060)	577	(556,351)	(637,834)
Fund balances, beginning of year	9,476,413	2,116,139	9,797,531	21,390,083
Fund balances, end of year	$ 9,394,353	$ 2,116,716	$ 9,241,180	$ 20,752,249

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

CITY OF YPSILANTI, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds	$ (637,834)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay expenditures	3,258,669
Deduct - depreciation expense	(2,336,901)
Add - disposal of capital assets	1,034
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Deduct - refunding and revenue bond proceeds	(3,856,253)
Add - payment to refunding bond escrow agent	3,749,306
Add - bond issuance costs	75,847
Add - principal payments on long-term liabilities	2,970,000
Deduct - change in leases receivable for debt-financed property	(1,972,871)
An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The net revenue (expense) attributable to those funds is reported with governmental activities.	
Add - operating income of government internal service funds	256,540
Add - investment income in government internal service funds	38,733
Add - gain on sale of capital assets in government internal service funds	25,109
Deduct - transfers out in governmental internal service funds	(207,180)
Add - capital contributions in government internal service funds	340,250
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Deduct - decrease in other noncurrent assets for other postemployment benefits assets	(42,324)
Add - decrease in accrued interest payable on bonds	4,031
Add - decrease in the accrual for compensated absences	31,768
Change in net assets of governmental activities	$ 1,697,924

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

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
Revenues				
Taxes and special assessments	$ 7,973,044	$ 8,014,183	$ 7,722,939	$ (291,244)
Licenses and permits	546,892	570,488	597,873	27,385
Intergovernmental	2,862,119	3,150,132	3,172,980	22,848
Charges for services	562,976	540,431	542,669	2,238
Fines and forfeits	609,825	593,437	597,265	3,828
Investment earnings	300,000	30,000	135,791	105,791
Other revenues	325,928	439,056	392,155	(46,901)
Total revenues	13,180,784	13,337,727	13,161,672	(176,055)
Expenditures				
General government:				
City council	96,430	96,430	89,082	(7,348)
City manager	200,759	211,960	207,065	(4,895)
Community services	761	761	211	(550)
Elections	104,989	83,004	78,650	(4,354)
Accounting	263,000	261,400	250,090	(11,310)
Assessing	80,740	82,665	62,831	(19,834)
General legal	52,140	52,140	52,140	-
Ordinance prosecution	105,000	105,000	105,000	-
Litigation and appeals	110,000	125,000	133,565	8,565
Personnel legal	25,000	11,000	11,385	385
City clerk	162,597	152,385	147,815	(4,570)
Human resources	135,491	136,273	129,418	(6,855)
Treasurer	153,257	184,013	175,862	(8,151)
Public building maintenance	353,856	420,174	331,676	(88,498)
Planning and development	186,908	195,373	186,275	(9,098)
Total general government	2,030,928	2,117,578	1,961,065	(156,513)
Public safety:				
Police	4,742,836	4,806,457	4,702,089	(104,368)
Fire	2,639,157	2,980,140	2,910,183	(69,957)
Ordinance enforcement	132,399	135,051	96,850	(38,201)
Building inspection	308,845	276,000	279,576	3,576
Total public safety	7,823,237	8,197,648	7,988,698	(208,950)

continued…

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Actual Over (Under)
	Original	**Final**	**Actual**	**Final Budget**
Expenditures (Concluded)				
Public works:				
Public works department	$ 178,648	$ 204,203	$ 216,564	$ 12,361
Street lighting	548,400	525,890	503,453	(22,437)
Total public works	727,048	730,093	720,017	(10,076)
Parks and recreation	333,490	366,337	348,756	(17,581)
Community development	60,000	50,000	2,775	(47,225)
Public transit	218,000	218,000	218,000	-
Unallocated employee benefits	877,280	880,266	878,085	(2,181)
Total expenditures	12,069,983	12,559,922	12,117,396	(442,526)
Revenues over expenditures	1,110,801	777,805	1,044,276	266,471
Other financing sources (uses)				
Transfers in	58,800	48,800	13,642	(35,158)
Transfers out	(1,183,820)	(1,326,543)	(1,139,978)	186,565
Total other financing uses	(1,125,020)	(1,277,743)	(1,126,336)	151,407
Net changes in fund balance	(14,219)	(499,938)	(82,060)	417,878
Fund balance, beginning of year	9,476,413	9,476,413	9,476,413	-
Fund balance, end of year	$ 9,462,194	$ 8,976,475	$ 9,394,353	$ 417,878

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

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Proprietary Funds - Internal Service Funds
June 30, 2011

Assets	
Current assets:	
Cash and cash equivalents	$ 3,653,696
Investments	1,798,561
Accounts receivable	27,899
Inventory	28,202
Prepaid items	40,362
Total current assets	5,548,720
Noncurrent assets - capital assets, net	2,014,592
Total assets	7,563,312
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	67,467
Current portion of claims payable	128,000
Total current liabilities	195,467
Noncurrent liabilities - claims payable, net	191,632
Total liabilities	387,099
Net assets	
Invested in capital assets	2,014,592
Unrestricted	5,161,621
Total net assets	$ 7,176,213

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

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2011

Operating revenues	
Charges for services	$ 2,091,620
Operating expenses	
Salaries, taxes and benefits	207,661
Gas, oil and fuel	119,641
Depreciation	375,875
Operation and maintenance	140,170
Contractual services and fees	222,117
Insurance and other	53,508
Benefits and claims	716,108
Total operating expenses	1,835,080
Operating income	256,540
Nonoperating revenues	
Investment income	38,733
Gain on sale of equipment	25,109
Total nonoperating revenues	63,842
Income before transfers and contributions	320,382
Transfers out	(207,180)
Capital contributions	340,250
Change in net assets	453,452
Net assets, beginning of year	6,722,761
Net assets, end of year	$ 7,176,213

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

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2011

	Total
Cash flows from operating activities	
Cash received from interfund services	$ 2,072,741
Cash payments to employees	(207,661)
Cash payments for claims	(1,400,224)
Cash payments to suppliers for goods and services	(513,500)
Net cash used in operating activities	(48,644)
Cash flows from noncapital financing activities	
Transfer to other funds	(207,180)
Cash flows from capital and related financing activities	
Purchase of capital assets	(457,422)
Proceeds from sale of capital assets	25,109
Net cash used by capital and related financing activities	(432,313)
Cash flows from investing activities	
Redemption of investments	100,438
Purchase of investments	(238,228)
Investment income	38,733
Net cash used in investing activities	(99,057)
Net decrease in cash and cash equivalents	(787,194)
Cash and cash equivalents, beginning of year	4,440,890
Cash and cash equivalents, end of year	$ 3,653,696
Reconciliation of operating income to net cash used in operating activities	
Operating income	$ 256,540
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	375,875
Changes in assets and liabilities:	
Accounts receivable	(18,879)
Inventory	(11,895)
Prepaid items	(848)
Accounts payable and accrued liabilities	(330,069)
Claims payable	(319,368)
Net cash used by operating activities	$ (48,644)
Noncash	
Capital contributions	$ 340,250

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

CITY OF YPSILANTI, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Police and Fire Retirement System Trust	Current Tax Agency Fund
Assets		
Cash and cash equivalents	$ 2,705,149	$ 100,084
Investments:		
U.S. agencies	3,066,009	-
Corporate bonds	4,164,439	-
Domestic equities	12,271,057	-
International equities	867,382	-
American depository receipts	51,907	
Mutual funds	6,755,825	
Real estate investment trusts	425,344	-
Money market accounts	810,311	-
Accrued interest receivable	883	-
Total assets	31,118,306	$ 100,084
Liabilities		
Undistributed receipts	-	$ 100,084
Accounts payable	391,900	-
Total liabilities	391,900	$ 100,084
Net assets		
Held in trust for pension benefits	$ 30,726,406	

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

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Police and Fire Retirement System Trust Fund
For the Year Ended June 30, 2011

Additions	
Investment income:	
Net appreciation in fair value of investments	$ 4,535,994
Interest and dividends	758,066
Less investment management fees	(90,776)
Total investment income	5,203,284
Contributions:	
City of Ypsilanti	1,018,284
Participants	374,961
Total contributions	1,393,245
Total additions	6,596,529
Deductions	
Participant benefits	2,363,626
Participant refunds	337,937
Administrative expenses	56,086
Total deductions	2,757,649
Net additions to net assets held in trust for benefits	3,838,880
Net assets held in trust for pension benefits, beginning of year	26,887,526
Net assets held in trust for pension benefits, end of year	**$ 30,726,406**

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

COMPONENT UNIT FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Net Assets
Component Units
June 30, 2011

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Brownfield Redevelopment Authority	Totals
Assets					
Cash and cash equivalents	$ 357,369	$ 431,554	$ 209,950	$ 30,185	$ 1,029,058
Accounts receivable	20,000	-	-	-	20,000
Capital assets not being depreciated	-	-	53,200	-	53,200
Capital assets being depreciated, net	2,105,042	104,301	-	-	2,209,343
Total assets	2,482,411	535,855	263,150	30,185	3,311,601
Liabilities					
Accounts payable	5,011	9,330	-	-	14,341
Accrued liabilities	16,892	26	-	-	16,918
Due to other governments	365	11,860	72,164	-	84,389
Unearned revenues	-	15,000	-	15,300	30,300
Long-term liabilities:					
Due within one year	111,795	16,342	-	-	128,137
Due in more than one year	925,000	62,909	-	-	987,909
Total liabilities	1,059,063	115,467	72,164	15,300	1,261,994
Net assets					
Invested in capital assets, net of related debt	1,070,042	26,030	53,200	-	1,149,272
Restricted for capital projects	10,758	-	-	-	10,758
Unrestricted	342,548	394,358	137,786	14,885	889,577
Total net assets	$ 1,423,348	$ 420,388	$ 190,986	$ 14,885	$ 2,049,607

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

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2011

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Brownfield Redevelopment Authority	Totals
Expenses					
Community / economic development	$ 314,420	$ 78,194	$ 2,028	$ 71,354	$ 465,996
General revenues					
Property taxes	343,529	120,960	-	70,684	535,173
Other revenue	3,575	15,000	-	-	18,575
Unrestricted investment earnings	1,460	1,776	1,042	190	4,468
Total general revenues	348,564	137,736	1,042	70,874	558,216
Change in net assets	34,144	59,542	(986)	(480)	92,220
Net assets, beginning of year	1,389,204	360,846	191,972	15,365	1,957,387
Net assets, end of year	$ 1,423,348	$ 420,388	$ 190,986	$ 14,885	$ 2,049,607

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

NOTES to the FINANCIAL STATEMENTS

City of Ypsilanti, Michigan

Notes to Financial Statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ypsilanti, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1-A. Reporting Entity

The City of Ypsilanti is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations, whereas discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Each blended or discretely presented component unit has a June 30 year end.

Blended Component Units – The City has no blended component units.

Discretely Presented Component Units – Following is a summary of the City's discretely presented component units:

Discretely Presented Component Unit	Included in the Reporting Entity Because	Separate Financial Statements Available
Downtown Development Authority (DDA); corrects and prevents deterioration in the downtown district, encourages historical preservation and promotes economic growth within the district	City Council appoints and may remove board members and approves budget	Not prepared
Depot Town Downtown Development Authority; promotes development and preservation of the Depot Town DDA district	City Council appoints and may remove board members and approves budget	Not prepared
Economic Development Corporation (EDC); provides means and methods to encourage and assist industrial and commercial development within the City	City Council appoints and may remove board members and approves budget	Not prepared
Brownfield Redevelopment Authority (BRA); administers brownfield redevelopment projects	City Council appoints and may remove board members and approves budget	Not prepared

1-B. Basis of Presentation

Government-wide Financial Statements. The statements of net assets and activities display information on the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule the effect of interfund activity has been removed from the government-wide financial statements, except for payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various applicable functions. Although government-wide financial statements generally distinguish between *governmental* and *business-type activities*, the City has no business-type activities and, therefore, only reports governmental activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

> *General Fund.* This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> *Land Revolving Fund*. This capital projects fund accounts for activity related to the purchase and development of various properties located within the City. Revenues come from various grants and proceeds from sale of land.

Additionally, the City reports the following fund types:

> *Special revenue funds* account for revenue sources that are legally restricted, committed or assigned to expenditures for specific purposes not including major capital projects.
>
> *Debt service funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
>
> *Capital projects funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Internal service funds. These proprietary funds account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the City on a cost reimbursement basis.

Pension trust fund. This fiduciary fund accounts for the activities of the Police and Fire Employees' Retirement System. This fund accumulates resources for pension benefit payments to qualified police and fire employees through the collection of property tax revenues.

Agency fund. This fiduciary fund accounts for tax collections and the distributions thereof.

1-C. Measurement Focus / Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's internal service funds are charges to other funds of the City for various services. Operating expenses for internal service funds include these services, administrative expenses, and depreciation on capital assets. All revenue and expense not meeting this definition are reported as nonoperating revenue and expenses.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to first apply restricted resources.

1-D. Assets, Liabilities and Equity

Deposits and Investments. State statutes authorize the government 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. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

Receivables and Payables. In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." All trade receivables are shown net of allowance for uncollectible amounts.

Inventory, Prepaid Items and Other Assets. Inventories in the general and internal service funds are valued at cost using the first-in/first-out method, which approximates market value. Inventories of governmental funds are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	15
Buildings and improvements	5-70
Vehicles and equipment	3-20

Compensated Absences. It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity. Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council; a formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. Assigned fund balance is reported in instances where the City Council has given authority for the making of such assignments to City management; assigned fund balances are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

When the government incurs expenditures for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned and finally unassigned fund balance.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The annual budget for the next fiscal year is prepared by the City's management by June 1 of each year and adopted by the City Council no later than June 30 of each year (i.e., prior to the start of the next fiscal year); subsequent amendments are approved by the City Council

Budgetary control is exercised at the fund level; expenditures in excess of amounts appropriated at this level are a violation of Michigan law. The accompanying budget to actual comparisons are presented at a greater level of detail than the adopted budget for management analysis only. Supplemental budgetary appropriations were made during the year, the total of which was not significant in relation to the original appropriations.

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end.

2-B. Excess of Expenditures over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the City were adopted on a fund level basis. During the year ended June 30, 2011, the City did not incur expenditures in excess of the amounts appropriated at the legal level of budgetary control.

2-C. Construction Code Fees

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction costs, including an allocation of estimated overhead costs.

A summary of current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Current year building permit revenue	$ 120,923
Less related expenditures:	
Direct costs	278,145
Estimated indirect costs	35,996
Current year shortfall	(193,218)
Cumulative shortfall, beginning of year	(521,727)
Cumulative shortfall, end of year	$ (714,945)

NOTE 3 – DETAILED NOTES ON ALL FUNDS

3-A. Deposits and Investments

Following is a reconciliation of deposit and investment balances as of June 30, 2011:

	Primary Governments	Component Units	Total
Statement of net assets			
Cash and cash equivalents	$ 18,026,454	$ 1,029,058	$ 19,055,512
Investments	3,500,429	-	3,500,429
Statement of fiduciary net assets			
Cash and cash equivalents:			
Pension trust fund	2,705,149	-	2,705,149
Agency fund	100,084	-	100,084
Investments - pension trust fund	28,412,274	-	28,412,274
	$ 52,744,390	**$ 1,029,058**	**$ 53,773,448**

Deposits and investments:	
Bank deposits (checking, savings and certificates of deposit)	$ 21,852,820
Investments in securities, mutual funds and similar vehicles:	
City investment pool	3,500,429
Pension trust fund	28,412,274
Cash on hand	7,925
Total	**$ 53,773,448**

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk, that in the event of a bank failure, the City's deposits may not be returned to the government. As of June 30, 2011, $21,424,454 of the City's total bank balance of $22,174,455 (total book balance was $21,852,820) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The City's depository and investment policy does not specifically address this risk, although the City 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 City evaluates each financial institution with which it deposits City 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 – City Investment Pool. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City'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 June 30, 2011, all of the City's investments were in securities of U.S. agencies and were exposed to custodial credit risk as they were held in the City's name by the counterparty.

Credit Risk. As of June 30, 2011, all of the City's investments in securities of U.S. agencies were rated Aaa by Moody's. The City's investment policy does not have specific limits in excess of state law on investment credit risk.

Concentration of Credit Risk. At June 30, 2011, the investment portfolio of U.S. agencies was concentrated 100% in Federal National Mortgage Association. The City's investment policy does not address concentration of credit risk.

Interest Rate Risk. As of June 30, 2011, maturities of the City's investments in the debt securities of U.S. agencies were more than ten years. The City's investment policy does not address interest rate risk.

3-B. Investments – Pension Trust Fund

The investments of the Police and Fire Retirement System Trust Fund (the "System") are maintained separately from the City's investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for these investments are presented separately.

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

The System's investments are held in a bank-administered trust fund. Following is a summary of the System's investments as of June 30, 2011:

Investments at fair value, as determined by quoted market price:	
U.S. agencies	$ 3,066,009
Corporate bonds	4,164,439
Domestic equities	12,271,057
International equities	867,382
American depository receipts	51,907
Mutual funds	6,755,825
Domestic real estate investment trusts	425,344
Money market accounts	810,311
Total investments	$ 28,412,274

Credit Risk. As of June 30, 2011, the System's investments in U.S. agencies were rated Aaa by Moody's Investor Services and its domestic corporate bonds were rated as follows:

Rating	
Aa2	$ 220,873
Aa3	311,255
A1	242,914
A2	929,332
A3	671,804
Baa1	223,482
Baa2	640,430
Baa3	659,484
Ba1	264,865
Totals	$ 4,164,439

The System's policy regarding credit risk provides that a minimum of 70% of fixed income investments must be in the top three major grades as determined by Moody's and the balance must be in the top four major grades.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that investment securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Short-term investments in money market funds are not subject to custodial credit risk.

Concentration of Credit Risk. At June 30, 2011, the investment portfolio was concentrated (i.e., had holdings in any one issue greater than or equal to 5% of the total investment portfolio) as follows:

	% of portfolio
U.S. agencies	
Federal Home Loan Mortgage Corporation	5.3%

The System's policy regarding concentration of credit risk does not specify limits regarding concentration of credit risk, although it provides guidelines regarding target maximums for investment types.

Interest Rate Risk. As of June 30, 2011, maturities of the System's debt securities were as follows:

		Investment Maturities (fair value by years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. agencies	$ 3,066,009	$ -	$ -	$ 62,904	$ 3,003,105
Corporate bonds	4,164,439	-	1,485,930	1,542,647	1,135,862
	$ 7,230,448	$ -	$ 1,485,930	$ 1,605,551	$ 4,138,967

None of the above securities are callable.

The System's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the Systems holdings comply with this requirement.

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows:

Investment/ Country	Currency	Fair value (U.S. dollars)
International equities		
Cayman Islands	Cayman Island dollar	$ 57,943
France	European euro	91,413
Ireland	European euro	194,455
Netherlands	European euro	345,746
Puerto Rico	U.S dollar	68,685
Singapore	Singapore dollar	109,140
Total		$ 867,382

In addition to the above, the System's holdings in mutual funds are primarily composed of underlying investments in international equities (approximately 69% of total mutual fund holdings of $6,755,825), predominately in Japanese, European and other Asian companies. The residual mutual fund underlying investments are in gold, cash and cash equivalents, international bonds and U.S. equities.

The System restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investment.

3-C. Receivables/Deferred Revenue

Receivables in the governmental activities are 95.0% leases (5.9% of which will be collected in one year), 3.5% due from other governments and 1.5% other receivables.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds and activities were as follows:

	Unavailable	Unearned	Total
Special assessments and other amounts not yet due	$ 93,966	$ -	$ 93,966
Sale of property (long-term receivable)	125,000	-	125,000
Customer deposits for future services/events	-	180,491	180,491
	$ 218,966	**$ 180,491**	**$ 399,457**

3-D. Capital Assets

Capital asset activity of the City's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 760,443	$ -	$ -	$ 760,443
Construction in progress	224,483	2,446,656	(1,930,074)	741,065
	984,926	2,446,656	(1,930,074)	1,501,508
Capital assets, being depreciated:				
Infrastructure	38,165,642	1,930,074	(2,948,655)	37,147,061
Buildings and improvements	6,581,348	440,322	-	7,021,670
Vehicles and equipment	7,584,593	829,113	(481,658)	7,932,048
Total capital assets being depreciated	52,331,583	3,199,509	(3,430,313)	52,100,779
Less accumulated depreciation for:				
Infrastructure	19,266,524	2,085,202	(2,948,655)	18,403,071
Buildings and improvements	2,934,158	177,140	-	3,111,298
Vehicles and equipment	5,722,844	450,435	(482,692)	5,690,587
Total accumulated depreciation	27,923,526	2,712,777	(3,431,347)	27,204,956
Total capital assets, being depreciated, net	24,408,057	486,732	1,034	24,895,823
Governmental activities capital assets, net	**$ 25,392,983**	**$ 2,933,388**	**$ (1,929,040)**	**$ 26,397,331**

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	$ 40,209
Public safety	102,978
Public works	9,482
Highways, streets and bridges	2,093,282
Culture and recreation	90,951
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	375,875
Total depreciation expense - governmental activities	**$ 2,712,777**

Capital asset activity of the City's component units was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Capital assets, not being depreciated -				
Land	$ 53,200	$ -	$ -	$ 53,200
Capital assets, being depreciated -				
Buildings and improvements	3,464,766	-	-	3,464,766
Less accumulated depreciation for -				
Buildings and improvements	1,193,124	62,299	-	1,255,423
Total capital assets, being depreciated, net	2,271,642	(62,299)	-	2,209,343
Component units capital assets, net	**$ 2,324,842**	**$ (62,299)**	**$ -**	**$ 2,262,543**

3-E. Payables

Payables in the governmental activities are 20.0% accrued liabilities, 20.8% property tax refunds, 24.4% interest, 13.1% claims, 18.9% vendors, and 2.8% due to other governments.

3-F. Interfund Receivables, Payables and Transfers

Interfund receivables and payables result from the time lag between the dates the goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. At year-end, there was $103,558 of interfund receivable in the general fund and a matching amount of interfund payables in the nonmajor governmental funds.

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The effect of interfund activity has been eliminated from the government-wide financial statements.

	Transfers In		
	General fund	Nonmajor funds	Totals
Transfers Out			
General fund	$ -	$ 1,139,978	$ 1,139,978
Nonmajor funds	13,642	278,243	291,885
Internal service funds	-	207,180	207,180
	$ 13,642	$ 1,625,401	$ 1,639,043

3-G. Contingent Liabilities

Amounts received or receivable from grantor agencies 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 applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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

The City is currently involved in various tax appeals pending before the Michigan Tax Tribunal. The appeals cover various commercial and industrial properties for the years 2005 through 2011. Due to the large number of appeals currently before the Tribunal, the time frame for resolution of these matters is unknown at this time. An estimate of the City's maximum exposure is $1.1 million dollars. The City is vigorously defending all such litigation.

3-H. Long-term Debt

Primary Government

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years for the items listed below was $33,070,000. During the year, $3,830,000 of refunding general obligation bonds were issued.

General obligation bonds are direct obligations that pledge the full faith and credit of the government. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2001 capital improvements (paving)	$ 4,270,000	$ -	$(4,270,000)	$ -	$ -
2010 refunding bonds	-	3,830,000	-	3,830,000	605,000
2002 capital improvements	245,000	-	(25,000)	220,000	25,000
2003 capital improvements	5,550,000	-	(495,000)	5,055,000	515,000
2006 remediation of property held for resale and related project	15,740,000	-	(285,000)	15,455,000	335,000
	$25,805,000	$3,830,000	$(5,075,000)	$ 24,560,000	$ 1,480,000

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

	Principal	Interest
2012	$ 1,480,000	$ 1,223,547
2013	1,575,000	1,171,261
2014	1,665,000	1,113,806
2015	1,760,000	1,049,804
2016	1,835,000	979,792
2017-2021	6,190,000	3,866,889
2022-2026	4,280,000	2,374,902
2027-2031	5,775,000	1,116,930
	$ 24,560,000	$12,896,931

Revenue bonds. The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. In this instance, the income is derived from Ypsilanti Community Utilities Authority (*see Joint Venture note*), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in prior years for the items listed below was $49,830,000. During the year, $26,253 of bonds were issued and $42,224 were forgiven from repayment under a federal program. Revenue bonds outstanding at year-end are as follows:

	Beginning Balance	Additions	Forgiven	Reductions	Ending Balance	Due Within One Year
2001 Water & Sewer System	$ 1,065,000	$ -	$ -	$ (60,000)	$ 1,005,000	$ 65,000
2002-A Water & Sewer System	1,255,000	-	-	(70,000)	1,185,000	85,000
2002-B Water & Sewer System (DWRF)	330,000	-	-	(25,000)	305,000	25,000
2002-C Water & Sewer System	4,060,000	-	-	(255,000)	3,805,000	270,000
2003-A Water & Sewer System	2,555,000	-	-	(510,000)	2,045,000	510,000
2003-B Water & Sewer System	1,360,000	-	-	(40,000)	1,320,000	40,000
2003-C Water & Sewer System (DWRF)	590,000	-	-	(35,000)	555,000	35,000
2003-D Water & Sewer System (DWRF)	3,975,000	-	-	(240,000)	3,735,000	245,000
2004-A Water & Sewer System	2,405,000	-	-	(65,000)	2,340,000	70,000
2004-B Water & Sewer System (DWRF)	4,990,000	-	-	(285,000)	4,705,000	290,000
2006 Water & Sewer Refunding Bonds	9,845,000	-	-	(25,000)	9,820,000	25,000
2007 Water & Sewer System (DWRF)	273,702	-	-	(10,000)	263,702	10,000
2008 Water & Sewer System (DWRF)	419,253	-	-	(20,000)	399,253	20,000
2009 Water & Sewer System (DWRF)	155,000	26,253	(42,224)	(5,000)	134,029	5,000
	$33,277,955	$ 26,253	$ (42,224)	$ (1,645,000)	$31,616,984	$1,695,000

DWRF = Drinking Water Revolving Fund (State of Michigan)

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

	Principal	Interest
2012	$ 1,695,000	$ 1,097,629
2013	1,765,000	1,042,982
2014	1,820,000	982,640
2015	1,880,000	918,814
2016	1,765,000	854,906
2017-2021	9,805,000	3,307,249
2022-2026	10,065,000	1,443,324
2027-2029	2,821,984	110,857
	$ 31,616,984	$ 9,758,401

Installment Obligations. The government has entered into various long-term loan and installment payment agreements. Such obligations outstanding at year-end are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003 CDBG Loan (noncapital)	$ 2,750,350	$ -	$ -	$ 2,750,350	$ -
Biltmore Agreement	340,000	-	-	340,000	-
	$ 3,090,350	$ -	$ -	$ 3,090,350	$ -

Annual debt service requirements to maturity for installment purchase agreements are as follows:

	Principal	Interest
2012	$ -	$ -
2013	-	-
2014	-	-
2015	-	-
2016	150,000	30,000
2017-2021	690,000	217,400
2022-2025	1,910,350	67,400
	2,750,350	314,800
Biltmore Agreement	340,000	-
	$ 3,090,350	$ 314,800

Repayment of the remaining $340,000 on the Biltmore Agreement, is contingent upon certain future events occurring between now and 2030, primary of which is the City's sale of the former Biltmore property. The likelihood of such future sale is presently indeterminable.

Component Units

Component unit general obligation bonds outstanding at June 30, 2011 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1994 Downtown Development Limited	$ 280,000	$ -	$ (60,000)	$ 220,000	$ 65,000
2004-A Downtown Development Limited	855,000	-	(40,000)	815,000	45,000
	$ 1,135,000	$ -	$ (100,000)	$ 1,035,000	$ 110,000

Annual debt service requirements to maturity for component unit general obligation bonds are as follows:

	Principal	Interest
2012	$ 110,000	$ 48,450
2013	125,000	42,708
2014	130,000	35,968
2015	55,000	28,948
2016	55,000	26,858
2017-2021	325,000	97,600
2022-2024	235,000	21,850
	$ 1,035,000	$ 302,382

Component unit revenue bonds outstanding at June 30, 2011 are as follows:

	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**	**Due Within One Year**
2000 Depot Town Downtown Development	$ 93,442	$ -	$ (15,171)	$ 78,271	$ 16,128

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

	Principal	Interest
2012	$ 16,128	$ 4,417
2013	17,091	3,410
2014	18,157	2,357
2015	19,275	1,237
2016	7,620	2,357
	$ 78,271	$ 13,778

Changes in Long-Term Debt. Long-term debt activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Forgiven	Reductions	Ending Balance	Due Within One Year
Primary Government						
General obligation bonds	$ 25,805,000	$ 3,830,000	$ -	$ (5,075,000)	$ 24,560,000	$ 1,480,000
Revenue bonds	33,277,955	26,253	(42,224)	(1,645,000)	31,616,984	1,695,000
Installment obligations	3,090,350	-	-	-	3,090,350	-
Compensated absences	1,053,402	895,392	-	(927,162)	1,021,632	927,162
	$ 63,226,707	$ 4,751,645	$ (42,224)	$ (7,647,162)	$ 60,288,966	$ 4,102,162
Component Units						
General obligation bonds	$ 1,135,000	$ -	$ -	$ (100,000)	$ 1,035,000	$ 110,000
Revenue bonds	93,442	-	-	(15,171)	78,271	16,128
Compensated absences	3,481	2,775	-	(3,481)	2,775	2,009
	$ 1,231,923	$ 2,775	$ -	$ (118,652)	$ 1,116,046	$ 128,137

For the governmental activities, compensated absences, net pension benefit obligations and net other postemployment benefit obligations, if any, are generally liquidated by the general fund.

During the year, the City issued $3,830,000 of refunding bonds to defease $3,750,000 of bonds by placing the proceeds of the refunding bonds in irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the related liabilities have been removed from the statement of net assets. The refunding decreased future debt service payments by $304,699 and resulted in an economic gain of $220,611.

3-I. Committed Fund Balance

The components of the committed fund balance in the City's general fund are as follows:

Committed fund balance	
Active employees cumulative benefits	$ 1,021,633
Water Street project bond payments	3,919,182
COPS hiring recovery program	192,000
Water Street redevelopment professional fees	75,000
Energy efficiency and conservation project	254,426
Peninsular dam inspection study and repair	100,000
Washington street lot improvements	17,000
Total committed fund balance	$ 5,579,241

3-J. Net Assets Invested in Capital Assets, Net of Related Debt

Net assets of the governmental activities were comprised of the following at June 30, 2011:

Capital assets not being depreciated	$ 1,501,508
Capital assets being depreciated, net	24,895,823
General obligation bonds	(24,560,000)
Revenue bonds	(31,616,984)
Installment obligations	(3,090,350)
Add back debt that did not produce City capital assets:	
General obligation bonds	15,455,000
Revenue bonds	31,616,984
Installment obligations	2,750,350
Total invested in capital assets, net of related debt	$ 16,952,331

NOTE 4 – OTHER INFORMATION

4-A. Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Liability and Property Pool for claims relating to property and general liability; the City is self-insured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows (approximately 40 percent of the total liability is classified as current, the remaining as noncurrent):

	2011	2010
Estimated liability, beginning of year	$ 639,000	$ 639,000
Estimated claims incurred, including changes in estimates	(212,667)	63,629
Claim payments	(106,701)	(63,629)
Estimated liability, end of year	$ 319,632	$ 639,000

4-B. Property Taxes

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of February 14 of the succeeding year, unpaid real property taxes are sold to and collected by Washtenaw County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2010 levy was $329,993,209. The government's general operating tax rate for fiscal 2010-11 was 19.0211 mills plus 2.7814 mills for sanitation, 4.3933 mills for streets and 5.3356 mills for police and fire pension. Property taxes are recognized in the fiscal year in which they are levied.

Property taxes for the component units are derived from tax increment financing agreements with the various applicable taxing authorities. Under these arrangements, the tax increment finance entities receive the property taxes levied on the increment of current taxable values over the base year values on those properties located within the established tax increment financing district.

4-C. Defined Benefit Pension Plans

Police and Fire Retirement System

The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Ypsilanti Police and Fire Employees' Retirement System (the "System"); this plan covers all full-time police and fire employees of the City. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan issues a publicly available financial report that includes financial statements and required supplementary information of the System. That report may be obtained by writing to the System at One South Huron Street, Ypsilanti, Michigan 48197.

The financial statements of the System are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair values as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service. Administrative costs are financed through investment earnings.

The obligation to contribute to the System for these employees was established by City ordinances and state statute and requires a contribution from the employees of 10.0% of gross wages. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 25.64% of covered payroll.

The annual pension cost (APC) for the year ended June 30, 2011 is $1,018,284. The annual pension cost was equal to the City's required and actual contribution. There was no net pension obligation at the beginning or the end of the fiscal year. The ARC was determined as part of an actuarial valuation as of June 30, 2010, using the entry age cost method.

Three-Year Trend Information

Years Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	$ 946,937	100%	$ -
2010	968,212	100%	-
2011	1,018,284	100%	-

The funded status of the pension portion of the System as of June 30, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	$ 42,135,741	
Actuarial value of assets	(2)	31,649,135	
Unfunded AAL (UAAL)	(3)	$ 10,486,606	(1) - (2)
Funded ratio	(4)	75.1%	(2) / (1)
Covered payroll	(5)	$ 3,975,109	
UAAL as % of covered payroll	(6)	263.8%	(2) / (5)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value is determined using the entry age actuarial cost method.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. GASB Statement 25 required supplementary information is presented after the notes to the financial statements section of this report; additional information as of June 30, 2010, the date of the latest actuarial valuation, includes:

Actuarial cost method	Individual entry age
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market

The actuarial assumptions include: 8.0% investment rate of return; 4.5% - 15.0% projected salary increases; 4.5% assumed rate of payroll growth; and no cost-of-living inflationary adjustments to benefits.

Municipal Employees Retirement System of Michigan

The City also participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers all full-time employees of the City not eligible for other retirement systems. The MERS provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

The obligation to contribute to and maintain the MERS for these employees was established by City ordinances and requires a contribution from the employees of 5.0% of annual compensation. The City was required to make a minimal contribution of $444 to the plan for the year ended June 30, 2011. This was determined as part of an actuarial valuation at December 31, 2009, using the entry age normal cost method. Similarly, employer contributions were not required the prior two years.

Significant actuarial assumptions used include: (a) an 8.0% investment rate of return; and (b) projected salary increases of 4.5% to 12.9% per year including 4.5% inflation. Both (a) and (b) are determined using techniques that smooth the effects of short-term volatility over a five-year period.

The funded status of the pension portion of the System as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	$ 11,787,614	
Actuarial value of assets	(2)	17,795,672	
Unfunded AAL (UAAL)	(3)	$ (6,008,058)	(1) - (2)
Funded ratio	(4)	151.0%	(2) / (1)
Covered payroll	(5)	$ 2,089,039	
UAAL as % of covered payroll	(6)	-287.6%	(2) / (5)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

4-D. Other Postemployment Benefits

Plan Description. The City participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer other postemployment benefit plan that provides postemployment healthcare benefits to certain retirees and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

Plan Membership. The City had 126 retirees that were eligible and receiving benefits for the year ended June 30, 2011.

Funding Policy. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are not required to contribute to the plan.

For the year ended June 30, 2011, the City paid benefits and made contributions to advance-fund the plan totaling $949,197.

Funding Progress. For the year ended June 30, 2011, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2010. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 17.2% of annual covered payroll.

Annual OPEB Cost and Net OPEB Asset. For fiscal 2011, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB asset to the plan are as follows:

Annual required contribution	$ 989,774
Interest on net OPEB obligation	(25,202)
Adjustment to annual required contribution	26,948
Annual OPEB cost (expense)	991,520
Contibutions made	(949,195)
Decrease in net OPEB obligation	42,325
Net OPEB obligation (asset), beginning of year	(315,024)
Net OPEB obligation (asset), end of year	$ (272,699)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB Asset
6/30/09	$ 1,192,998	$ 1,483,485	124.3%	$ 290,487
6/30/10	1,193,651	1,218,188	102.1%	315,024
6/30/11	991,520	949,197	95.7%	272,699

Funded Status. The funded status of the plan as of December 31, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	$ 12,121,822
Actuarial value of assets	3,019,998
Unfunded AAL (UAAL)	$ 9,101,824
Funded ratio	24.9%
Covered payroll	$ 5,767,671
UAAL as % of covered payroll	157.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2010
Actuarial cost method	Entry age normal cost
Amortization method	Level percent of payroll open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate	8.0%
Projected salary increases	3.0%
Healthcare inflation rate	9.0% grading to 5.0% ultimately
General inflation rate	2.5%

4-E. Joint Venture

The City is a member of the Ypsilanti Community Utilities Authority (YCUA), which provides water and wastewater services to the residents of the City, Ypsilanti Township and other adjacent municipalities. The City appoints two of the five members of the joint venture's governing board. The joint venture does not involve an explicit, measurable equity interest; hence it is not recorded as an asset in the City's financial statements. Complete financial statements for YCUA can be obtained from its administrative offices at 2777 State Street, Ypsilanti, Michigan.

The City has issued various revenue bonds on behalf of YCUA. Proceeds from the issues are contributed to YCUA for various water and sewer improvements and construction. YCUA reimburses the City annually for debt service payments, with income derived from water and sewer use rates. The City has recorded a lease receivable on its government-wide statement of net assets for the principal balance of the bonds drawn to date by YCUA, which is reported net of fund balance amounts in the related debt service funds maintained by the City.

4-F. Land Held for Resale

The City is currently involved in a redevelopment project referred to as the Water Street Redevelopment Project. As a part of this project, the City has acquired various parcels of land in the Water Street area and is in the process of preparing them for resale and redevelopment. Through June 30, 2011, the City has acquired numerous parcels, which are recorded as land held for resale. Acquisition costs are capitalized as well as other costs (legal, consulting, etc.) that are attributable and necessary for the project. The investment is valued at the lower of cost or market.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (Overfunded) (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
2001	$ 34,479,264	$ 26,933,083	$ (7,546,181)	128.0%	$ 3,813,904	-197.9%
2002	34,970,658	27,899,273	(7,071,385)	125.3%	3,858,409	-183.3%
2003	33,916,996	29,020,485	(4,896,511)	116.9%	4,003,846	-122.3%
2004	32,569,762	31,251,133	(1,318,629)	104.2%	3,891,478	-33.9%
2005	31,180,708	32,774,898	1,594,190	95.1%	4,042,199	39.4%
2006	30,843,790	34,980,132	4,136,342	88.2%	3,996,679	103.5%
2007	34,292,073	36,211,916	1,919,843	94.7%	3,957,733	48.5%
2008	32,934,094	37,869,913	4,935,819	87.0%	3,843,177	128.4%
2009	32,472,100	39,453,312	6,981,212	82.3%	3,889,397	179.5%
2010	31,649,135	42,135,741	10,486,606	75.1%	3,975,109	263.8%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2002	$ -	$ -	100.00%
2003	-	-	100.00%
2004	-	-	100.00%
2005	-	-	100.00%
2006	500,602	500,602	100.00%
2007	730,106	730,106	100.00%
2008	941,417	941,417	100.00%
2009	946,937	946,937	100.00%
2010	968,212	968,212	100.00%
2011	1,014,866	1,014,866	100.00%

CITY OF YPSILANTI, MICHIGAN
Municipal Employees Retirement System of Michigan

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (Overfunded) (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
2003	$ 15,107,484	$ 9,888,040	$ (5,219,444)	152.8%	$ 2,910,805	-179.3%
2004	15,678,721	10,303,544	(5,375,177)	152.2%	2,891,747	-185.9%
2005	16,030,936	10,301,827	(5,729,109)	155.6%	2,761,341	-207.5%
2006	16,815,491	11,271,094	(5,544,397)	149.2%	2,250,084	-246.4%
2007	17,454,703	11,905,095	(5,549,608)	146.6%	2,501,910	-221.8%
2008	17,533,524	11,975,264	(5,558,260)	146.4%	2,393,824	-232.2%
2009	17,576,766	11,686,193	(5,890,573)	150.4%	2,289,154	-257.3%
2010	17,795,672	11,787,614	(6,008,058)	151.0%	2,089,039	-287.6%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2004	$ 6,578	$ 6,578	100.00%
2005	14,448	14,448	100.00%
2006	33,106	33,106	100.00%
2007	35,247	35,247	100.00%
2008	8,187	8,187	100.00%
2009	-	-	0.00%
2010	-	-	0.00%
2011	-	-	0.00%

CITY OF YPSILANTI, MICHIGAN
Other Postemployment Health Care Benefits

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
2009	$ 1,414,918	$ 12,430,962	$ 11,016,044	11.4%	$ 6,028,949	182.7%
2010	3,019,998	12,121,822	9,101,824	24.9%	5,767,671	157.8%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2009	$ 1,192,998	$ 1,483,485	124.3%
2010	1,192,998	1,218,188	102.1%
2011	989,774	949,195	95.9%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and cash equivalents	$ 2,789,241	$ 1,967,587	$ 1,917,260	$ 6,674,088
Investments	3,683	-	-	3,683
Accounts receivable	48,572	-	26,689	75,261
Land held for resale	-	-	2,700,608	2,700,608
Due from other governments	183,632	-	53,100	236,732
Prepaid items	-	-	8,081	8,081
TOTAL ASSETS	$ 3,025,128	$ 1,967,587	$ 4,705,738	$ 9,698,453
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 115,123	$ 30,041	$ 31,226	$ 176,390
Accrued liabilities	30,557	-	-	30,557
Due to other funds	-	103,558	-	103,558
Tax refunds payable	45,177	67,176	-	112,353
Deferred revenue	-	-	34,415	34,415
	190,857	200,775	65,641	457,273
Fund Balances				
Nonspendable:				
Prepaids	-	-	8,081	8,081
Land held for resale	-	-	2,700,608	2,700,608
Restricted for:				
Major and local streets	2,209,165	-	-	2,209,165
Drug law enforcement	625,106	-	-	625,106
Debt service	-	1,766,812	1,070,695	2,837,507
Committed for capital projects	-	-	860,713	860,713
Total fund balances	2,834,271	1,766,812	4,640,097	9,241,180
TOTAL LIABILITIES AND FUND BALANCES	$ 3,025,128	$ 1,967,587	$ 4,705,738	$ 9,698,453

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes and special assessments	$ 828,925	$ 1,355,591	$ -	$ 2,184,516
Licenses and permits	16,120	-	52,593	68,713
Intergovernmental	1,725,950	1,293,372	1,680,717	4,700,039
Investment earnings	15,385	1,859	11,734	28,978
Other revenues	142,185	894	5,833	148,912
Total revenues	2,728,565	2,651,716	1,750,877	7,131,158
Expenditures				
General government	-	-	472,226	472,226
Public safety	303,105	-	34,635	337,740
Public works	-	-	128,737	128,737
Refuse collection	1,065,037	-	-	1,065,037
Highways, streets and bridges	1,592,516	-	-	1,592,516
Debt service:				
Principal	-	1,960,000	1,010,000	2,970,000
Interest and fiscal charges	-	752,842	1,733,027	2,485,869
Bond issuance costs	-	75,847	-	75,847
Total expenditures	2,960,658	2,788,689	3,378,625	9,127,972
Revenues under expenditures	(232,093)	(136,973)	(1,627,748)	(1,996,814)
Other financing sources (uses)				
Issuance of bonds	-	-	26,253	26,253
Issuance of refunding bonds	-	3,830,000	-	3,830,000
Payment to refunding bond escrow agent	-	(3,749,306)	-	(3,749,306)
Transfers in	377,737	115,018	1,132,646	1,625,401
Transfers out	(212,016)	(79,869)	-	(291,885)
Total other financing sources	165,721	115,843	1,158,899	1,440,463
Net changes in fund balances	(66,372)	(21,130)	(468,849)	(556,351)
Fund balances, beginning of year	2,900,643	1,787,942	5,108,946	9,797,531
Fund balances, end of year	$ 2,834,271	$ 1,766,812	$ 4,640,097	$ 9,241,180

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Total
ASSETS					
Cash and cash equivalents	$ 1,439,248	$ 600,058	$ 117,931	$ 632,004	$ 2,789,241
Investments	3,683	-	-	-	3,683
Accounts receivable	47,569	120	-	883	48,572
Due from other governments	138,808	44,824	-	-	183,632
TOTAL ASSETS	$ 1,629,308	$ 645,002	$ 117,931	$ 632,887	$ 3,025,128
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 34,768	$ 13,797	$ 66,558	$ -	$ 115,123
Accrued liabilities	9,137	7,443	6,196	7,781	30,557
Tax refunds payable	-	-	45,177	-	45,177
Total liabilities	43,905	21,240	117,931	7,781	190,857
Fund balances					
Restricted for:					
Major and local streets	1,585,403	623,762	-	-	2,209,165
Drug law enforcement	-	-	-	625,106	625,106
Total fund balances	1,585,403	623,762	-	625,106	2,834,271
TOTAL LIABILITIES AND FUND BALANCES	$ 1,629,308	$ 645,002	$ 117,931	$ 632,887	$ 3,025,128

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Total
Revenues					
Taxes and special assessments	$ -	$ -	$ 828,925	$ -	$ 828,925
Licenses and permits	11,000	5,120	-	-	16,120
Intergovernmental	1,448,139	277,811	-	-	1,725,950
Investment earnings	6,782	1,801	1,058	5,744	15,385
Other revenues	-	84,864	27,874	29,447	142,185
Total revenues	1,465,921	369,596	857,857	35,191	2,728,565
Expenditures					
Public safety	-	-	-	303,105	303,105
Refuse collection	-	-	1,065,037	-	1,065,037
Highways, streets and bridges	1,229,650	362,866	-	-	1,592,516
Total expenditures	1,229,650	362,866	1,065,037	303,105	2,960,658
Revenues over (under) expenditures	236,271	6,730	(207,180)	(267,914)	(232,093)
Other financing sources (uses)					
Transfers in	2,534	168,023	207,180	-	377,737
Transfers out	(167,277)	-	-	(44,739)	(212,016)
Total other financing sources (uses)	(164,743)	168,023	207,180	(44,739)	165,721
Net changes in fund balances	71,528	174,753	-	(312,653)	(66,372)
Fund balances, beginning of year	1,513,875	449,009	-	937,759	2,900,643
Fund balances, end of year	$ 1,585,403	$ 623,762	$ -	$ 625,106	$ 2,834,271

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Major Streets Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
Revenues				
Licenses and permits	$ 6,000	$ 11,150	$ 11,000	$ (150)
Intergovernmental - state	1,090,460	1,393,647	1,448,139	54,492
Investment earnings	6,000	5,900	6,782	882
Total revenues	1,102,460	1,410,697	1,465,921	55,224
Expenditures				
Public works:				
Street construction	539,500	649,410	610,956	(38,454)
Routine maintenance	368,871	359,887	280,330	(79,557)
Routine maintenance - bridges	3,000	256	256	-
Traffic services	89,436	106,640	86,326	(20,314)
Winter maintenance	151,738	127,928	81,735	(46,193)
Administration	45,484	43,742	50,877	7,135
Trunkline maintenance	147,382	173,235	119,170	(54,065)
Total expenditures	1,345,411	1,461,098	1,229,650	(231,448)
Revenues over (under) expenditures	(242,951)	(50,401)	236,271	286,672
Other financing sources (uses)				
Transfers in	-	-	2,534	2,534
Transfers out	(168,192)	(164,152)	(167,277)	(3,125)
Total other sources	(168,192)	(164,152)	(164,743)	(591)
Net changes in fund balance	(411,143)	(214,553)	71,528	286,081
Fund balance, beginning of year	1,513,875	1,513,875	1,513,875	-
Fund balance, end of year	$1,102,732	$1,299,322	$1,585,403	$ 286,081

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Local Streets Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
Revenues				
Licenses and permits	$ 2,600	$ 5,000	$ 5,120	$ 120
Intergovernmental - state	256,320	248,927	277,811	28,884
Investment earnings	1,400	1,800	1,801	1
Other revenues	73,500	85,053	84,864	(189)
Total revenues	333,820	340,780	369,596	28,816
Expenditures				
Public works:				
Routine maintenance	306,452	297,719	225,198	(72,521)
Traffic services	37,891	38,730	26,506	(12,224)
Winter maintenance	195,926	157,480	96,372	(61,108)
Administration	24,583	24,958	14,790	(10,168)
Total expenditures	564,852	518,887	362,866	(156,021)
Revenues over (under) expenditures	(231,032)	(178,107)	6,730	184,837
Other financing sources				
Transfers in	168,192	164,152	168,023	3,871
Net changes in fund balance	(62,840)	(13,955)	174,753	188,708
Fund balance, beginning of year	449,009	449,009	449,009	-
Fund balance, end of year	$ 386,169	$ 435,054	$ 623,762	$ 188,708

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Garbage and Rubbish Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Actual Over (Under)
	Original	**Final**	**Actual**	**Final Budget**
Revenues				
Taxes and special assessments	$ 872,988	$ 868,107	$ 828,925	$ (39,182)
Investment earnings	3,000	1,200	1,058	(142)
Other revenues	2,600	29,968	27,874	(2,094)
Total revenues	878,588	899,275	857,857	(41,418)
Expenditures				
Refuse collection	1,145,439	1,120,644	1,065,037	(55,607)
Revenues (under) expenditures	(266,851)	(221,369)	(207,180)	14,189
Other financing sources				
Transfers in	266,851	221,369	207,180	(14,189)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Police Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 2,000	$ 2,000	$ -	$ (2,000)
Investment earnings	12,096	6,334	5,744	(590)
Other revenues	31,500	35,365	29,447	(5,918)
Total revenues	45,596	43,699	35,191	(8,508)
Expenditures				
Public safety	277,325	309,227	303,105	(6,122)
Revenues (under) expenditures	(231,729)	(265,528)	(267,914)	(2,386)
Other financing uses				
Transfers out	(75,405)	(42,288)	(44,739)	(2,451)
Net changes in fund balance	(307,134)	(307,816)	(312,653)	(4,837)
Fund balance, beginning of year	937,759	937,759	937,759	-
Fund balance, end of year	$ 630,625	$ 629,943	$ 625,106	$ (4,837)

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2011

	2001 General Obligation Roads	2001 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds	2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2003 Unlimited Tax Bonds	2010 Refunding Bonds	Total
ASSETS										
Cash and cash equivalents	$ -	$ 383,488	$ 437,318	$ -	$ 44,688	$ 606,601	$ 283,206	$ 52,068	$ 160,218	$ 1,967,587
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	$ -	$ 2,372	$ 2,724	$ -	$ 292	$ 3,844	$ 1,741	$ 9,602	$ 9,466	$ 30,041
Due to other funds	-	-	-	-	-	-	-	18,071	85,487	103,558
Tax refunds payable	-	-	-	-	-	-	-	33,946	33,230	67,176
Total liabilities	-	2,372	2,724	-	292	3,844	1,741	61,619	128,183	200,775
Fund balances										
Restricted for debt service	-	381,116	434,594	-	44,396	602,757	281,465	(9,551)	32,035	1,766,812
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 383,488	$ 437,318	$ -	$ 44,688	$ 606,601	$ 283,206	$ 52,068	$ 160,218	$ 1,967,587

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2011

	2001 General Obligation Roads	2001 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds	2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2003 Unlimited Tax Bonds	2010 Refunding Bonds	Total
Revenues										
Taxes and special assessments	$ 673,576	$ -	$ -	$ -	$ -	$ -	$ -	$ 682,015	$ -	$ 1,355,591
Intergovernmental	-	108,739	127,738	-	32,940	426,074	597,881	-	-	1,293,372
Investment earnings	547	138	137	-	-	125	112	787	13	1,859
Other revenue	443	-	-	-	-	-	-	451	-	894
Total revenues	674,566	108,877	127,875	-	32,940	426,199	597,993	683,253	13	2,651,716
Expenditures										
Debt service:										
Principal	520,000	60,000	70,000	25,000	25,000	255,000	510,000	495,000	-	1,960,000
Interest and fiscal charges	97,568	48,878	57,875	10,149	7,938	171,200	87,993	218,547	52,694	752,842
Bond issuance costs	-	-	-	-	-	-	-	-	75,847	75,847
Total expenditures	617,568	108,878	127,875	35,149	32,938	426,200	597,993	713,547	128,541	2,788,689
Revenues over (under) expenditures	56,998	(1)	-	(35,149)	2	(1)	-	(30,294)	(128,528)	(136,973)
Other financing sources (uses)										
Issuance of refunding bonds	-	-	-	-	-	-	-	-	3,830,000	3,830,000
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(3,749,306)	(3,749,306)
Transfers in	-	-	-	35,149	-	-	-	-	79,869	115,018
Transfers out	(79,869)	-	-	-	-	-	-	-	-	(79,869)
Total other financing sources (uses)	(79,869)	-	-	35,149	-	-	-	-	160,563	115,843
Net changes in fund balances	(22,871)	(1)	-	-	2	(1)	-	(30,294)	32,035	(21,130)
Fund balances, beginning of year	22,871	381,117	434,594	-	44,394	602,758	281,465	20,743	-	1,787,942
Fund balances, end of year	$ -	$ 381,116	$ 434,594	$ -	$ 44,396	$ 602,757	$ 281,465	$ (9,551)	$ 32,035	$ 1,766,812

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	Capital Improvement Reserve	Sidewalk Improvement	2002 General Obligation Capital Improvements	2003-D Water Supply and Sewer	2004-A Water	2004-B Water and Sewer	2003 General Obligation Improvement
ASSETS							
Cash and cash equivalents	$ 592,543	$ 249,547	$ -	$ 340,550	$ 163,249	$ 433,263	$ -
Accounts receivable	24,772	-	-	607	291	773	-
Land held for resale	-	-	44,520	-	-	-	84,445
Due from other governments	53,100	-	-	-	-	-	-
Prepaid items	8,081	-	-	-	-	-	-
TOTAL ASSETS	$ 678,496	$ 249,547	$ 44,520	$ 341,157	$ 163,540	$ 434,036	$ 84,445
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 18,877	$ 5,957	$ -	$ 2,231	$ 958	$ 2,446	$ -
Deferred revenue	34,415	-	-	-	-	-	-
	53,292	5,957	-	2,231	958	2,446	-
Fund balances							
Nonexpendable:							
Prepaids	8,081	-	-	-	-	-	-
Land held for resale	-	-	44,520	-	-	-	84,445
Restricted for debt service	-	-	-	338,926	162,582	431,590	-
Committed for capital projects	617,123	243,590	-	-	-	-	-
Total fund balances	625,204	243,590	44,520	338,926	162,582	431,590	84,445
TOTAL LIABILITIES AND FUND BALANCES	$ 678,496	$ 249,547	$ 44,520	$ 341,157	$ 163,540	$ 434,036	$ 84,445

2003-B Capital Improvement	2003-B Water and Sewer	2003-C Water and Sewer	2004-A General Obligation	2004-B General Obligation	2006 General Obligation	2006 Water and Sewer Refunding	2007 Water and Sewer DWRF	2008 Water and Sewer DWRF	2009 Water and Sewer DWRF	Totals
$ -	$ 87,427	$ 50,440	$ -	$ -	$ 241	$ -	$ -	$ -	$ -	$ 1,917,260
-	156	90	-	-	-	-	-	-	-	26,689
1,560,116	-	-	80,416	931,111	-	-	-	-	-	2,700,608
-	-	-	-	-	-	-	-	-	-	53,100
-	-	-	-	-	-	-	-	-	-	8,081
$ 1,560,116	$ 87,583	$ 50,530	$ 80,416	$ 931,111	$ 241	$ -	$ -	$ -	$ -	$ 4,705,738
$ -	$ 421	$ 336	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,226
-	-	-	-	-	-	-	-	-	-	34,415
-	421	336	-	-	-	-	-	-	-	65,641
-	-	-	-	-	-	-	-	-	-	8,081
1,560,116	-	-	80,416	931,111	-	-	-	-	-	2,700,608
-	87,162	50,194	-	-	241	-	-	-	-	1,070,695
-	-	-	-	-	-	-	-	-	-	860,713
1,560,116	87,162	50,194	80,416	931,111	241	-	-	-	-	4,640,097
$ 1,560,116	$ 87,583	$ 50,530	$ 80,416	$ 931,111	$ 241	$ -	$ -	$ -	$ -	$ 4,705,738

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2011

	Capital Improvement Reserve	Sidewalk Improvement	2002 General Obligation Capital Improvements	2003-D Water Supply and Sewer	2004-A Water	2004-B Water and Sewer	2003 General Obligation Improvement
Revenues							
Licenses and permits	$ -	$ 52,593	$ -	$ -	$ -	$ -	$ -
Intergovernmental	141,000	-	-	336,375	162,805	388,009	-
Investment earnings	2,186	1,025	-	-	112	-	-
Other revenues	5,833	-	-	-	-	-	-
Total revenues	149,019	53,618	-	336,375	162,917	388,009	-
Expenditures							
General government	472,226	-	-	-	-	-	-
Public safety	34,635	-	-	-	-	-	-
Public works	-	60,260	-	-	-	-	-
Debt service:							
Principal	-	-	-	240,000	65,000	285,000	-
Interest and fiscal charges	-	-	-	96,375	97,918	103,009	-
Total expenditures	506,861	60,260	-	336,375	162,918	388,009	-
Revenues over (under) expenditures	(357,842)	(6,642)	-	-	(1)	-	-
Other financing sources							
Issuance of bonds	-	-	-	-	-	-	-
Transfers in	364,057	-	-	-	-	-	-
Total other financing sources	364,057	-	-	-	-	-	-
Net changes in fund balances	6,215	(6,642)	-	-	(1)	-	-
Fund balances, beginning of year	618,989	250,232	44,520	338,926	162,583	431,590	84,445
Fund balances, end of year	$ 625,204	$ 243,590	$ 44,520	$ 338,926	$ 162,582	$ 431,590	$ 84,445

2003-B Capital Improvement	2003-B Water and Sewer	2003-C Water and Sewer	2004-A General Obligation	2004-B General Obligation	2006 General Obligation	2006 Water and Sewer Refunding	2007 Water and Sewer DWRF	2008 Water and Sewer DWRF	2009 Water and Sewer DWRF	Totals
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,593
-	92,150	49,313	-	-	-	422,900	15,710	30,231	42,224	1,680,717
-	153	-	-	-	768	-	-	-	7,490	11,734
-	-	-	-	-	-	-	-	-	-	5,833
-	92,303	49,313	-	-	768	422,900	15,710	30,231	49,714	1,750,877
-	-	-	-	-	-	-	-	-	-	472,226
-	-	-	-	-	-	-	-	-	-	34,635
-	-	-	-	-	-	-	-	-	68,477	128,737
-	40,000	35,000	-	-	285,000	25,000	10,000	20,000	5,000	1,010,000
-	52,303	14,313	-	-	952,778	397,900	5,710	10,231	2,490	1,733,027
-	92,303	49,313	-	-	1,237,778	422,900	15,710	30,231	75,967	3,378,625
-	-	-	-	-	(1,237,010)	-	-	-	(26,253)	(1,627,748)
-	-	-	-	-	-	-	-	-	26,253	26,253
-	-	-	-	-	768,589	-	-	-	-	1,132,646
-	-	-	-	-	768,589	-	-	-	26,253	1,158,899
-	-	-	-	-	(468,421)	-	-	-	-	(468,849)
1,560,116	87,162	50,194	80,416	931,111	468,662	-	-	-	-	5,108,946
$1,560,116	$ 87,162	$ 50,194	$ 80,416	$931,111	$ 241	$ -	$ -	$ -	$ -	$ 4,640,097

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Internal Service Funds
June 30, 2011

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 2,951,934	$ 294,180	$ 407,582	$ 3,653,696
Investments	836,543	962,018	-	1,798,561
Accounts receivable	2,376	-	25,523	27,899
Inventory	28,202	-	-	28,202
Prepaid items	-	-	40,362	40,362
Total current assets	3,819,055	1,256,198	473,467	5,548,720
Noncurrent assets - capital assets, net	2,014,592	-	-	2,014,592
Total assets	5,833,647	1,256,198	473,467	7,563,312
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	28,955	16,044	22,468	67,467
Current portion of claims payable	-	128,000	-	128,000
Total current liabilities	28,955	144,044	22,468	195,467
Noncurrent liabilities - claims payable, net	-	191,632	-	191,632
Total liabilities	28,955	335,676	22,468	387,099
Net Assets				
Invested in capital assets	2,014,592	-	-	2,014,592
Unrestricted	3,790,100	920,522	450,999	5,161,621
Total net assets	$ 5,804,692	$ 920,522	$ 450,999	$ 7,176,213

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Operating revenues				
Charges for services	$ 978,417	$ 120,458	$ 992,745	$ 2,091,620
Operating expenses				
Salaries, taxes and benefits	185,874	21,787	-	207,661
Gas, oil and fuel	119,641	-	-	119,641
Depreciation	375,875	-	-	375,875
Operation and maintenance	138,167	2,003	-	140,170
Contractual services and fees	143,448	78,669	-	222,117
Insurance and other	53,508	-	-	53,508
Benefits and claims	-	(233,087)	949,195	716,108
Total operating expenses	1,016,513	(130,628)	949,195	1,835,080
Operating income (loss)	(38,096)	251,086	43,550	256,540
Nonoperating revenues				
Investment income (loss)	52,187	(15,816)	2,362	38,733
Gain on sale of equipment	25,109	-	-	25,109
Total nonoperating revenues	77,296	(15,816)	2,362	63,842
Income before transfers and contributions	39,200	235,270	45,912	320,382
Transfers out	(207,180)	-	-	(207,180)
Capital contributions	340,250	-	-	340,250
Change in net assets	172,270	235,270	45,912	453,452
Net assets, beginning of year	5,632,422	685,252	405,087	6,722,761
Net assets, end of year	$ 5,804,692	$ 920,522	$ 450,999	$ 7,176,213

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Cash flows from operating activities				
Cash received from interfund services	$ 981,595	$ 120,458	$ 970,688	$ 2,072,741
Cash payments to employees	(185,874)	(21,787)	-	(207,661)
Cash payments for claims	-	(86,281)	(1,313,943)	(1,400,224)
Cash payments to suppliers for goods and services	(448,024)	(64,441)	(1,035)	(513,500)
Net cash provided by (used in) operating activities	347,697	(52,051)	(344,290)	(48,644)
Cash flows from non-capital financing activities				
Transfer to other funds	(207,180)	-	-	(207,180)
Cash flows from capital and related financing activities				
Purchase of capital assets	(457,422)	-	-	(457,422)
Proceeds from sale of capital assets	25,109	-	-	25,109
Net cash used by capital and related financing activities	(432,313)	-	-	(432,313)
Cash flows from investing activities				
Redemption of investments	100,438	-	-	100,438
Purchase of investments	-	(238,228)	-	(238,228)
Investment income	52,187	(15,816)	2,362	38,733
Net cash provided by (used in) investing activities	152,625	(254,044)	2,362	(99,057)
Net change in cash and cash equivalents	(139,171)	(306,095)	(341,928)	(787,194)
Cash and cash equivalents, beginning of year	3,091,105	600,275	749,510	4,440,890
Cash and cash equivalents, end of year	$ 2,951,934	$ 294,180	$ 407,582	$ 3,653,696
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (38,096)	$ 251,086	$ 43,550	$ 256,540
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	375,875	-	-	375,875
Changes in assets and liabilities:				
Accounts receivable	3,178	-	(22,057)	(18,879)
Inventory	(11,895)	-	-	(11,895)
Prepaid items	-	187	(1,035)	(848)
Accounts payable and accrued liabilities	18,635	16,044	(364,748)	(330,069)
Claims payable	-	(319,368)	-	(319,368)
Net cash provided by (used in) operating activities	$ 347,697	$ (52,051)	$ (344,290)	$ (48,644)
Noncash				
Capital contributions	$ 340,250	$ -	$ -	$ 340,250

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Assets and Liabilities
Current Tax Agency Fund
For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Assets				
Cash and cash equivalents	$ 109,258	$ 31,872,985	$ 31,882,159	$ 100,084
Liabilities				
Undistributed receipts	$ 109,258	$ 31,872,985	$ 31,882,159	$ 100,084

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Downtown Development Authority Component Unit
June 30, 2011

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Assets
Assets					
Cash and cash equivalents	$ 340,872	$ 16,497	$ 357,369	$ -	$ 357,369
Accounts receivable	20,000	-	20,000	-	20,000
Capital assets being depreciated, net	-	-	-	2,105,042	2,105,042
Total assets	$ 360,872	$ 16,497	$ 377,369	2,105,042	2,482,411
Liabilities					
Accounts payable / accrued liabilities	$ 5,011	$ -	$ 5,011	-	5,011
Accrued liabilities	11,153	5,739	16,892	-	16,892
Due to other governments	365	-	365	-	365
Long-term liabilities:					
Due within one year	1,795	-	1,795	110,000	111,795
Due in more than one year	-	-	-	925,000	925,000
Total liabilities	18,324	5,739	24,063	1,035,000	1,059,063
Fund balances / net assets					
Committed for capital projects	-	10,758	10,758	(10,758)	-
Unassigned	342,548	-	342,548	(342,548)	-
Total fund balances	342,548	10,758	353,306	(353,306)	-
Total liabilities and fund balances	$ 360,872	$ 16,497	$ 377,369		
Net assets:					
Invested in capital assets, net of related debt				1,070,042	1,070,042
Restricted for capital projects				10,758	10,758
Unrestricted				342,548	342,548
Total net assets				$ 1,423,348	$ 1,423,348

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Downtown Development Authority Component Unit
For the Year Ended June 30, 2011

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	$ 198,997	$ -	$ 198,997	$ 61,950	$ 260,947
Debt service:					
Principal	60,000	40,000	100,000	(100,000)	-
Interest and fiscal charges	17,564	35,909	53,473	-	53,473
Total expenditures/expenses	276,561	75,909	352,470	(38,050)	314,420
General revenues					
Property taxes	343,529	-	343,529	-	343,529
Other revenues	3,575	-	3,575	-	3,575
Investment earnings	1,428	32	1,460	-	1,460
Total general revenues	348,532	32	348,564	-	348,564
Excess of general revenues over (under) expenditures/expenses	71,971	(75,877)	(3,906)	38,050	34,144
Other financing sources (uses)					
Transfers in	-	76,140	76,140	(76,140)	-
Transfers out	(76,140)	-	(76,140)	76,140	-
Total other financing sources (uses)	(76,140)	76,140	-	-	-
Net changes in fund balances	(4,169)	263	(3,906)	3,906	-
Change in net assets	-	-	-	34,144	34,144
Fund balance/net assets, beginning of year	346,717	10,495	357,212	1,031,992	1,389,204
Fund balance/net assets, end of year	$ 342,548	$ 10,758	$ 353,306	$ 1,070,042	$ 1,423,348

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Depot Town Downtown Development Authority Component Unit
June 30, 2011

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	$ 431,554	$ -	$ 431,554
Capital assets being depreciated, net	-	104,301	104,301
Total assets	$ 431,554	104,301	535,855
Liabilities			
Accounts payable / accrued liabilities	$ 9,330	-	9,330
Accrued liabilities	26	-	26
Due to other governments	11,860	-	11,860
Unearned revenue	15,000	-	15,000
Long-term liabilities:			
Due within one year	214	16,128	16,342
Due in more than one year	766	62,143	62,909
Total liabilities	37,196	78,271	115,467
Fund balances / net assets			
Unassigned	394,358	(394,358)	-
Total liabilities and fund balances	$ 431,554		
Net assets:			
Invested in capital assets, net of related debt		26,030	26,030
Unrestricted		394,358	394,358
Total net assets		$ 420,388	$ 420,388

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Depot Town Downtown Development Authority Component Unit
For the Year Ended June 30, 2011

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	$ 93,016	$ 349	$ 93,365
Debt service:			
Principal	-	(15,171)	(15,171)
Total expenditures/expenses	93,016	(14,822)	78,194
General revenues			
Property taxes	120,960	-	120,960
Other revenue	15,000	-	15,000
Investment earnings	1,776	-	1,776
Total general revenues	137,736	-	137,736
Net changes in fund balances	44,720	(44,720)	-
Change in net assets	-	59,542	59,542
Fund balance/net assets, beginning of year	349,638	11,208	360,846
Fund balance/net assets, end of year	$ 394,358	$ 26,030	$ 420,388

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Economic Development Corporation
June 30, 2011

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	$ 209,950	$ -	$ 209,950
Capital assets not being depreciated	-	53,200	53,200
Total assets	$ 209,950	53,200	263,150
Liabilities			
Due to other governments	$ 72,164	-	72,164
Fund balances / net assets			
Unassigned	137,786	(137,786)	-
Total liabilities and fund balances	$ 209,950		
Net assets:			
Invested in capital assets		53,200	53,200
Unrestricted		137,786	137,786
Total net assets		$ 190,986	$ 190,986

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Economic Development Corporation
For the Year Ended June 30, 2011

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	$ 2,028	$ -	$ 2,028
General revenues			
Investment earnings	1,042	-	1,042
Net changes in fund balances	(986)	986	-
Change in net assets	-	(986)	(986)
Fund balance/net assets, beginning of year	138,772	53,200	191,972
Fund balance/net assets, end of year	$ 137,786	$ 53,200	$ 190,986

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Brownfield Redevelopment Authority Component Unit
June 30, 2011

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	$ 30,185	$ -	$ 30,185
Liabilities			
Unearned revenue	$ 15,300	-	15,300
Fund balances / net assets			
Unassigned	14,885	(14,885)	-
Total liabilities and fund balances	$ 30,185		
Unrestricted net assets			
Unrestricted		$ 14,885	$ 14,885

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Brownfield Redevelopment Authority Component Unit
For the Year Ended June 30, 2011

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	$ 71,354	$ -	$ 71,354
General revenues			
Property taxes	70,684	-	70,684
Investment earnings	190	-	190
Total general revenues	70,874	-	70,874
Net changes in fund balances	(480)	480	-
Change in net assets	-	(480)	(480)
Fund balance/net assets, beginning of year	15,365	-	15,365
Fund balance/net assets, end of year	$ 14,885	$ -	$ 14,885

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Ypsilanti'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 government's overall financial health

Contents **Page**

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF YPSILANTI, MICHIGAN
Net Assets by Component (A)
Last Nine Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	$ 1,188,191	$ 1,901,299	$ 1,125,536	$ 12,857,112	$ 15,049,123
Restricted	12,304,472	6,247,200	6,452,591	9,093,066	7,108,155
Unrestricted (deficit)	4,314,607	430,852	5,570,379	(10,295,576)	(7,045,772)
Total governmental activities net assets	$ 17,807,270	$ 8,579,351	$ 13,148,506	$ 11,654,602	$ 15,111,506

(A) - City of Ypsilanti implemented GASB Statement No. 34 as of and for the year ended June 30, 2003. Accordingly, data prior to 2003 is not available.

Source: City of Ypsilanti Finance Department

Schedule 1
Unaudited

2008	2009	2010	2011
$ 15,179,422	$ 15,117,105	$ 14,987,983	$ 16,952,331
10,909,451	10,406,691	10,975,911	11,357,896
(9,406,528)	(6,404,471)	(6,202,344)	(6,850,753)
$ 16,682,345	$ 19,119,325	$ 19,761,550	$ 21,459,474

CITY OF YPSILANTI, MICHIGAN
Changes in Net Assets - Governmental Activities
Last Nine Fiscal Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007
Expenses					
General government	$ 1,581,277	$ 1,419,098	$ 1,532,445	$ 1,679,364	$ 2,021,481
Public safety	6,583,816	7,429,566	7,251,128	8,185,587	9,601,958
Public works	6,864,588	7,794,953	2,092,229	6,423,905	4,470,462
Highways, streets, and bridges	617,387	2,102,452	1,921,935	1,736,108	2,022,071
Culture and recreation	1,012,428	1,208,152	1,250,186	1,013,582	784,039
Community development	569,456	825,539	878,517	439,851	415,116
Interest on long-term debt	1,612,540	2,583,923	2,958,920	2,866,288	2,514,514
Total expenses	18,841,492	23,363,683	17,885,360	22,344,685	21,829,641
Program revenues					
Charges for services:					
General government	354,671	472,612	450,699	462,082	544,717
Public safety	649,394	572,581	420,034	570,059	499,197
Public works	456,297	586,563	714,187	538,989	516,539
Culture and recreation	60,668	51,059	115,362	138,705	87,033
Community development	-	-	-	-	-
Operating grants and contributions	3,161,931	2,504,507	2,794,375	2,433,593	2,878,483
Capital grants and contributions	2,249,767	4,420,907	3,727,652	3,087,106	4,891,245
Total program revenues	6,932,728	8,608,229	8,222,309	7,230,534	9,417,214
Net (expense) / revenue	(11,908,764)	(14,755,454)	(9,663,051)	(15,114,151)	(12,412,427)
General revenues					
Property taxes	9,196,969	9,629,815	9,735,731	10,560,479	11,310,693
Unrestricted grants and contributions	3,841,320	3,489,839	3,375,034	3,338,792	3,276,430
Unrestricted investment earnings (loss)	456,872	161,630	1,121,441	(284,207)	1,118,294
Other general revenues	27,739	34,650	-	5,183	163,914
Total general revenues	13,522,900	13,315,934	14,232,206	13,620,247	15,869,331
Special item					
Change in fair value of land held for resale	-	(7,788,399)	-	-	-
Change in net assets	$ 1,614,136	$ (9,227,919)	$ 4,569,155	$ (1,493,904)	$ 3,456,904

(A) - City of Ypsilanti implemented GASB Statement No. 34 as of and for the year ended June 30, 2003. Accordingly, data prior to 2003 is not available.

Source: City of Ypsilanti Finance Department

Schedule 2
Unaudited

2008	2009	2010	2011
$ 2,212,245	$ 2,788,130	$ 3,075,617	$ 3,326,238
9,618,481	8,563,993	8,638,877	8,257,558
2,084,186	1,935,048	2,031,833	1,980,913
2,562,769	3,165,639	3,612,341	1,192,916
570,113	465,538	435,711	69,221
340,815	330,041	229,274	189,050
2,834,154	2,710,134	2,748,116	2,481,838
20,222,763	19,958,523	20,771,769	17,497,734
1,097,252	1,445,822	1,153,950	1,121,010
720,555	947,998	959,591	1,098,886
-	-	-	-
-	-	-	-
1,250	1,200	1,200	1,200
3,504,349	3,734,396	4,930,921	3,585,313
672,269	94,250	110,078	609,256
5,995,675	6,223,666	7,155,740	6,415,665
(14,227,088)	(13,734,857)	(13,616,029)	(11,082,069)
11,503,422	12,098,938	11,417,456	9,907,455
3,070,879	3,000,840	2,671,507	2,670,643
1,223,621	817,091	169,291	201,895
-	-	-	-
15,797,922	15,916,869	14,258,254	12,779,993
-	-	-	-
$ 1,570,834	$ 2,182,012	$ 642,225	$ 1,697,924

CITY OF YPSILANTI, MICHIGAN
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2002	2003	2004	2005
General fund				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Reserved	$ 365,416	$ 501,530	$ 477,742	$ 99,780
Unreserved, designated	2,387,259	1,844,976	1,318,413	1,990,157
Unreserved, undesignated	-	331,293	915,139	1,586,873
Total general fund	2,752,675	2,677,799	2,711,294	3,676,810
Other governmental funds				
Nonspendable				
Restricted				
Committed				
Reserved	1,476,645	23,126,978	14,949,777	10,111,447
Unreserved, designated	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	2,439,727	3,729,777	3,547,024	4,183,232
Debt service funds	905,503	608,079	2,203,846	1,856,755
Capital projects funds	11,838,241	766,971	(2,054,443)	(769,583)
Total all other governmental funds	16,660,116	28,231,805	18,646,204	15,381,851
Total governmental funds	$ 19,412,791	$ 30,909,604	$ 21,357,498	$ 19,058,661

Source: City of Ypsilanti Finance Department

Schedule 3
Unaudited

2006	2007	2008	2009	2010	2011
					$ 269,199
					-
					5,579,241
					-
					3,545,913
$ 99,518	$ 311,238	$ 284,902	$ 208,839	$ 206,175	-
2,457,812	2,198,717	3,995,995	6,312,543	6,820,988	-
1,670,594	3,078,083	2,969,171	2,947,235	2,436,793	-
4,227,924	5,588,038	7,250,068	9,468,617	9,463,956	9,394,353
					4,763,817
					5,671,778
					922,301
9,432,511	8,174,089	6,788,292	6,620,715	6,302,934	-
-	429,428	609,332	609,332	309,560	-
3,370,274	1,826,258	1,858,287	1,740,343	2,664,551	-
1,952,024	1,756,508	1,655,707	1,773,204	1,787,942	-
597,400	796,632	1,169,857	824,485	861,140	-
15,352,209	12,982,915	12,081,475	11,568,079	11,926,127	11,357,896
$ 19,580,133	$ 18,570,953	$ 19,331,543	$ 21,036,696	$ 21,390,083	$ 20,752,249

CITY OF YPSILANTI, MICHIGAN
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006
Revenues					
Taxes and special assessments	$ 8,857,543	$ 9,243,969	$ 9,680,279	$ 9,779,484	$ 10,559,261
Licenses and permits	665,519	553,615	630,677	750,293	617,089
Intergovernmental	7,828,181	6,883,669	9,150,474	7,499,981	7,254,893
Charges for services	673,919	559,197	633,599	698,086	931,525
Fines and forfeits	151,455	216,850	153,178	225,384	362,432
Investment earnings	123,792	82,413	(45,083)	437,809	(297,092)
Other revenues	1,131,386	2,660,547	2,199,836	1,465,233	1,410,678
Total revenues	19,431,795	20,200,260	22,402,960	20,856,270	20,838,786
Expenditures					
General government	2,586,286	2,778,807	2,901,404	2,888,462	2,300,056
Public safety	7,360,420	7,330,976	7,398,919	7,121,191	8,114,602
Public works	9,235,084	6,165,266	9,352,172	6,969,115	2,659,544
Refuse collection	989,225	918,796	982,302	963,935	1,016,505
Highways, streets and bridges	1,039,049	2,357,975	1,211,559	1,232,042	1,180,647
Culture and recreation	996,835	1,042,526	834,871	302,147	206,698
Other expenditures	19,208	232,846	291,779	215,156	214,575
Public transit	-	-	-	-	-
Unallocated employee benefits	703,342	853,329	754,956	739,790	847,947
Capital outlay	621,877	19,536,533	8,656,714	6,660,712	2,375,227
Debt service:					
Principal	590,000	987,281	3,182,693	1,718,202	2,299,949
Interest and fiscal charges	407,469	776,324	2,041,157	4,468,430	3,145,864
Total expenditures	24,548,795	42,980,659	37,608,526	33,279,182	24,361,614
Revenues over (under) expenditures	(5,117,000)	(22,780,399)	(15,205,566)	(12,422,912)	(3,522,828)
Other financing sources (uses)					
Transfers in	1,271,181	2,606,504	2,973,600	2,355,341	1,924,858
Transfers out	(1,331,181)	(2,631,504)	(2,973,600)	(2,373,144)	(1,924,858)
Issuance of debt	10,224,680	33,788,904	13,441,864	14,262,866	16,827,648
Payment to refunding escrow agent	-	-	-	(4,120,988)	(12,783,348)
Total other financing sources (uses)	10,164,680	33,763,904	13,441,864	10,124,075	4,044,300
Extraordinary item - change in market value of land held for resale	-	-	(7,788,399)	-	-
Net changes in fund balances	$ 5,047,680	$ 10,983,505	$ (9,552,101)	$ (2,298,837)	$ 521,472
Debt service as a percentage of noncapital expenditures	4.2%	7.5%	18.0%	23.2%	24.8%

Source: City of Ypsilanti Finance Department

Schedule 4
UNAUDITED

2007	2008	2009	2010	2011
$ 11,310,662	$ 11,503,422	$ 12,098,938	$ 11,417,456	$ 9,907,455
576,436	665,684	657,459	530,812	666,586
7,750,482	7,826,046	7,667,265	7,880,092	8,369,061
987,433	416,730	582,283	533,974	542,669
297,667	394,089	445,965	475,530	597,265
932,581	912,077	743,107	35,676	165,346
1,704,958	534,781	840,477	716,969	541,067
23,560,219	22,252,829	23,035,494	21,590,509	20,789,449
2,375,208	2,409,836	2,170,189	2,127,907	2,433,291
9,811,440	8,744,920	8,431,824	8,182,781	8,326,438
1,954,923	997,305	1,194,766	912,196	848,754
1,079,251	1,171,953	1,184,977	1,078,414	1,065,037
1,814,492	1,973,109	1,691,811	1,540,487	1,592,516
162,189	446,196	358,179	457,372	348,756
179,915	178,636	146,167	544,408	498,817
-	-	226,756	158,967	218,000
925,577	1,161,692	1,188,986	964,144	878,085
840,776	-	-	-	-
2,665,245	2,501,875	2,627,079	2,738,504	2,970,000
2,766,159	2,767,662	2,692,892	2,705,052	2,561,716
24,575,175	22,353,184	21,913,626	21,410,232	21,741,410
(1,014,956)	(100,355)	1,121,868	180,277	(951,961)
1,139,551	999,347	1,219,140	2,300,123	1,639,043
(1,189,551)	(899,683)	(1,187,059)	(2,214,414)	(1,431,863)
9,895,000	297,596	503,958	87,401	3,856,253
(9,839,224)	-	-	-	(3,749,306)
5,776	397,260	536,039	173,110	314,127
-	-	-	-	-
$ (1,009,180)	$ 296,905	$ 1,657,907	$ 353,387	$ (637,834)
22.6%	25.1%	25.2%	25.8%	29.9%

Schedule 5
Unaudited

CITY OF YPSILANTI, MICHIGAN
Assessed and Taxable Value of Property
Last Ten Fiscal Years

	Fiscal	Real Property (1)		Personal Property (1)		Total		Total
Tax Year	Year Ended FY	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Direct Tax Rate
2010	2011	$ 308,955,109	$ 332,212,495	$ 21,038,100	$ 21,038,100	$ 329,993,209	$ 353,250,595	31.5314
2009	2010	339,950,191	380,570,998	30,525,720	30,525,720	370,475,911	411,096,718	30.8592
2008	2009	353,840,502	436,827,206	48,803,200	48,803,200	402,643,702	485,630,406	30.6016
2007	2008	358,621,343	471,237,912	55,108,200	55,215,000	413,729,543	526,452,912	29.5795
2006	2007	340,765,351	446,378,408	55,300,150	55,896,200	396,065,501	502,274,608	29.5299
2005	2006	314,776,856	423,184,122	44,418,300	44,418,300	359,195,156	467,602,422	29.0301
2004	2005	299,731,615	394,903,750	46,307,000	46,307,000	346,038,615	441,210,750	27.9161
2003	2004	288,510,359	369,609,400	49,798,100	49,798,100	338,308,459	419,407,500	28.2820
2002	2003	275,588,059	336,132,580	52,025,100	52,025,100	327,613,159	388,157,680	27.4085
2001	2002	255,024,845	303,049,100	54,863,200	54,863,200	309,888,045	357,912,300	27.3675

(1) Includes properties subject to Industrial Facility Tax exemptions.

Source: City of Ypsilanti Assessing Division

Schedule 6
Unaudited

CITY OF YPSILANTI, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of taxable value)

Fiscal Year Ended June 30,	City	Ypsilanti Public Schools	State Education Tax	Washtenaw Intermediate School District	County	Washtenaw Community College	Ypsilanti District Library	Totals Homestead	Totals Non-Homestead
2011	31.5314	25.0000	6.0000	3.9745	5.7448	3.6856	2.1574	60.0937	78.0937
2010	30.8592	24.2000	6.0000	3.9745	5.7418	3.6856	2.1575	58.6186	76.6186
2009	30.6016	25.0000	6.0000	3.9745	5.7018	3.6856	2.1553	59.1188	77.1188
2008	29.5795	25.0000	6.0000	3.9745	5.6768	3.6956	2.1553	58.0817	76.0817
2007	29.5299	25.0000	6.0000	3.9745	5.6768	3.7082	2.3475	58.2369	76.2369
2006	29.0301	25.0000	6.0000	3.9970	5.5024	3.7249	2.3475	57.6019	75.6019
2005	27.9161	25.0000	6.0000	4.0350	5.5493	3.7748	2.3540	56.6292	74.6292
2004	28.2820	25.0000	5.0000	3.0552	5.5819	3.8343	2.3540	55.1074	73.1074
2003	27.4085	24.6593	6.0000	3.0738	5.6186	3.8559	2.3937	55.3505	73.0098
2002	27.3675	24.7018	6.0000	3.1050	5.6772	3.9721	2.4511	55.5729	73.2747

SOURCES: Annual Apportionment Report of Washtenaw County and City of Ypsilanti Treasury Division

Schedule 7
Unaudited

CITY OF YPSILANTI, MICHIGAN
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

	2011			2002		
Taxpayer	Taxable Valuation	Rank	% of Total City Taxable Value	Taxable Valuation	Rank	% of Total City Taxable Value
Peninsular Place	$ 6,982,200	1	2.05%	$ -		-
DTE (formerly Detroit Edison Utilities)	5,343,667	2	1.57%	4,447,191	3	1.51%
Angstrom Capital (Formerly Ford Plant)	5,119,500	3	1.51%	-		-
FHMC Real Estate (Formerly Forest Health)	4,313,200	4	1.27%	-		-
Barnes & Barnes Properties	3,575,069	5	1.05%	1,679,704	8	0.57%
River Drive Apartments	3,278,400	6	0.96%	3,424,932	4	1.17%
University Housing Leforge	3,005,100	7	0.88%	-		-
Agree Limited Partnership	2,393,400	8	0.70%	-		-
Stewart Beal	1,953,680	9	0.57%	-		-
Asad Khailany	1,861,682	10	0.55%	-		-
Visteon	-		-	37,790,200	1	12.87%
Exemplar Manufacturing	-		-	5,404,300	2	1.84%
Mich-Con	-		-	2,612,500	5	0.89%
Comcast	-		-	2,608,800	6	0.89%
Crown Paper Company Manufacturing	-		-	2,436,316	7	0.83%
Walgreens	-		-	1,537,500	9	0.52%
Eastern Village Apartment	-		-	1,451,400	10	0.49%
	$ 37,825,898		11.13%	$ 63,392,843		21.59%

Source: City of Ypsilanti Assessing Division

Schedule 8
Unaudited

CITY OF YPSILANTI, MICHIGAN
Property Tax Levies and Collections
Last Ten Fiscal Years

(1) Fiscal Year Ended June 30,	(2) Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2011	$ 8,042,522	$ 7,020,601	87.3%	$ 899,747	$ 7,920,348	98.5%
2010	8,867,882	7,871,640	88.8%	819,421	8,691,061	98.0%
2009	9,682,649	8,867,407	91.6%	716,759	9,584,166	99.0%
2008	9,710,088	8,824,251	90.9%	798,331	9,622,582	99.1%
2007	9,239,461	8,399,585	90.9%	418,419	8,818,004	95.4%
2006	9,075,900	8,391,389	92.5%	594,060	8,985,449	99.0%
2005	8,394,563	7,870,141	93.8%	335,805	8,205,946	97.8%
2004	8,217,008	7,648,000	93.1%	461,140	8,109,140	98.7%
2003	8,012,572	7,342,773	91.6%	518,308	7,861,081	98.1%
2002	7,579,060	6,921,014	91.3%	637,677	7,558,691	99.7%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Summer taxes become delinquent as of September 15. Winter Taxes become delinquent as of February 15. The City's delinquent real property taxes are purchased by the Washtenaw County Delinquent Uncollected Tax Revolving Fund. Uncollected Personal property taxes are sent to the Ypsilanti Credit Bureau on June 1 for collection.

(2) Includes Industrial Facility Tax.

(3) Includes settlement from Washtenaw County Delinquent Tax Revolving for purchase of delinquent real property taxes.

Source: City of Ypsilanti Treasury Division

CITY OF YPSILANTI, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	2002	2003	2004	2005	2006
Governmental activities					
General obligation bonds	$ 7,875,000	$ 22,100,000	$ 25,810,000	$ 27,715,000	$ 29,525,000
Revenue bonds	10,193,066	25,379,320	32,524,115	38,825,827	38,003,306
Installment obligations	2,019,152	5,400,725	4,694,749	3,248,526	3,688,747
Amounts available in debt service funds	(905,503)	(608,079)	(2,203,846)	(1,856,755)	(1,952,024)
Total governmental activities	19,181,715	52,271,966	60,825,018	67,932,598	69,265,029
Business-type activities					
Revenue bonds	-	-	-	-	-
Total outstanding debt	$ 19,181,715	$ 52,271,966	$ 60,825,018	$ 67,932,598	$ 69,265,029
Total taxable value	$ 309,888,045	$ 327,613,159	$ 338,308,459	$ 346,038,615	$ 359,195,156
Ratio of total debt to taxable value	6.19%	15.96%	17.98%	19.63%	19.28%
Total population	22,286	22,138	21,989	21,949	21,767
Total debt per capita	$ 861	$ 2,361	$ 2,766	$ 3,095	$ 3,182
% of personal income	2.41%	6.45%	7.34%	8.10%	8.23%
Personal income	$ 796,368	$ 809,941	$ 829,029	$ 838,693	$ 841,991

Source: City of Ypsilanti Finance Department

Details regarding the City's debt can be found in the notes to the financial statements.

Schedule 9
Unaudited

2007	2008	2009	2010	2011
$ 28,660,000	$ 27,750,000	$ 26,800,000	$ 25,805,000	$ 24,560,000
36,945,000	35,797,596	34,776,554	33,277,955	31,616,984
3,546,808	3,399,933	3,247,854	3,090,350	3,090,350
(1,756,508)	(1,655,707)	(1,773,204)	(1,787,942)	(1,766,812)
67,395,300	65,291,822	63,051,204	60,385,363	57,500,522
-	-	-	-	-
$ 67,395,300	$ 65,291,822	$ 63,051,204	$ 60,385,363	$ 57,500,522
$ 396,065,501	$ 413,729,543	$ 402,643,702	$ 370,475,911	$ 329,993,209
17.02%	15.78%	15.66%	16.30%	17.42%
21,827	20,849	20,437	19,201	19,435
$ 3,088	$ 3,132	$ 3,085	$ 3,145	$ 2,959
7.74%	7.66%	7.54%	7.69%	7.69%
$ 870,723	$ 852,828	$ 835,975	$ 785,417	$ 735,790

Schedule 10
Unaudited

CITY OF YPSILANTI, MICHIGAN
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Less: Amounts Restricted to Repaying Principal	General Bonded Debt Outstanding: Total	% of Actual Taxable Value of Property	Per Capita
2011	$ 24,560,000	$ 1,766,812	$ 22,793,188	6.91%	$ 1,172.79
2010	25,805,000	1,787,942	24,017,058	6.48%	1,250.82
2009	26,800,000	1,773,204	25,026,796	6.22%	1,224.58
2008	27,750,000	1,655,707	26,094,293	6.31%	1,251.58
2007	31,410,350	1,756,508	29,653,842	7.49%	1,358.59
2006	32,275,350	1,952,024	30,323,326	8.44%	1,393.09
2005	30,465,350	1,856,755	28,608,595	8.27%	1,303.41
2004	28,118,324	2,203,846	25,914,478	7.66%	1,178.52
2003	24,408,324	608,079	23,800,245	7.26%	1,075.09
2002	7,875,000	905,503	6,969,497	2.25%	312.73

Source: City of Ypsilanti Finance Department

Schedule 11
Unaudited

CITY OF YPSILANTI, MICHIGAN
Computation of Net Direct and Overlapping Debt
As of June 30, 2011

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation bonds	$ 24,560,000	$ -	$ 24,560,000
General obligation bonds - DDA	1,035,000	1,035,000	-
Revenue bonds	31,632,955	31,632,955	-
Revenue bonds - Depot Town DDA	78,271	78,271	-
Installment obligations	3,090,350	-	3,090,350
Net direct debt	$ 60,396,576	$ 32,746,226	27,650,350
Overlapping debt			
Ypsilanti School District			29,889,396
Washtenaw County			2,054,947
Washtenaw Community College			888,080
Ypsilanti District Library			1,591,246
Net overlapping debt			34,423,669
Net direct and overlapping debt			$ 62,074,019

Source: City of Ypsilanti Finance Department and Municipal Advisory Council of Michigan

Schedule 12
Unaudited

CITY OF YPSILANTI, MICHIGAN
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for Fiscal 2011

Assessed value	$ 353,250,595
Debt limit (10% of assessed value)	$ 35,325,060
Net debt subject to limitation:	
General obligation bonds	24,560,000
Less amounts available for repayment of general obligation bonds	(1,766,812)
	22,793,188
Legal debt margin	$ 12,531,872

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2011	$ 35,325,060	$ 22,793,188	$ 12,531,872	64.52%
2010	41,109,672	24,017,058	17,092,614	58.42%
2009	48,563,041	25,026,796	23,536,245	51.53%
2008	52,645,291	26,094,293	26,550,998	49.57%
2007	50,227,461	29,653,842	20,573,619	59.04%
2006	46,760,242	26,645,475	20,114,767	56.98%
2005	44,121,075	27,695,470	16,425,605	62.77%
2004	41,940,750	25,697,925	16,242,825	61.27%
2003	38,815,768	21,983,237	16,832,531	56.63%
2002	35,791,230	7,809,709	27,981,521	21.82%

Source: City of Ypsilanti Finance Department

Schedule 13
Unaudited

CITY OF YPSILANTI, MICHIGAN
Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year Ended August 31,	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
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
2008	35,548,571	27,925,431	7,623,140	5,368,807	1.42
2007	37,781,498	26,934,363	10,847,135	5,596,598	1.94
2006	33,818,172	25,512,868	8,305,304	6,534,757	1.27
2005	34,602,217	23,178,366	11,423,851	6,108,306	1.87
2004	33,550,541	21,058,612	12,491,929	5,252,872	2.38
2003	27,197,424	21,476,377	5,721,047	4,689,848	1.22
2002	26,308,768	20,241,129	6,067,639	4,335,292	1.40
2001	26,079,700	19,245,962	6,833,738	4,187,246	1.63

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.
(Note: YCUA is on a August 31 fiscal year end; as such, the 2011 report is not yet available.)

(1) Includes operating revenue, investment earnings, connect fees and debt service contributions.

(2) Excludes depreciation expense.

(3) Includes bonds and capital leases applicable to YCUA as a whole.

Schedule 14
Unaudited

CITY OF YPSILANTI, MICHIGAN
Demographic and Economic Statistics
Last Ten Years

Year	(1) Population	(2) Total Personal Income (in thousands)	(2) Per Capita Income		(3) School Enrollment	(4) Unemployment Rate
2011	19,435	$ 735,790	$ 37,859	(5)	3,175	9.6%
2010	19,201	726,931	37,859	(5)	3,896	9.9%
2009	20,437	773,724	37,859		3,881	11.3%
2008	20,849	852,828	40,905		3,864	8.0%
2007	21,827	870,723	39,892		4,005	4.5%
2006	21,767	841,991	38,682		4,071	4.6%
2005	21,949	838,693	38,211		4,141	4.4%
2004	21,989	829,029	37,702		4,401	4.3%
2003	22,138	809,941	36,586		4,748	4.1%
2002	22,286	796,368	35,734		4,648	3.6%

Year	(1) Population	(1) Median Age
2010	19,435	24.3
2000	22,237	23.6
1990	24,846	23.5
1980	24,031	23.6
1970	29,538	23.7
1960	20,957	-
1950	18,302	-
1940	12,121	-
1930	10,143	-

(1) Estimate per SEMCOG and/or U.S. Census Bureau

(2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis

(3) Data from Ypsilanti Public School District

(4) Labor market information at Michigan.gov (for Ann Arbor, MI Metropolitan Statistical Area)

(5) 2010 and 2011 data not yet available (used prior year data)

Schedule 15
Unaudited

CITY OF YPSILANTI, MICHIGAN
Principal Employers
Current Year and Nine Years Ago

Employer	2011 Employees	2011 Rank	2011 % of Total City Employment	2002 Employees	2002 Rank	2002 % of Total City Employment
Eastern Michigan University	1,950	1	17.01%	2,038	2	16.58%
Ypsilanti Public Schools	514	2	4.48%	695	3	5.65%
Washtenaw County	297	3	2.59%	260	5	2.12%
Bortz Health Care of Ypsilanti	160	4	1.40%	150	7	1.22%
City of Ypsilanti	91	5	0.79%	153	6	1.24%
Forest Health Services	77	6	0.67%	-		-
Marsh Plating & Finishing Services	50	7	0.44%	124	9	1.01%
Walgreens	31	8	0.27%	75	10	0.61%
Fischer Honda	23	9	0.20%	61	12	0.50%
Bird Brain	20	10	0.17%	-		-
Ford Motor Company	-		-	2,273	1	18.49%
Beyer Hospital	-		-	375	4	3.05%
Exemplar Manufacturing	-		-	147	8	1.20%
Gene Butman Ford	-		-	62	11	0.50%
	3,213		28.03%	6,413		52.18%

Source: Economic Development Department, City of Ypsilanti
Washtenaw County Economic Development & Growth
Manta.com and prior Official Statement for the City of Ypsilanti

Schedule 16
Unaudited

CITY OF YPSILANTI, MICHIGAN
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Administrative services										
City Manager (172)	2.50	2.75	2.50	2.00	2.50	2.00	2.10	1.85	1.85	1.85
Human Resources (226)	2.00	2.00	2.00	2.00	2.00	1.80	1.90	1.55	1.55	1.55
Ordinance Enforcement (341)	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50
Building Inspection (371)	4.00	6.00	5.00	5.00	5.00	5.00	5.00	5.25	3.75	3.58
Planning & Development (801)	5.00	5.00	5.00	5.00	4.50	3.50	3.40	1.65	1.65	1.65
Recreation (707)	4.50	4.75	1.75	1.00	-	-	-	-	-	-
	19.50	21.50	17.25	16.00	15.00	13.30	13.40	11.30	9.30	9.13
Citizen services										
Voters Registration, school and county election (191)	1.50	2.00	2.00	2.00	1.00	1.00	-	-	-	-
City Clerk (215)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	3.50	4.00	4.00	4.00	3.00	3.00	2.00	2.00	2.00	2.00
Fire services										
Administration (337)	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Suppression (339)	21.00	21.00	21.00	21.00	21.00	21.00	23.00	21.00	21.00	19.00
	24.00	23.00	23.00	23.00	23.00	23.00	25.00	22.00	22.00	20.00
Fiscal services										
Finance - Accounting (201)	3.00	3.00	3.00	3.00	3.00	2.70	3.20	3.20	3.20	3.03
Finance - Assessor (209)	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Finance - Treasurer (253)	2.50	2.50	2.50	2.00	2.00	1.80	1.50	1.50	1.50	1.34
	7.50	7.50	7.50	7.00	7.00	6.50	5.70	5.70	5.70	5.37
Police services										
Administration (305)	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Field Services (307)	51.00	51.00	42.00	42.00	42.00	40.00	41.00	37.00	38.40	28.00
Parking Enforcement (311)	2.00	2.00	6.00	6.00	6.00	6.00	4.00	2.00	2.00	2.00
LAWNET Grant (312 & 316)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Liaison Contract (317)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	58.00	58.00	53.00	53.00	53.00	51.00	49.00	43.00	44.40	34.00
Public services										
Parks, streets, building, parking lots, and garbage collection	21.00	22.00	22.00	22.00	23.00	22.00	21.75	19.00	17.00	17.00
Administration (441)	3.75	3.75	3.75	3.75	3.75	3.75	4.00	3.75	3.75	3.88
	24.75	25.75	25.75	25.75	26.75	25.75	25.75	22.75	20.75	20.88
Total full-time employees	137.25	139.75	130.50	128.75	127.75	122.55	120.85	106.75	104.15	91.38
Total council and full-time employees	144.25	146.75	137.50	135.75	134.75	129.55	127.85	113.75	111.15	98.38

Source: City of Ypsilanti Finance Department

Schedule 17
Unaudited

CITY OF YPSILANTI, MICHIGAN
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police services										
Number of uniform crime reporting	4,091	4,515	4,324	3,946	4,171	4,524	3,087	3,349	3,295	1,936
Number of traffic violations	2,977	3,345	2,550	3,492	3,275	3,269	3,538	7,502	8,458	3,253
Number of arrests	1,660	1,953	1,935	1,327	1,479	1,818	1,484	2,015	1,864	1,738
Number of parking violations	10,724	10,030	9,522	16,954	14,851	11,369	6,818	9,654	9,611	9,880
Fire services										
Number of calls answered	716	632	582	511	478	511	402	553	566	564
Number of inspections conducted	550	783	859	778	785	980	996	1,396	1,464	1,588
Public Services										
Miles of local streets maintained	20.56	20.56	20.56	20.56	20.56	21.22	21.22	21.22	21.22	21.22
Miles of major streets maintained	33.18	33.18	33.18	33.18	33.18	32.52	32.52	32.44	32.44	32.44
Public Utilities										
Miles of water mains	53.74	53.74	53.74	53.74	53.74	53.74	53.74	53.74	53.74	53.74
Number of fire hydrants	663	663	663	663	663	663	663	663	663	663

Source: City of Ypsilanti Police, Fire and Public Services Departments.

Schedule 18
Unaudited

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police Services										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	14	14	13	13	12	12	10	10	10	10
Unmarked police vehicles	9	9	8	8	7	7	7	6	6	7
Parking enforcement	2	2	2	2	2	2	2	2	2	2
Mobile command vehicle	-	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	-	-	-	-	1	1	1	1	1	1
Fire Services										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	3	3	3	3	2	2	2	2	2	2
Pumper ladder truck	2	2	2	2	1	1	1	1	1	1
Rescue truck	1	1	1	1	1	1	1	1	1	-
Jaws of life	1	1	1	1	1	1	1	1	1	1
Chief's city car	1	1	1	1	1	1	1	1	1	1
Trailer	1	1	1	1	1	1	-	-	-	-
Pickup truck	1	1	1	1	1	1	1	1	1	1
Utility van	1	1	1	1	1	1	1	1	1	1
Administrative Services										
Crown Victoria - CH	2	2	2	2	2	2	2	1	1	1
Impala	-	-	-	-	-	-	-	-	-	1
Taurus - CM	-	-	-	-	-	-	-	1	1	1
Building enforcement vehicles	4	4	4	4	4	4	4	2	2	3

Schedule 18
Unaudited

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Services										
Passenger										
Crown Victoria	2	2	2	2	2	2	2	3	4	3
Escape	-	-	-	-	-	-	-	-	-	1
Van	2	2	2	2	2	2	2	1	1	1
Van with Aerial Lift	-	-	-	-	-	-	-	1	1	1
Trucks:										
Pick-up	9	9	9	9	9	9	9	8	9	8
with Aerial Lift	-	-	-	-	-	-	-	3	3	3
Dump	9	9	9	9	9	9	9	9	9	10
with Grapple	-	-	-	-	-	-	-	1	1	1
Stake	7	7	7	7	7	7	7	6	6	6
with Aerial Lift	2	2	2	2	2	2	2	-	-	-
Recycle Truck	1	1	1	1	1	1	1	1	1	1
Packer Truck	3	3	3	3	3	3	3	4	4	4
Brush Chipper	2	2	2	2	2	2	2	3	3	1
Tractors:										
with Front Loader	2	2	2	2	2	2	2	2	2	2
with Front Loader/Rear Plow	1	1	1	1	1	1	1	1	1	1
with Bucket & Backhoe	1	1	1	1	1	1	1	1	1	1
with Drawn Rake	1	1	1	1	1	1	1	1	1	1
with Salt Spreader & Snow Plow	-	-	-	-	-	-	-	1	1	1
Garden	9	9	9	9	9	9	9	9	9	9
Wide Area Mower	-	-	-	-	-	-	-	1	1	1
Loader with Bucket	2	2	2	2	2	2	2	3	3	3
Rear Loader	-	-	-	-	-	-	-	-	-	1
Equipment:										
Gas Tester	1	1	1	1	1	1	1	1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Pump	-	-	-	-	-	-	-	-	-	2
Snow Blower	4	4	4	4	4	4	4	4	4	4
Traffic Counter	8	8	8	8	8	8	8	8	8	8

Schedule 18
Unaudited

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Star Drill		1	1	1	1	1	1	1	1	1	1
Flail Mower		1	1	1	1	1	1	1	1	1	-
Trailer		3	3	3	3	3	3	3	4	4	4
Sign Driver		-	-	-	-	-	-	-	-	-	1
Auger		2	2	2	2	2	2	2	2	2	2
Street Sweeper		2	2	2	2	2	2	2	2	2	2
Compactor		1	1	1	1	1	1	1	1	1	1
Cement Mixer		2	2	2	2	2	2	2	2	2	1
Bituminous		1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner		2	2	2	2	2	2	2	2	2	1
Compressor		1	1	1	1	1	1	1	1	1	-
Concrete Pavement Saw		2	2	2	2	2	2	2	2	2	2
Rear Plow		1	1	1	1	1	1	1	1	1	1
Dual Line Stripper		1	1	1	1	1	1	1	1	1	1
Leaf Blower		3	3	3	3	3	3	3	3	3	3
Weed Eater		9	9	9	9	9	9	9	9	9	11
Rotary Lawn Mower		1	1	1	1	1	1	1	2	2	2
Bush Hog		1	1	1	1	1	1	1	1	1	1
Generator		2	2	2	2	2	2	2	2	2	2
Compressor		1	1	1	1	1	1	1	1	2	2
Maint. Drawn Tracor Blade		1	1	1	1	1	1	1	1	1	1
Sod Cutter		1	1	1	1	1	1	1	1	1	1
Rotary Tiller		1	1	1	1	1	1	1	1	1	1
Chain Saw		11	11	11	11	11	11	11	11	11	12
Power Pruner		3	3	3	3	3	3	3	4	4	3
Stump Cutter		1	1	1	1	1	1	1	1	1	-
Chipper Box		1	1	1	1	1	1	1	1	1	1
Fork Lift		1	1	1	1	1	1	1	1	1	1
Roller		1	1	1	1	1	1	1	1	1	1
Pressure Washer		1	1	1	1	1	1	1	1	1	1
Portable Space Heater		1	1	1	1	1	1	1	1	1	1
Power MIG 255		1	1	1	1	1	1	1	1	1	1
Precision TIG 275		1	1	1	1	1	1	1	1	1	1
Row Boat		1	1	1	1	1	1	1	1	1	1
Sandblaster	-	-	-	-	-	-	-	-	-	1	1

Schedule 18
Unaudited

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Parks & Recreation										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	2	2	2	2	1	1	1
Tot Lots	2	2	2	2	2	2	2	3	3	3
Park acreage:										
Active parks	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8
Inactive	4.0	4.0	4.0	4.0	4.0	4.0	4.0	2.0	2.0	2.0
Tot Lots	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Picnic areas	9	9	9	9	9	9	9	9	9	9
Buildings:										
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Concessions	1	1	1	1	1	1	1	1	1	1
Pavilions	8	8	8	8	8	8	8	8	9	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1	1
Multiuse Trail	2	2	2	2	2	2	2	-	-	1
Park and Play Area Acreage										
Candy Cane Park	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Carrie Mattingly Tot Lot	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Charles Street Tot Lot	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
Edith Hefley Park	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Frog Island Park	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Gilbert Park	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
Parkridge Park Community Center	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13
Peninsular Park	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Prospect Park	9.54	9.54	9.54	9.54	9.54	9.54	9.54	9.54	9.54	9.54
Recreation Park/Pool/Senior Center	17.36	17.36	17.36	17.36	17.36	17.36	17.36	17.36	17.36	17.36
Riverside Park	13.77	13.77	13.77	13.77	13.77	13.77	13.77	13.77	13.77	13.77
Waterworks Park	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00

Schedule 18
Unaudited

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Picnic										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	1	1	1	1	1	1	1	1	1	1
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	1	1	1	1
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Pavilions										
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	-	-	-	-	-	-	-	-	-	-
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	1	1	2	2
Peninsular Park	1	1	1	1	1	1	1	1	1	1
City Attractions										
Eastern Michigan Campus	-	-	1	1	1	1	1	1	1	1
Farmer's Market / Freighthouse	1	1	1	1	1	1	1	1	1	1
Michigan Firehouse Museum	-	-	1	1	1	1	1	1	1	1
Riverside Arts Center	1	1	1	1	1	1	1	1	1	1
RM Classic Cars US Headquarter	-	-	1	1	1	1	1	1	1	1
Ypsilanti Automotive Heritage Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

Schedule 19
Unaudited

CITY OF YPSILANTI, MICHIGAN
Schedule of Insurance
As of June 30, 2011

Type of Coverage Name of Company	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool	08/01/10-08/01/11	$ 338,684	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability $2,000,000.
Michigan Municipal League Liability and Property Pool	08/01/10-08/01/11	48,610	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	08/01/10-08/01/11	19,961	Covers buildings and attached property.
Zurich North America	8/30/10-8/30/11	2,309	Covers commercial storage tank
Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	07/01/2010-06/30/2011	1,895,130	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Comp One Administrator and Accident Fund	07/01/2010-06/30/2011	119,774	Workers compensation and employees liability excess insurance policy for self insure combined specific and aggregate agreement. Part one - employer liability $1,000,000, part two - workers compensation limit $5,000,000, part two - employer liability $1,000,000.

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE
RETIREMENT SYSTEM

Financial Statements

For the Years Ended
June 30, 2011 and 2010

Rehmann
Business wisdom delivered.

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM

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INDEPENDENT AUDITORS' REPORT

December 9, 2011

To the Retirement Board
City of Ypsilanti, Michigan
Police and Fire Retirement System
Ypsilanti, Michigan

We have audited the accompanying statements of plan net assets of the ***City of Ypsilanti, Michigan Police and Fire Retirement System*** as of June 30, 2011 and 2010, and the related statement of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Retirement Board. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the City of Ypsilanti, Michigan Police and Fire Retirement System pension trust fund and do not purport to, and do not, present fairly the financial position and the changes in financial position of the City of Ypsilanti, Michigan in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the City of Ypsilanti, Michigan Police and Fire Retirement System as of June 30, 2011 and 2010, and the changes in plan net assets thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The historical pension information listed in the table of contents is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Rehmann Robson

FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
Statements of Plan Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Investments, at fair value:		
U.S. agencies	$ 3,066,009	$ 3,082,262
Corporate bonds	4,164,439	4,525,509
Foreign government bonds	-	23,434
Domestic equities	12,271,057	9,608,831
International equities	867,382	593,371
American depository receipts	51,907	-
Mutual funds	6,755,825	5,536,551
Domestic real estate investment trusts	425,344	438,569
Money market accounts	810,311	854,395
Total investments	28,412,274	24,662,922
Cash and cash equivalents	2,705,149	2,391,277
Accrued interest receivable	883	601
Total assets	31,118,306	27,054,800
Liabilities		
Accounts payable	391,900	167,274
Net assets held in trust for pension benefits	**$ 30,726,406**	**$ 26,887,526**

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

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Additions		
Investment income:		
Net appreciation in fair value of investments	$ 4,535,994	$ 2,416,368
Interest and dividends	758,066	861,073
Total investment income	5,294,060	3,277,441
Less investment management fees	(90,776)	(89,321)
Total net investment income	5,203,284	3,188,120
Contributions:		
Employer	1,018,284	968,212
Employee	374,961	386,087
Total contributions	1,393,245	1,354,299
Total additions	6,596,529	4,542,419
Deductions		
Participant benefits	2,363,626	2,324,626
Participant refunds	337,937	635,395
Administrative expenses	56,086	53,272
Total deductions	2,757,649	3,013,293
Change in net assets held in trust for benefits	3,838,880	1,529,126
Net assets held in trust for pension benefits, beginning of year	26,887,526	25,358,400
Net assets held in trust for pension benefits, end of year	**$ 30,726,406**	**$ 26,887,526**

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

1. PLAN DESCRIPTION

The City of Ypsilanti, Michigan Police and Fire Retirement System (the "System") is a single-employer defined benefit contributory pension plan which provides retirement, disability and death benefits to plan members and their beneficiaries in accordance with the City of Ypsilanti's pension ordinance. The System covers all police and fire employees of the City.

System membership consisted of the following at June 30:

	2010	2009
Retirees and beneficiaries receiving benefits	99	99
Terminated employee entitled to but not yet receiveing benefits	3	3
Active employees	53	54
Total	155	156

Plan members are required to contribute 10% of their annual covered wages to the System for pension benefits. The City contributes such additional amounts as necessary, based on actuarial determinations, to provide assets sufficient to pay for member benefits. The City's pension contribution for the year ended June 30, 2011 represented 25.64% of the annual covered payroll. The City's pension contribution for the year ended June 30, 2010 represented 23.54% of the annual covered payroll

The System is administered by the Retirement Board of the City of Ypsilanti, Michigan Police and Fire Retirement System. Plan benefit provisions were established and may be amended under the authority of City Ordinances. Contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the Retirement Board and City of Ypsilanti City Council.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The System's financial statements are prepared on the accrual basis of accounting. Employee contributions are recognized in the period in which they are due. The City's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments and Income Recognition - The System's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments, if any, is based on independent appraisals. Investments that do not have established market values are reported at estimated fair value as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service.

Administration - Administrative costs are financed through the System's earnings.

3. DEPOSITS AND INVESTMENTS

Deposits - The System's cash and cash equivalents consist of amounts deposited in the City's cash management pool of demand deposit accounts and certificates of deposit. As such, it is not practicable to present separate custodial risk disclosures for the System's portion of this pool; accordingly, please refer to the City of Ypsilanti's comprehensive annual financial report for custodial risk disclosures of deposits.

Investments - The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

Following is a summary of the System's investments as of June 30:

	2011	2010
Investments at fair value, as determined by quoted market price:		
U.S. agencies	$ 3,066,009	$ 3,082,262
Corporate bonds	4,164,439	4,525,509
Foreign government bonds	-	23,434
Domestic equities	12,271,057	9,608,831
International equities	867,382	593,371
American depository receipts	51,907	-
Mutual funds	6,755,825	5,536,551
Domestic real estate investment trusts	425,344	438,569
Money market accounts	810,311	854,395
Total investments	$ 28,412,274	$ 24,662,922

Credit Risk. The System's investment policy provides that its investments in fixed income securities be limited to those rated BBB or better by a nationally recognized statistical rating organization. The System's investments in U.S. Agencies were rated Aaa by Moody's Investor Services at both June 30, 2011 and 2010. The System's investments in corporate securities were rated by Moody's Investor Services as follows at June 30:

Rating	2011	2010
Aa2	$ 220,873	$ 213,766
Aa3	311,255	-
A1	242,914	771,144
A2	929,332	1,643,606
A3	671,804	367,157
Baa1	223,482	220,730
Baa2	640,430	612,268
Baa3	659,484	445,062
Ba1	264,865	251,776
Totals	$ 4,164,439	$ 4,525,509

The System's policy regarding credit risk provides that a minimum of 70% of fixed income investments must be in the top three major grades as determined by Moody's and the balance must be in the top four major grades.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that investment securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Short-term investments in money market funds are not subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's policy regarding concentration of credit risk does not specify limits regarding concentration of credit risk, although it provides guidelines regarding target maximums for investment types.

At June 30, 2011, the investment portfolio was concentrated (i.e., had holdings in any one issue greater than 5% of the total investment portfolio) as follows:

	% of portfolio
U.S. agencies	
Federal Home Loan Mortgage Corporation	5.3%

At June 30, 2010, the investment portfolio was concentrated as follows:

	% of portfolio
U.S. agencies	
Federal Home Loan Mortgage Corporation	6.0%

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy requires a maximum term to maturity of 30 years for any single fixed income security. The System's investment policy does not address weighted average portfolio maturities.

As of June 30, 2011, maturities of the System's debt securities were as follows:

		Investment Maturities (fair value by years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. agencies	$ 3,066,009	$ -	$ -	$ 62,904	$ 3,003,105
Corporate bonds	4,164,439	-	1,485,930	1,542,647	1,135,862
	$ 7,230,448	$ -	$ 1,485,930	$ 1,605,551	$ 4,138,967

As of June 30, 2010, maturities of the System's debt securities were as follows:

		Investment Maturities (fair value by years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. agencies	$ 3,082,262	$ -	$ -	$ 90,540	$ 2,991,722
Corporate bonds	4,525,509	719,206	1,088,540	1,595,688	1,122,075
	$ 7,607,771	$ 719,206	$ 1,088,540	$ 1,686,228	$ 4,113,797

None of the above securities are callable. The System's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the System's holdings comply with this requirement.

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows at June 30:

		Fair value (U.S. dollars)	
Investment/ Country	**Currency**	**2011**	**2010**
Foreign government bonds			
Puerto Rico	U.S dollar	$ -	$ 23,434
International equities			
Cayman Islands	Cayman Island dollar	57,943	41,149
France	European euro	91,413	-
Hong Kong	Hong Kong Dollar	-	68,068
Ireland	European euro	194,455	225,002
Netherlands	European euro	345,746	65,286
Netherlands Antilles	Guilder	-	60,321
Puerto Rico	U.S dollar	68,685	-
Singapore	Singapore dollar	109,140	69,440
Switzerland	Swiss franc	-	64,105
		867,382	593,371
Total		$ 867,382	$ 616,805

In addition to the above, the System's holdings in mutual funds are primarily composed of underlying investments in international equities (approximately 69% of total mutual fund holdings of $6,755,825), predominately in Japanese, European and other Asian companies. The residual mutual fund underlying investments are in gold, cash and cash equivalents, international bonds and U.S. equities.

The System restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investment.

4. ANNUAL REQUIRED CONTRIBUTION

The annual required contribution (ARC) for the year ended June 30, 2011 and 2010 was $1,018,284 and $968,212, respectively. The ARC was made by the City. There was no net pension obligation at the beginning or the end of either fiscal year. The respective ARC was determined as part of an actuarial valuation as of June 30, 2010 and 2009, using the entry age cost method.

Three-Year Trend Information

Years Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	$ 946,937	100%	$ -
2010	968,212	100%	-
2011	1,018,284	100%	-

5. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the System as of June 30, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	$ 42,135,741	
Actuarial value of assets	(2)	31,649,135	
Unfunded AAL (UAAL)	(3)	$ 10,486,606	(1) - (2)
Funded ratio	(4)	75.1%	(2) / (1)
Covered payroll	(5)	$ 3,975,109	
UAAL as % of covered payroll	(6)	263.8%	(2) / (5)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value as shown is determined using the entry age actuarial cost method.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of June 30, 2010, the date of the latest actuarial valuation using the entry age actuarial cost method, includes:

Actuarial cost method	Individual entry age
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5% to 15.0%
Assume rate of payroll growth	4.5%
Cost-of-living adjustments	None

6. RISK MANAGEMENT

The System's exposure to noninvestment loss is minimal. The System is exposed to various risks of loss related to torts, errors and omissions. The System participates in the Michigan Municipal League risk pool program for all of these exposures.

* * * * * *

GASB REQUIRED SUPPLEMENTARY INFORMATION

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (Overfunded) (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
2001	$ 34,479,264	$ 26,933,083	$ (7,546,181)	128.0%	$ 3,813,904	-197.9%
2002	34,970,658	27,899,273	(7,071,385)	125.3%	3,858,409	-183.3%
2003	33,916,996	29,020,485	(4,896,511)	116.9%	4,003,846	-122.3%
2004	32,569,762	31,251,133	(1,318,629)	104.2%	3,891,478	-33.9%
2005	31,180,708	32,774,898	1,594,190	95.1%	4,042,199	39.4%
2006	30,843,790	34,980,132	4,136,342	88.2%	3,996,679	103.5%
2007	34,292,073	36,211,916	1,919,843	94.7%	3,957,733	48.5%
2008	32,934,094	37,869,913	4,935,819	87.0%	3,843,177	128.4%
2009	32,472,100	39,453,312	6,981,212	82.3%	3,889,397	179.5%
2010	31,649,135	42,135,741	10,486,606	75.1%	3,975,109	263.8%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2002	$ -	$ -	100.00%
2003	-	-	100.00%
2004	-	-	100.00%
2005	-	-	100.00%
2006	500,602	500,602	100.00%
2007	730,106	730,106	100.00%
2008	941,417	941,417	100.00%
2009	946,937	946,937	100.00%
2010	968,212	968,212	100.00%
2011	1,018,284	1,018,284	100.00%

CITY OF YPSILANTI, MICHIGAN

SINGLE AUDIT ACT COMPLIANCE

For the Year Ended June 30, 2011

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Business wisdom delivered.

CITY OF YPSILANTI, MICHIGAN
SINGLE AUDIT

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YEAR ENDED JUNE 30, 2011

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 9, 2011

Honorable Mayor and
Members of the City Council
City of Ypsilanti, Michigan

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 9, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations,* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Rehmann Robson

CITY OF YPSILANTI, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number		Grant/ Agreement/ Account Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed-through the Michigan Economic Development Corporation -				
Community Development Block Grants -				
Value of loans outstanding - prior year expenditures	14.228		MSC 201017-EDIG	$ 2,750,350
Passed-through Washtenaw County -				
Community Development Block Grant Entitlement Communities Grant:				
Neighborhood Stabilization Program (NSP)	14.218		PO 41007-000-SC, CR 41546	220,638
2009-10 City of Ypsilanti Demolition Program	14.218		PO 41451-000-SC, CR 41847	8,500
2009 City of Ypsilanti Public Improvement Project - Forest Avenue	14.218		Cr 41848	75,000
2010-11 Harriet St Corridor Redevelopment Project	14.218		CR 42264	5,000
Total U.S. Department of Housing and Urban Development				3,059,488
U.S. DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE				
Passed-through Michigan State Housing Development Authority -				
Historic Preservation Fund Grants-In-Aid - Registration/Travel Scholarship to Attend National Alliance for Preservation Commission (NAPC) Forum 2010	15.904		CG10-408	265
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
Bureau of Justice Assistance -				
Bulletproof Vest Partnership Program	16.607		OMB # 11121-0235	7,627
Edward Byrne Memorial Justice Assistance Grant Program:				
Inter-agency Cooperation Team (ICT) Funding Initiative	16.738	(1)	2009-DJ-BX-1476	5,667
Advanced Criminal Detection Through Twenty-First Century Technology	16.738	(1)	2010-DJ-BX-1223	26,497
ARRA - Technology Reinvestment Initiative	16.804	(1)	2009-SB-B9-1919	3,760
Office of Community Oriented Policing Services -				
ARRA - COPS Hiring Recovery Program (CHRP)	16.710		2009RKWX0462	117,253
Passed-through the Michigan Department of Community Health -				
Edward Byrne Memorial Justice Assistance Grant Program -				
LAWNET 2010/2011	16.738	(1)	2010-DJ-BX-0003	41,970
Total U.S. Department of Justice				202,774
U.S. DEPARTMENT OF TRANSPORTATION				
Passed-through the Michigan Department of Transportation -				
ARRA - Highway Research Planning and Construction -			Job # 106812A,	
Reconstruction of College Place from West Cross to Forest	20.205		Fed Item # JJ3999	32,894
Reconstruction of Mansfield from Westmoorland to Congress	20.205		Fed Item # JJ3998	65,230
Total U.S. Department of Transportation				98,124

Continued…

CITY OF YPSILANTI, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Grant/ Agreement/ Account Number	Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Direct programs:			
Office of Solid Waste and Emergency Response			
Brownfield Assessment and Cleanup Cooperative Agreement			
City of Ypsilanti Brownfield Hazardous Clean Up Cooperative Agreement:			
Water Street Redevelopment # 1	66.818	BF-00E93201-0 (AOC1)	$ 175,443
Water Street Redevelopment # 2	66.818	BF-00E93101-0 (AOC2)	84,748
Water Street Redevelopment # 5	66.818	BF-00E93001-0 (AOC5)	15,213
Passed-through Michigan Department of Environmental Quality -			
ARRA - Clean Water Capitalization Grants for Drinking Water -			
State Revolving Funds	66.468	7249-01	21,283
Total U.S. Environmental Protection Agency			296,687
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-through Michigan Department of Community Health -			
Building Healthy Community:			
Non-Motorized Enhancements	93.283	CR 41713-234568	2,000
Complete Streets Ordinance	93.283	CR 42397-234568	1,523
Passed-through the Office of the Administration			
for Children and Families -			
Community Services Block Grant - Washtenaw County -			
South of Michigan Avenue Community Needs Assessment	93.569	CR42499	1,039
Total U.S. Department of Health and Human Services			4,562
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Program -			
Assistance to Firefighters Grant	97.044	EMW-2009-FV-01226	263,150
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,925,050

(1) JAG Program cluster.

See accompanying notes to this schedule.

CITY OF YPSILANTI, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Ypsilanti, Michigan (the "City") under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

2. Summary of Significant Accounting Policies

Schedule expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented were available.

3. Subrecipients

Of the federal expenditures presented in the schedule, the City of Ypsilanti, Michigan provided $21,283 of Capitalization Grants for Drinking Water Revolving Funds to the Ypsilanti Community Utilities Authority.

* * * * * *

Rehmann

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 9, 2011

Honorable Mayor and
Members of the City Council
City of Ypsilanti, Michigan

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***City of Ypsilanti*** (the "City"), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2011-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Robson

Rehmann

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 9, 2011

Honorable Mayor and
Members of the City Council
City of Ypsilanti, Michigan

Compliance

We have audited the compliance of the ***City of Ypsilanti*** (the "City") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City of Ypsilanti complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Robson

CITY OF YPSILANTI, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	__X__ yes _____ no
Significant deficiency(ies) identified?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes __X__ no
Significant deficiency(ies) identified?	_____ yes __X__ none reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	_____ yes __X__ no

---

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants
16.710	Public Safety Partnership and Community Policing Grants

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ yes _____ no

SECTION II – FINANCIAL STATEMENT FINDINGS

2011-1 Material Audit Adjustments

Criteria: Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition/Finding: During our audit, we identified and proposed several adjustments (which were approved and posted by management) that were, either individually or in the aggregate, material to the City's financial statements.

Cause: Internal controls did not detect all adjustments necessary to properly record year-end balances.

CITY OF YPSILANTI, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

2011 -1 Material Audit Adjustments (Concluded)

Effect:	As a result the following areas were initially misstated: • Capital outlay and intergovernmental revenue were both overstated by approximately $340,000 in the governmental activities. • Accumulated depreciation was overstated in the governmental activities by approximately $2,949,000. • Claims payable in the worker's compensation internal service fund was overstated by approximately $319,000. • Bond proceeds of approximately $3,780,000 and the transfer to escrow agent of approximately $3,753,000 were not properly eliminated in the governmental activities. • The internal service funds operating gain of approximately $257,000 was not properly allocated to the governmental activities.
Recommendation/ Comment:	We recommend that the City take steps to insure that all year-end adjustments are identified and properly made for financial reporting purposes.
View of Responsible Official:	The City will implement this recommendation immediately.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – PRIOR YEAR FINDINGS

No matters were reported.

* * * * * *

FRIENDS OF RUTHERFORD
POOL
YPSILANTI, MICHIGAN

A Presentation to Ypsilanti City Council

10 January 2012

Friends of Rutherford Pool Board:
David Bates, Heidi Salter-Ferris, Don Ferris, Patrick McLean, Joel Rutherford, Lisa Wozniak, John Weiss

Progress

- Received 501(c)(3) non-profit status in November 2011
- Drafted a business and operations plan for City Council review & approval

Progress – Fundraising

- Raised a total of over $642,000 in donations and grants to rebuild the pool
  - Individual donors, organizations, corporate & grants – $273,500
  - State DNR Trust Fund Grant – $300,000
  - Washtenaw County Recreation Commission – $50,000
  - Ypsilanti Township – $10,000
- Raised an additional$25,000 in funds for pool endowment

Business and Operations Plan

Rutherford Pool will continue to serve residents primarily from the City and Ypsilanti Township, with several families that come from other surrounding jurisdictions, including Ann Arbor, to use the pool on a daily basis.

Daily attendance during the peak of the season comes to approximately 350 people, with some days over 500.

FRIENDS OF RUTHERFORD POOL YPSILANTI, MICHIGAN

Primary Services

- Morning Lap Swim 6:30-8 a.m. (M-F)
- Swim Team: 8-9:30 a.m. (M-Th)
- Three sessions of swim lessons 9:30-11:45 a.m. (M-Th)
- Adult Lap Swim & Water Aerobics or/Tot Splash (12-1)
- Open Swim (1-5 p.m.)
- Adult Lap Swim (5-6 p.m.)
- 6-8 pm Family Swim (M-F)
- Some evenings - Adult Water Polo
- Rentals

Partnerships

- Local partnerships and community networking will continue to be a focus at Rutherford Pool.
  - Boys/Girls Club and YMCA Summer Camps.
  - Ypsilanti Housing Commission
  - EMU for Ypsi-Pride assistance.
  - Ypsilanti District Library
  - The Ypsilanti Kiwanis

FRIENDS OF RUTHERFORD
POOL
YPSILANTI, MICHIGAN

Marketing

- Program brochure
- FoRP website
- Rutherford Pool FaceBook page
- Normal Park FaceBook page
- Other neighborhood associations' email lists
- FoRP email database
- Ypsilanti Public Schools
- Ypsilanti City Library's Summer Reading Program
- Door-to door campaign in spring

Financial Information

- The 2012 season charge structure will be as follows:
  - Family Passes: $220 (all members of a family that reside at the same address)
  - Senior Passes 62 and older: $50
  - Individual: $65
  - Afternoon youth entrance fee: $2.50
  - Evening youth entrance fee: $1.75
  - Adult entrance fee for all sessions: $3.00 (18 and up)
  - Lap swim: $3.00
  - Lessons: $55
  - Swim Team: $75
  - Tot Splash: $1.00
  - Pool Rentals: $75

In addition, estimated revenue from concessions will be $6,000

Typical Expenses

Personnel:

- Business Manager
- Program Director
- Head Guards
- Guards
- Head Instructor
- Instructors
- Front Counter

Human Resources

Maintenance & Supplies/Equipment

- Chlorine
- Testing kit supplies
- Repairs & Maintenance
- Equipment
- Utilities
- Water
- Electricity/gas
- Phone

Other

Pool operating parameter assumptions:

- Weeks 1-2, 58 hours(family swim M-S, Sat-Sun: 12:00-6:00, Memorial Day 6 hours)
- Week 3, 66.5 hours (9.5 hours/day for 7 days)
- Weeks 4-11, 80.5 hours/week for 8 weeks (6:30 AM to 8:00, 13.5 hours/day M-Th for 8 weeks; 9.5 hours/Fri; 9 hours 9 hours Sat; 8 hours Sun)
- Weeks 11-14, 266 hours (66.5 hours/week)

Total programmed operating hours: 1034.

- Total Guard hours for the summer w/o closures would be ~2320 hours.
- Guards needed beyond the Program Director and Head Guards would be an average of 2. Calculations for guard needs is (2*1000)/8.
- Pool Manager or Head Guard present during all operating hours with two of the above present during peak operating times.

Full time employment would equal 40 hours * 14 weeks or approximately 560 total hours.

- Swim lessons are 3 hours/day, M – Th (12 hours/week) for 8 weeks and 1 hour/day Saturday for 6 weeks for 102 instructional hours.
- Swim Team is 1.5 hours/day, M-Th (6 hours/week) for 8 weeks for 48 hours.

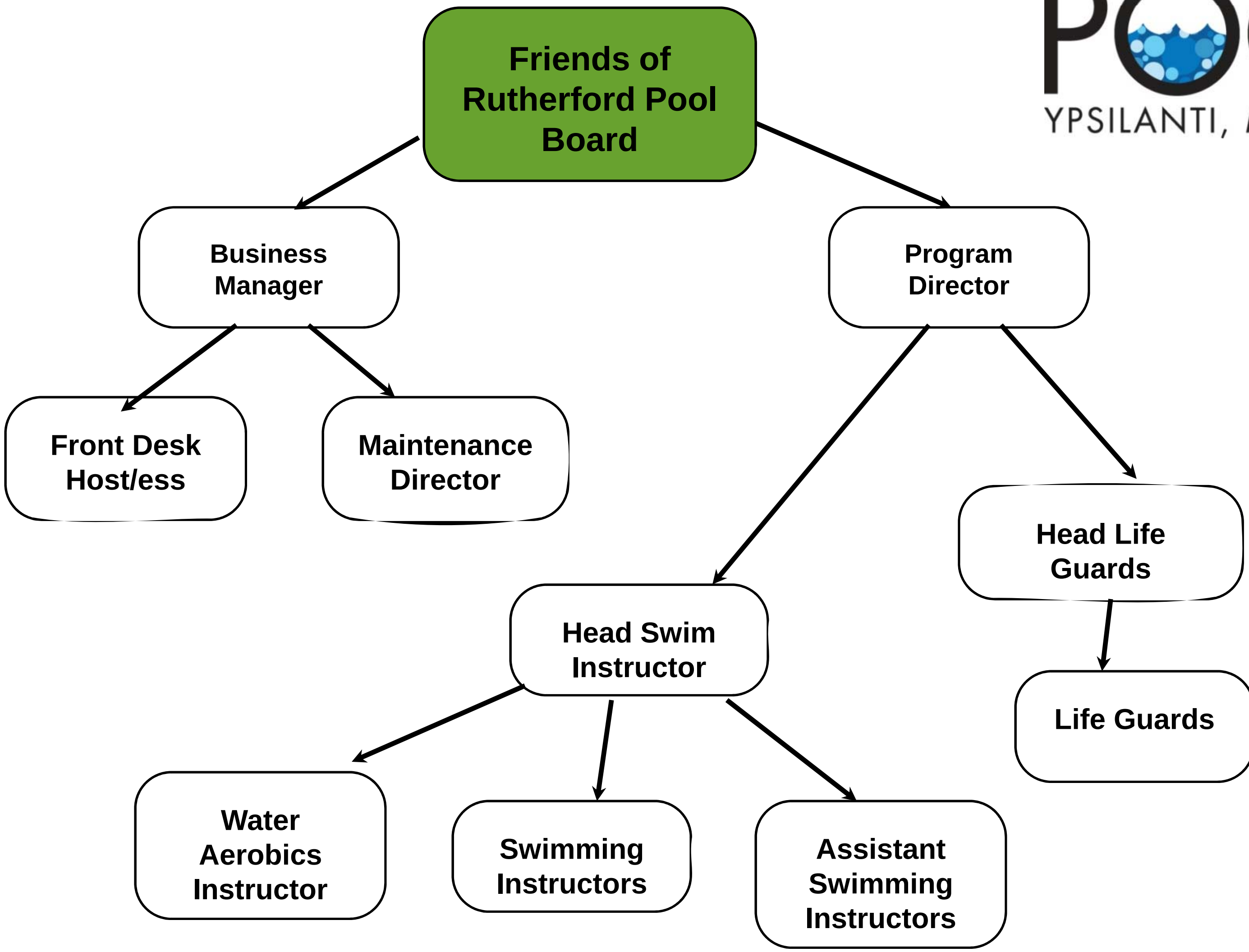
Income & Expenses Summary

	2011	2012 (projected)	2013 (projected)	2014 (projected)
Income	$74,774	$97,516	$94,591	$96,606
Expenses		$84,762*	$85,767*	$86,532*

* - includes $10,000 Deferred Maintenance, non-cash expense

Organizational Chart

FRIENDS OF RUTHERFORD POOL
YPSILANTI, MICHIGAN



Next Steps

- Complete agreement with City (*mid-January*)
- Raise additional money (*throughout*)
- Develop Certified Construction Documents (*January 16-February 16*)
- State DNRE Review & Approval (February 17-March 17)
- Competitive Bidding Process Pool Rebuild (March 17-March 28)
- Competitive Bidding and Selection of Construction Oversight Group (March 17-28)
- Pool Rebuild (April 1-June 15)

Questions?

Resolution No. 2012 – 001
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of November 29, December 12, December 13 and December 20, 2011 be approved.

OFFERED BY: ______________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE:

Draft

CITY OF YPSILANTI
COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, DECEMBER 20, 2011
CLOSED SESSION – 6:00 P.M.
OPEN SESSION - 7:00 P.M.

I. CALL TO ORDER

The meeting was called to order at 6:02 p.m.

II. ROLL CALL

Council Member Bodary	Present	Council Member Robb	Present
Council Member Jefferson	Present (6:08)	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Present (6:07)		

III. INVOCATION

The Mayor 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. CLOSED SESSION – (6:00 – 7:00 p.m.)

Closed Session to discuss collective bargaining (OMA 15.268, Section 8(c).

On roll call, the vote to adjourn to closed session was as follows:

Council Member Jefferson	Absent	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Bodary	Yes
Council Member Robb	Yes		

VOTE:

Yes: 5 No: 0 Absent: 2 (Jefferson, Richardson) Vote: Carried

The meeting adjourned to closed session at 6:04 p.m.

The open meeting reconvened at 7:31 p.m.

VI. INTRODUCTIONS

Mayor Schreiber introduced Heather Van Poucker, MML; Michael Ford, AATA CEO; Sarah Gryniewicz, AATA Community Outreach Coordinator; Fire Chief Jon Ichesco; Police Chief Amy Walker and Housing Commissioner Bernice Ethington.

VII. AGENDA APPROVAL

Mayor Schreiber requested the second Closed Session be deleted.

On a voice vote the agenda was approved as amended.

VIII. PRESENTATION

Public Transportation Agreement - Sarah Gryniewicz, AATA Community Outreach Coordinator and Mike Ford, AATA CEO ***(Presentation on file in Clerk's Office)***

IX. AUDIENCE PARTICIPATION

1. Mark Hergott, 111 Miles said the income tax proposal is a poison pill and he opposes it. He suggested Council put it on the ballot in August when college students are gone and said he doesn't think people will come to live in Ypsilanti if passed. He further stated he feels the street light assessment is important and said he will support the millage and will campaign for it. He urged Council to figure out what to do with the police and fire retirements and how to work with Superior and Ypsilanti townships in order to spread the tax load among communities.

2. Mr. Levy wished everyone a Merry Christmas and Happy New Year.

X. REMARKS BY THE MAYOR

Mayor Schreiber wished everyone happy holidays.

The Mayor appreciated Mr. Hergott's comments and his interest in the well being of the city and said there are a number of things included in the city's 5 year plan. He stated regional authorities are needed everywhere and the city has been working toward forming a regional fire authority for some time now.

Mayor Pro-Tem Richardson thanked Mr. Levy for his encouraging word and always being positive.

XI. PUBLIC HEARINGS

1. Approval of a resolution creating an Obsolete Property Rehabilitation Exemption District pursuant to Public Act 146 of 2000 (the Act), as amended for Parcel #11-11-40-485-007 (16 N. Washington St.).

   A. Resolution No. 2011-264, determination.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Tax abatements further encourage economic development through providing support to development or redevelopment projects that otherwise may not have occurred; and

WHEREAS, the Obsolete Property Rehabilitation Act, Public Act 146 of 2000, as amended, provides for a tax incentive to encourage the redevelopment of obsolete buildings; and

WHEREAS, the parcels within the proposed district are characterized by obsolete commercial or commercial housing property as required in the Act; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council establishes the Obsolete Property Rehabilitation District consisting of parcel #11-11-40-485-007 – 16 N. Washington St.).

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Murdock

Planner Gillotti gave the staff report. She stated a bank foreclosure in 2010 resulted in a sale of 16 N. Washington Street to Prima Vera Italiana, LLC in January of 2011. The property was most recently Biggie's restaurant, but has been vacant since the bank foreclosure.

The first floor space has been occupied as a restaurant but the upper story has remained undeveloped. Staff had been in contact with the new owner in the spring/summer of 2011, about the potential for redevelopment of the entire building, and the Assessor had provided the affidavit determining the property as "functionally obsolete" on April 19, 2011.

The owner proposes to redevelop the property in phases, starting with renovation of the first floor space to open an Italian restaurant. Phase II would be the development of the unfinished upper story which may include additional restaurant space in addition to residential unit(s).

She stated the application is for an Obsolete Property Rehabilitation Act (OPRA) exemption for 12 years and would effectively freeze the value of the improvements on the property at the 2011 taxable value which is approximately $85,100.00. Upon completion, the estimated value of the building with improvements would be $250,000.00. The City Assessor provided estimates of the benefit to the owner/developer with the approval of an OPRA tax exemption.

As the property is located in the DDA, it was requested that the DDA Board provide a recommendation. At its December 15, 2011 meeting, the DDA Board passed a resolution recommending approval of the OPRA exemption for 12 years and is not requesting reimbursement upon approval of the OPRA tax exemption.

Staff has noted to the applicant that there is a lack of information on the Phase II improvements to the upper story as well as a timeline for improvements. However, the redevelopment of the building and the addition of the restaurant would be an ongoing benefit to the revitalization of the downtown business district in line with the 5-year Blueprint for Downtown.

The applicant is current on all taxes as of December 19, 2011.

Mr. Piero Sbrago, owner of 16 N. Washington, said his plans are to open a restaurant in the lower level with residential above. He said his plan will require complete new construction to meet city codes. He said this is his first time operating his own restaurant but with his experience working in restaurants he feels he will be successful in Ypsilanti.

B. Open the public hearing.

1. Mark Hergott, 111 Miles, said it sounds like the OPRA is a good incentive for business. He said the city must use all of its tools and bring people to Ypsilanti. He recommended City Council approve the request.

C. Resolution No. 2011-265, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on "approval of a resolution creating an Obsolete Property Rehabilitation Exemption District pursuant to Public Act 146 of 2000, as amended for parcels #11-11-40-485-026 (16 N. Washington St.)" be officially closed.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Bodary

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

On roll call the vote to approve Resolution No. 2011-264 was as follows:

Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes	Council Member Bodary	Yes
Council Member Robb	Yes	Council Member Jefferson	Yes
Council Member Vogt	Yes		

VOTE:

Yes: 7 No: 0 Absent: 0 Vote: Carried

2. Approval of a resolution granting an Obsolete Property Rehabilitation Exemption Certificate to Prima Vera Italiana, LLC pursuant to Public Act 146 of 2000 (the Act), as amended for Parcel #11-40-485-007 (16 N. Washington St.).

A. Resolution No. 2011-266, determination.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Obsolete Property Rehabilitation Act, Public Act 146 of 2000 (the "Act"), provides for a tax incentive to encourage the redevelopment of obsolete buildings through the establishment of an Obsolete Property Rehabilitation District; and

WHEREAS, pursuant to PA 146 of 2000, the City of Ypsilanti is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and

WHEREAS, the Council of the City of Ypsilanti legally established an Obsolete Property Rehabilitation District that includes parcel #11-11-40-485-007 (16 N. Washington Street) on December 20, 2011 after a public hearing held on the same date as provided by section 3 of Public Act 146 of 2000; and

WHEREAS, the property at 16 N. Washington Street certified functionally obsolete by the City Assessor per P.A. 146 on April 18, 2011; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Ypsilanti eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, the owners of the above referenced parcels, Prima Vera Italiana, LLC, have submitted an application for an obsolete property as defined in section 2(h) of Public Act 146 of 2000 requesting an exemption for a period of 12 years as a function of the Act; and

WHEREAS, the applicant indicated the project will a) increase commercial activity, b) create employment, c) revitalize urban areas and d) increase number of residents in the community where the facility is situated, as noted in the "Instructions" section of the Application for Obsolete Property Rehabilitation Exemption Certificate; and

WHEREAS, the owners of the above referenced parcel have proposed to rehabilitate currently vacant and functionally obsolete structures into a ground floor commercial, and upper story residential units; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Ypsilanti; and

WHEREAS the rehabilitation includes improvements aggregating approximately 100% of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

WHEREAS, the application is not recommended for an extension; and

WHEREAS the completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, revitalize urban areas, and increase number of residents in the community in which the facility is situated.

WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on December 20, 2011; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council hereby grants an Obsolete Property Rehabilitation Exemption for a period of 12 years beginning December 31, 2011 and ending December 30, 2023 for the real property, excluding land, located in the Obsolete Property Rehabilitation District defined by parcel #11-11-40-485-007 (16 N. Washington) pursuant to the provisions of PA 146 of 2000, as amended, subject to completion of the renovations within three (3) years, the final approval of exemption certificates by the State Tax Commission, and to the taxes on the property being paid on time.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Robb

B. Open the public hearing.

No one was present to speak.

C. Resolution No. 2011-267, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on "approval of a resolution granting an Obsolete Property Rehabilitation Exemption Certificate to Prima Vera Italiana, LLC pursuant to Public Act 146 of 2000, as amended for parcel #11-11-40-485-007 (16 N. Washington St.)" be officially closed.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Jefferson

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

Council Member Robb moved to table Resolution No. 2011-266 until January 10, 2011 to allow Council to review documents not included in the on-line Council packet.

The motion died for lack of support.

On roll call the vote to approve Resolution No. 2011-266 was as follows:

Mayor Pro-Tem Richardson	Yes	Council Member Bodary	Yes
Council Member Robb	Yes	Council Member Jefferson	Yes
Council Member Vogt	Yes	Council Member Murdock	Yes
Mayor Schreiber	Yes		

VOTE:

Yes: 7 No: 0 Absent: 0 Vote: Carried

XII. MINUTES

Resolution No. 2011-268, approving the minutes of December 6, 2011.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of December 6, 2011 be approved.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

Mayor Schreiber noted the word paser should be changed to pazer in the minutes.
On a voice vote the minutes were approved.

XIII. <u>CONSENT AGENDA</u> – Resolution No. 2011-269

1. Resolution No. 2011-270, approving an ordinance to vacate city street running easterly from West Forest Avenue between Lots 23 and 24 and terminating at Lot 25 of Assessor's Plat No. 3 in the City of Ypsilanti (Ordinance No. 1168). **(*Second Reading)***

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   WHEREAS Assessor's Plat No. 3, City of Ypsilanti, was duly recorded in the Washtenaw County Register of Deeds office; and

   WHEREAS said Assessor's Plat No. 3 shows a public street running southerly from West Forest Avenue between Lots 23 and 24 of said Plat, and terminating at the boundary of Lot 25 of said Plat; and

   WHEREAS said street has not been open to the public for some time, and Lots 23, 24 and 25 have been under common ownership for a long period of time; and

   WHEREAS the present owners desire to continue said common ownership and sell the parcel in one piece as tax ID 11-11-40-105-024; and

   WHEREAS there is some indication in the chain of title that the street has been previously vacated; and

   WHEREAS there is no record at the Register of Deeds office or record that can be found in the City records indicating said vacation; and

   WHEREAS City Council finds that it is in the best interests of the City and the lot owners surrounding the street to vacate said street; and

   WHEREAS the owners have petitioned for the vacation of said street.

   NOW THEREFORE IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI That an ordinance entitled "Resolution to approve Ordinance to vacate city street between Lots 23 and 24, Assessor's Plat No. 3" be approved at Second and Final Reading.

2. Resolution No. 2011-271, approving contract with Belfor for emergency and non-emergency board-up services.

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   Whereas, City staff may in emergency situations require a home to be secured due to fire or vandalism; and

Whereas, the City secured bids for emergency board up companies; and

Whereas, Belfor submitted no charges to the City for emergency services.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approve the emergency board up contract with Belfor and authorize the Mayor and City Clerk to sign the agreement.

3. Resolution No. 2011-272, approving contract for Senior Center improvements.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Ypsilanti City Council approved the Community Development Block Grant (CDBG) expenditures dedicated to Ypsilanti through the Washtenaw Count y Urban County on January 12, 2010; and

WHEREAS, one of the projects identified for 2010-2011 CDBG expenditures is commercial kitchen upgrades at the Senior Center;

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approves the attached contract with Washtenaw County for expenditure of CDBG funds for the Senior Center kitchen upgrades.

FURTHER, that the Mayor and City Clerk are authorized to sign the contract to approval by the City Attorney.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Council Member Bodary

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

XIV. RESOLUTIONS/MOTIONS/DISCUSSIONS

1. Resolution No. 2011-223, approving a public transportation agreement between Ann Arbor Transit Authority, Cities of Ypsilanti and Ann Arbor and Washtenaw County. ***(Removed October 4, 2011)***

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, in November, 2010, residents of the City of Ypsilanti approved amending the city charter to allow for the designation of.9879 mills to purchase bus service and A-ride service from the Ann Arbor Transportation Authority; and

WHEREAS, the AATA is moving toward providing county-wide public transportation services that require approval of a Public Transportation Agreement between AATA, the City of Ann Arbor, the City of Ypsilanti, and Washtenaw County. Under Public Act 196, approval of this

agreement will result in the formulation of a new County Transportation Authority; and

WHEREAS, an Unincorporated Transit Board comprised of 15 representatives from the entire county will be formed to establish the preliminary process of governance of the new Transportation Authority and develop a 5-Year Transit Improvement Program; and

WHEREAS, in exchange for transferring the transportation millage set at the 2012 millage rate to the new Transportation Authority, the City of Ypsilanti will appoint one director to the Unincorporated Transit Board; and

WHEREAS, county wide voter approval of a funding source for the new Transportation Authority is required by December 31, 2014. If action fails to occur prior to December 31, 2015, the Public Transportation Agreement between the parties will automatically terminate.

NOW THEREFORE IT IS RESOLVED that the City Council approves the Public Transportation Agreement between AATA, the cities of Ann Arbor and Ypsilanti, and Washtenaw County.

Council Member Murdock stated this item was tabled in the past to prevent the City from being the first to approve the agreement. He said the intent was to wait and see what the final agreement would be and if it would be signed by others. He said the resolution indicates Council will approve the agreement and if the agreement is not finalized approving the resolution will authorize the Mayor to finalize it and that is not usual practice.

Mayor Schreiber said the City Attorney would approve for substance, any agreement prior to him signing.

AATA CEO Mike Ford said all parties are aware of the provisions of the agreement and AATA is seeking approval in order to set up the framework.

Mayor Pro-Tem Richardson suggested Council vote with the provision that the city can opt out.

Mayor Schreiber suggested Council change the wording to allow the Mayor to sign with approval of the intent by the City Attorney.

Mayor Schreiber asked Mr. Ford if there would be any negative effect if nothing happens tonight.

Mr. Ford answered no and said AATA would like to move the process along.

Mr. Murdock asked when does AATA expect the funding source.

Mr. Ford answered if there is no funding source by the end of 2014 the process dissolves.

Mayor Schreiber agreed with Mayor Pro-Tem to go ahead and sign the agreement and move things forward.

Council Member Jefferson concurred with Mayor Schreiber and Mayor Pro-Tem Richardson and said the agreement can always come back to Council if necessary.

Council Member Robb said there is no benefit for Council to vote ahead of Ann Arbor and the County.

Council Member Vogt supporting waiting to vote and making the decision with everyone else. He supported waiting to vote until January 10th.

Mayor Schreiber asked if there were any concerns with the agreement as it currently is.

Council Member Murdock answered yes and said he would refer his comments o the Mayor who represents Council.

Council Member Bodary supported tabling the request.

There were no objections to placing the item on the January 10th agenda.

No action taken. Item deferred to January 10, 2012.

2. Resolution No. 2011-273, approving contract with the Michigan Municipal League for City Manager search.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Michigan Municipal League ("MML") is committed to strengthening the quality of municipal government and administration in Michigan; and

WHEREAS, the MML offers Executive Search Services to municipal governments throughout the State of Michigan; and

WHEREAS, the MML Executive Search Services recognize that selecting effective leadership for the City of Ypsilanti is critical to organizational success and, accordingly, MML staff will work closely with the City Council to gain a full understanding of the priorities of the community and structure the search process to gain a complete picture of a candidate's experience, qualifications and management style; and

WHEREAS, as a non-profit membership organization, the MML is able to offer its members highly professional executive search services at a very competitive price; and

WHEREAS, the objective of the MML Executive Search Service is to find the best management professionals to serve its member communities, including the City of Ypsilanti; and

WHEREAS, the Ypsilanti City Council has determined it to be in the best interests of the City of Ypsilanti to enter into an agreement with the MML to provide Executive Search Services for the position of City Manager.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council does hereby authorize and direct the Mayor and City Clerk to enter into an Agreement by and between the MML and the City of Ypsilanti to provide Executive Search Services for the position of City Manager.

OFFERED BY: Mayor Pro-Tem Richardson

SUPPORTED BY: Council Member Bodary

Administrative Services Director Kowal stated he looked at the Michigan Municipal League (MML) and a couple of private search firms and the private ones are more costly however the service is pretty much the same. He said Heather Van Ploucker would be assigned to the Ypsilanti executive search and she is present to answer questions.

Heather Van Ploucker, MML Director of Information and Policy Research, explained that the MML Executive Search is done nationally and with a competitive candidate pool. She said a lot of candidates are from out of state. She said the MML has a straightforward proven approach and the search facilitator will work closely with the entity.

She explained that MML profiles the community and sells what the community has to offer and makes sure that there is a strong match on both sides. She said the profile allows them to narrow fields and bring in only those who best meet and exceed the qualifications set forth. She said MML provides a summary of the candidates and will not lift the veil of confidentiality, however Council will receive everything. She said the MML doesn't give the full resume and packet of a candidate until Council decides to interview the person. She said there may be extra costs for bells and whistles such as roundtables, personality testing, meet and greets, etc. She said advertising and background checking are extra expenses as well but as a non-profit, she said the MML does all they can to control costs.

Council Member Murdock asked what is the projected time frame for the search.

Ms. Van Ploucker answered 60-90 days. She said the time frame may also depend on the candidate.

Council Member Murdock asked what steps are involved.

Ms. Van Ploucker said there is a 12 week time frame. She said the MML acts quickly and will begin working one week after the ad closes. She said any bells and whistles will add to the time frame.

Council Member Murdock asked who are the facilitators?

Ms. Van Ploucker named a few facilitator's used by the MML and said a facilitator is assigned based on the city's preference and the facilitator's availability.

Council Member Robb asked when Council would know about the bells and whistles.

Mr. Koryzno answered Council could decide now if they want a standard package or additional items which include bells and whistles, and select one of the two facilitators that are available.

Mayor Schreiber said he likes Joyce Parker who is an emergency manager for Ecorse. He said she would understand the city's fiscal issues and know the capabilities the City is looking for. He suggested Council consider Ms. Parker.

Mayor Pro-Tem Richardson said she knows Ms. Parker who was the city manager of Inkster for years and left the city in excellent shape. She said Ms. Parker did good things for Inkster and often had out of the box ideas for funding. She said Ms. Parker is highly respected among city managers and if available she supports selecting her as facilitator.

Council Member Murdock concurred with Mayor Pro-Tem Richardson.

Council Member Robb questioned if Ms. Parker would have the time.

Mayor Pro-Tem Richardson answered yes, she would have time.

Ms. Van Ploucker said a lot of work is done on off-hours.

There were no objections to selecting Ms. Joyce Parker.

Mr. Koryzno asked if there is any targeted outreach to develop the profile.

Ms. Van Ploucker said targeted outreach would involve additional on-site meetings with stakeholders, businesses, groups, staff members, bargaining units, etc. and does cost.

Council Member Robb said outside focus groups are not needed.

Council Member Murdock said a public meeting would be held to develop the profile and the public could add their input then if they desire to.

Ms. Van Ploucker said it is rare that they do this.

Council Member Murdock suggested Council publicize the meeting in case the public wants to have input.

Mayor Schreiber said he is interested in a study and said it seems that the city is not competitive. He asked how salary is determined with minimal experience.

Ms. Van Ploucker answered the post depends on qualifications initially. She said MML will research the state wide market for communities of similar size to give you a feel of the range of salaries and will price it 10% of the salary range, as a basic search.

Mayor Schreiber said the city already has a background service they use so no background is needed. .

Council Member Bodary moved to add the following to the last paragraph:

> **NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council does hereby authorize and direct the Mayor and City Clerk to enter into an Agreement by and between the MML and the City of Ypsilanti to provide Executive Search Services for the position of City Manager <u>WITH JOYCE PARKER AS SEARCH FACILITATOR AND THAT THE SEARCH EXPENSES SHALL NOT EXCEED 10% OF THE PROJECTED MID-POINT OF THE SALARY RANGE FOR THE CITY MANAGER.</u>**

On a voice vote the amendment carried.

On roll call the vote to approve Resolution No. 2011-273 as amended was as follows:

Council Member Robb	Yes	Council Member Jefferson	Yes
Council Member Vogt	Yes	Council Member Murdock	Yes
Mayor Schreiber	Yes	Mayor Pro-Tem Richardson	Yes
Council Member Bodary	Yes		

VOTE:

Yes: 7 No: 0 Absent: 0 Vote: Carried

Resolution No. 2011-273 as adopted reads as follows:

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Michigan Municipal League ("MML") is committed to strengthening the quality of municipal government and administration in Michigan; and

WHEREAS, the MML offers Executive Search Services to municipal governments throughout the State of Michigan; and

WHEREAS, the MML Executive Search Services recognize that selecting effective leadership for the City of Ypsilanti is critical to organizational success and, accordingly, MML staff will work closely with the City Council to gain a full understanding of the priorities of the community and structure the search process to gain a complete picture of a candidate's experience, qualifications and management style; and

WHEREAS, as a non-profit membership organization, the MML is able to offer its members highly professional executive search services at a very competitive price; and

WHEREAS, the objective of the MML Executive Search Service is to find the best management professionals to serve its member communities, including the City of Ypsilanti; and

WHEREAS, the Ypsilanti City Council has determined it to be in the best interests of the City of Ypsilanti to enter into an agreement with the MML to provide Executive Search Services for the position of City Manager.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council does hereby authorize and direct the Mayor and City Clerk to enter into an Agreement by and between the MML and the City of Ypsilanti to provide Executive Search Services for the position of City Manager with Joyce Parker as Search Facilitator and that the search expenses shall not exceed 10% of the projected mid-point of the salary range for the City Manager.

3. Resolution No. 2011-260, approving traffic control order for Lincoln Street. ***(Tabled December 6, 2011)***

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the east side of the 200 block of Lincoln St. has persistent problems with cars parked within the roadway; and

WHEREAS, previous enforcement efforts have provided only short term fixes; and

WHEREAS, the parking problems have created an impediment to the travel of fire and other emergency vehicles on the streets;

NOW THEREFORE BE IT RESOLVED, THAT the City Council hereby approves Traffic Control Order 2011-04 and authorizes the requested change to No Parking, and Tow Away Zone for the east side of the 200 block of Lincoln Street.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Murdock

Council Member Murdock said he discussed this with the businesses and they were concerned there is no place for customers to park. He inquired about the paved median and said tickets have been issued for parking there.

Mr. Koryzno said the street was surveyed and measurements were used to determine the right-of-way and what was public property.

Council Member Murdock said people are being ticketed on the median. He said businesses want customer parking or some sort of drop-off. He asked if accommodations can be made.
Mr. Koryzno said he would discuss this with staff and come up with a solution.

Council Member Murdock said there are two businesses in the block with similar problems.

Mr. Koryzno said he will take a look at it and come back with a proposal.

Council Member Murdock moved, supported by Mayor Pro-Tem Richardson, to table the request until January 10, 2011 to get a recommendation from staff.

Attorney Barr asked if the current traffic control order would be extended.

Mr. Koryzno answered yes.

On a voice vote the motion was approved and the resolution tabled.

4. Resolution No. 2011-274, approving Interim City Manager selection and authorizing negotiation of an employment agreement.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Manager of the City of Ypsilanti recently filed a letter of resignation with the City Council; and

WHEREAS, the City Council has determined it to be in the best interest of the City of Ypsilanti to hire an Interim City Manager while the Council performs an executive recruitment process for a new City Manager; and

WHEREAS, the Ypsilanti City Council conducted on December 12, 2011 interviews with four (4) candidates for the position of Interim City Manager; and

WHEREAS, the City Council has established the requisite knowledge, skills, abilities and relevant experience that an Interim City Manager should possess in order to be an effective interim chief administrative officer of the City; and

WHEREAS, the City Council has determined that one candidate best matches the position profile that the City Council established for the position of Interim City Manager.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council does hereby authorize and direct Mayor Schreiber, Mayor Pro Tem Richardson, and Councilperson Robb to negotiate an acceptable Agreement by and between the City of Ypsilanti and ____John Hansen___ to serve as Interim City Manager on a fulltime basis for an indefinite period of time.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Mayor Pro-Tem Richardson

Council Member Murdock said there were some very good candidates and all had some strengths, however, Mr. Hansen was the best fit for this time and the city will keep him busy for several months.

Council Member Bodary agreed with Mr. Murdock and said he thought Mr. Hansen stood out as someone with a variety of experience and a lot of contacts that could be valuable to the city in the long run.

Council Member Vogt said everybody had strong positives. He said he has followed Mr. Hansen's activities and feels he would be the best candidate considering all things. He said he is pleased to have him as the choice.

Mayor Pro-Tem Richardson agreed with Council's selection of Mr. Hansen and apologized for not being present. She said she read about all of the candidates and she feels Mr. Hansen will suit Council well, will be fair and will use wisdom in helping the city through this time because he has a lot of experience as an interim.

Council Member Jefferson said the candidates were great and all had great backgrounds and skill working with people however, Mr. Hansen has proven he can deal with people. He said the city is trying to speak to the public and needs someone who can be trusted to deal with the people. He said Mr. Hansen has no trust issues and he impressed him with being a career interim. He said this is his specialty and he knows what the job requires.

Mayor Schreiber said he strongly supports Mr. Hansen and was impressed with the fact that he was involved in and was one of the forces to start the wheels turning with the merge of the Ann Arbor and Ypsilanti Chambers of Commerce.

On roll call the vote to approve Resolution 2011-274 was as follows:

Council Member Vogt	Yes	Council Member Murdock	Yes
Mayor Schreiber	Yes	Mayor Pro-Tem Richardson	Yes
Council Member Bodary	Yes	Council Member Robb	Yes
Council Member Jefferson	Yes		

VOTE:

Yes: 7 No: 0 Absent: 0 Vote: Carried

XV. LIASON REPORTS

A. SEMCOG Update - nothing
B. Washtenaw Area Transportation Study – meeting tomorrow
C. Washtenaw Metro Alliance - meeting in January
D. Urban Counties – this month meeting cancelled

E. Freight House - nothing

Mayor Pro-Tem Richardson announced the city received support to remain a part of the Aerotropolis at a reduced cost.

XVI. COUNCIL PROPOSED BUSINESS

RICHARDSON

Mayor Pro-Tem Richardson encouraged city staff to set up a meeting with HUD as soon as possible.

Murdock

Council Member Murdock indicated he was contacted recently about code enforcement and suggested the city give notification to residents to remind them of trash, weeds, snow etc.

Mr. Murdock reported that the pedestrian push button at Cross and River Streets is not working and the clock in Depot Town is still not working.

Robb

Council Member Robb reported that in Depot Town there are spaces of unlimited parking near River and said he would like to make them two-hour parking like the rest of Cross and River Streets. He also said signs are needed on River Street.

Bodary

Council Member Bodary stated seeing that Mr. Jackson is now helping Mr. Daniel, it would be helpful to have someone patrol the city and look for things still lagging from the fall, like leaves.

Mr. Bodary thanked Mr. Jackson for his promptness in reviewing Whitmire Street and addressing the prospective blight and unfinished construction work there which was an eyesore to the neighborhood.

He reported he met with the Mayor's Millennial conference and they discussed the vision for the MMC millennials for the coming year and he would like them to make a presentation to City Council on February 5, 2012. He said he would send a draft to the City Clerk.

Jefferson

Council Member Jefferson said he would like to receive notification of when bids are due for kitchen improvements at the Senior Center.

Ms. Gillotti said she would inform him.

Mr. Jefferson reported the YHC has been having meetings and Council has not received any bi-weekly updates as previously requested. He said the Executive Director is standing in as secretary and Council has not received minutes at a reasonable time.

Mayor Schreiber suggested City Council go through the Housing Commissioners instead of city staff when making requests. He said he thinks Council can meet with HUD on their own and said he feels city staff has no responsibility to make sure the YHC runs. He said he would vote to not have staff participate in the HUD meeting.

City Manager Koryzno suggested that Council make a resolution that the YHC forward minutes and all pertinent information to City Council, in compliance with OMA and bi-weekly reports on the sustainability plan.

Mayor Pro-Tem Richardson moved, supported by Council Member Jefferson to request that the Ypsilanti Housing Commission (YHC) forward minutes and all pertinent information to City Council, in compliance with the Open Meetings Act (OMA).

Council Member Jefferson made a friendly amendment to add bi-weekly progress reports.

Amendment accepted by Mayor Pro-Tem Richardson.

Amendment reads as follows:

> THAT the Ypsilanti Housing Commission (YHC) forward minutes and all pertinent information to City Council, in compliance with OMA and bi-weekly reports on the sustainability plan.

Council Member Murdock stated the City of Ypsilanti owns the property of the YHC and thus is responsible for it. He said it is not an unreasonable request for staff to attend the meeting with HUD. He said it is a legitimate request seeing that appointments to the YHC are Council's responsibility. He said he feels the Mayor is running interference and he is tired of it.

On a voice vote the motion carried.

XVII. COMMUNICATIONS FROM THE MAYOR

Mayor Schreiber clarified he received a one page memo stating that issues were found at the YHC and it was preliminary. He said he met with Mr. Norris who said he would wait until the full report came out and then forward it to Council and that is what occurred.

Council Member Murdock stated Council never saw anything or was made aware of any issues with the YHC until the recent resolution regarding the sustainability plan came to Council for approval.

Nominations: John McMillan (Fire Civil Service Commission)
504 North Huron St.
Ypsilanti, Michigan 48197
Term: 1/10/12 – 1/10/16 (confirm date)

Jennifer Henricksen (reappointment to HDC)
709 Prospect
Ypsilanti, Michigan 48197
Term: 1/31/2012 – 1/31/2015

Ron Rupert (reappointment to HDC)
421 N. Huron
Ypsilanti, Michigan 48197
Term: 1/31/2012 – 1/31/2015

XVIII. COMMUNICATIONS FROM THE CITY MANAGER

City Manager Koryzno said he has no objections to meeting with HUD. He said if the entire Council desires to attend the meeting it needs to be an open meeting if not Council should decide who will attend and at what time.

It was determined that Council Members Jefferson, Murdock and Mayor Pro-Tem Richardson would attend the meeting along with City Manager Koryzno.

Mr. Koryzno asked if Council desires to discuss any issues other than the sustainability report.

Council Member Murdock answered yes, he would like to know the city's status with HUD.

Council Member Bodary asked staff to take notes of the meeting to be distributed to Council.

Mr. Koryzno indicated he would take notes for Council members not attending the meeting.

Ms. Gillotti reported she met with Mr. Tetans of the County Parks and Recreations Department regarding the recreation center proposal and they have come to terms on some major issues. She said a memorandum of understanding is forthcoming in January. She indicated

Council Member Murdock asked if there is a time frame for the project.

Ms. Gillotti answered they are working together to come up with a time line in order to put it in the agreement. She said the agreement should lay everything out, including the required public hearing, taking the property off the market and transferring of the property.

City Manager Koryzno wished City Council a Merry Christmas and a Happy New Year.

XIX. <u>AUDIENCE PARTICIPATION</u>

Mark Hergott commended Council for their hard work and said he appreciates everyone. He wished the best for Mr. Koryzno in the future and encouraged Council to resolve disagreements regarding how the YHC should operate.

XX. <u>REMARKS FROM THE MAYOR</u>

Mayor Schreiber appreciated Mr. Hergott's remarks.

XXI. <u>CLOSED SESSION</u> – *(Deleted)*

~~Closed Session to discuss collective bargaining (OMA 15.268, Section 8(c).~~

XXII. <u>ADJOURNMENT</u>

Resolution No. 2011-275, adjourning the City Council Meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried and the meeting adjourned at 10:18 p.m.

Draft

City of Ypsilanti
Financial Goal Setting Minutes
City Council Chambers – One South Huron St.
Tuesday, December 13, 2011
6:00 p.m.

I. CALL TO ORDER

The meeting was called to order at 6:05 p.m.

II. ROLL CALL

Council Member Bodary	Present	Council Member Robb	Present
Council Member Jefferson	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Present (6:07)		

Council Member Murdock moved, supported by Council Member Vogt to excuse the absence of Mayor Pro-Tem Richardson. On a voice vote the absence was excused.

III. INVOCATION

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

IV. PLEDGE OF ALLEGIANCE

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS

Mayor Schreiber introduced Ypsilanti Fire Chief Jon Ichesco, Fire Inspector John Roe, Ypsilanti Fire Chief Eric Copeland, DDA Director Tim Colbeck, Police Chief Amy Walker, Police Lieutenant Craig Annas, Police Lieutenant DeRidder Fiscal Services Director Marilou Uy, Public Services Director Stan Kirton and Administrative Services Director David Kowal.

VI. APPROVAL OF AGENDA - ***(added)***

Council Member Murdock requested to add Resolution No. 2011-263 to the agenda.

The agenda was approved as amended.

VII. AUDIENCE PARTICIPATION

Mayor Schreiber read the rules for audience participation.

No one was present to speak.

VIII. REMARKS FROM THE MAYOR

Mayor Schreiber stated the purpose of this last scheduled financial goal setting session and Council's job is to put finishing touches on the 5 year plan. He encouraged Council members to speak up tonight if there is anything left to be handled.

RESOLUTIONS/MOTIONS/DISCUSSIONS – ***(added)***

Resolution No. 2011-263, regarding charter commission.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS the Charter of the City of Ypsilanti is the most important governing document for the City's existence as a Home Rule City; and

WHEREAS the City Charter preamble Section III PRINCIPLE OF ACCOUNTABILITY requires that "Public servants should assure that government is conducted openly, efficiently, equitably and honorably in a manner that permits the citizenry to make informed judgments and hold government officials accountable"; and

WHEREAS the City of Ypsilanti is committed to openness, transparency and public input into the decision-making process of our elected and appointed officials.

NOW THEREFORE BE IT RESOLVED THAT the Council of the City of Ypsilanti urges the Ypsilanti Charter Commission to delay submission of the proposed Charter revision to the Governor until after a public presentation and hearing of the proposed revision is held and the public allowed to comment.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Mayor Pro-Tem Richardson

Council Member Murdock stated the Charter Commission is meeting Thursday and is expected to vote to send the proposed revisions on to the Governor.

Mayor Schreiber said he supports the resolution. He commented that one of the arguments for non-partisan elections is that only three cities in the State have partisan elections but he thinks partisan elections is a way to communicate your ideas to the voters and said he would like to keep things the way they are in Ypsilanti.

Mayor Pro-Tem Richardson supported the resolution and said she thinks the process should be open and transparent allowing a time for the public to review and comment on the proposed revisions.

Council Member Vogt said there is no such thing as non-partisanship. He said what is sought after is honest and objective people. He said having a non-partisan election allows people to hide behind the non-partisan label which steals information from the voter.

He said party labels identify your views, gives the voter more information about the candidate and tells how the candidate is likely to vote in the future. He said he feels non-partisan elections hides the candidate's real intentions from the voter and is a bad idea.

Council Member Bodary said there has been some public comment that an August primary would disenfranchise students from being a part of the election process and that is not true. He said there would be a November election containing the top two vote getters from the August primary and if students are in town they will have a chance to vote. He said residents and students should not be deceived into thinking students will be disenfranchised.

Council Member Murdock gave a brief history of the Charter Commission's initial interest in not changing anything in the charter and that is how they ran during the election. He said it is questionable why there is interest in changing to non-partisan elections at this time and quoted the current chair as stating there is no way for republican's to be elected without the change. He gave examples of those who have ran as an independent and said it is not impossible. He said having a non-partisan election restricts the number of candidates to two and limits the choices. He said it is a bad idea all around.

Council Member Jefferson said he doesn't feel the revisions should be taken to the Governor without a review by the residents.

Mayor Schreiber said the Hatch Act prohibits people from running that are employed in public service however there is no reason to change the city's law because of it therefore the city should stick with current principles.

Mayor Schreiber read the requirements for approval and indicated a two-thirds vote (5 votes) or better will pass the resolution.

On roll call, the vote to approve the resolution was as follows:

Council Member Jefferson	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes	Council Member Bodary	Yes
Council Member Robb	Yes		

VOTE:

Yes: 7 No: 0 Absent: 0 Vote: Carried

IX. FINANCIAL GOAL SETTING ITEMS

A. Selection of FY 2012-2013 City Council Goals

City Manager Koryzno (insert PowerPoint points). Mr. Koryzno stated that a Plan B is needed if neither of the initiatives pass.

Council Member Murdock said the revenue for the street light assessment is not an expenditure. He also said the sale of surplus assets should be included in the plan as well as continuing the exploration of internal organization and cooperative ventures. He said the time frame is restricted and the sooner Council gets the 5 year plan together and go to the voters the better. He said potential election dates are May, August or November.

He clarified that Plan A is a go if everything passes and Plan B would be to cut a lot of stuff.

Mayor Schreiber said he prefers the street light assessment begin now as a part of 2013. He said it is a revenue that will reduce expenses. He asked for comments on employee reductions.

City Manager Koryzno indicated there would be reductions of personnel included in the plan.

Mayor Schreiber said Garden City is averaging $35,000 a year in street light assessments.

Public Services Director Kirton said the assessment would cost $85 per parcel annually, equivalent to $7 or $8 per month.

Mayor Schreiber said he thinks staff should pursue a street light assessment right away.

Mr. Kirton said currently the city pays $500,000 to DTE for streetlights.

Mayor Schreiber said in Garden City 50% was paid from general fund and the remainder by residents.

Council Member Bodary asked staff to prepare list of city-owned assets. He commented he is not comfortable with the services of CBRE and suggested the city look at other brokers. He said a presentation from CBRE is needed.

Mayor Pro-Tem Richardson asked if a storm water utility would cost money or bring money in.

Mr. Koryzno said according to engineering studies, a storm water utility would have to be funded initially but then the utility would generate fees which will bring in money. He said a presentation is forthcoming to Council in January.

He clarified that a storm water fee would apply to both taxable and nontaxable properties equally and the funds are restricted. He said currently the city is spending street funds for this and the city would collect the fee.

Council Member Murdock asked how the city would collect.

Mr. Koryzno said mailing out the assessment with the water bill is one option.

Mayor Schreiber said he received a call from a resident asking when the water surcharge would end because she felt it is too long.

Council Member Vogt advised staff to avoid layoffs as much as possible or minimize them. He encouraged staff to find ways elsewhere to reach goals while preserving cash flow and essential services. He said he desires to preserve people so he would like to get things moving fast. He added that a solid, specific Plan B is needed and suggested Council have it laid out so it is part of what people are shown during the process and allow them to choose Plan A or B. He suggested both plans be straight to the point and said he supports a street light assessment district in the first year.

Council Member Bodary said he doesn't believe asking employees for more concessions will solve the problem and result in a massive loss of the city's leadership. He urged Council and staff to be careful in doing this or the city will lose those with dedication and experience.

Council Member Murdock commented it is delusional to think revenues and expenditures will come in line without addressing health care and pensions. He said using street lighting will generate approximately $650,000.00 but cuts still have to occur.

He said planning is good so Council knows where we're the city is going. He said a combination of things will have to be done and the sooner the steps are taken the better.

Mr. Murdock suggested everything be put into the 5 year financial plan.

Mayor Schreiber said residents do not want to see police and services go down and Council should do its best to provide the services and work quickly on street light special assessment district. He suggested something be done immediately with the street light assessments.

Mayor Pro-Tem Richardson asked what the revenue would be if the income tax and Water Street Debt millage pass.

Mr. Koryzno replied the Water Street millage would generate $1.3 million and it is not currently known the exact amount the income tax would generate because the study needs updating, however City Council has estimated possible $2.25 million.

Mayor Pro-Tem Richardson asked how the Water Street millage would relieve the budget.

Mr. Koryzno answered the Water Street bond payments are not included in the budget currently and the deficit would be doubled if added. He said once the fund balance is depleted, the Water Street obligation would be first and the remaining revenues would be prioritized.

Mayor Schreiber stated Council must decide when to place the issues on the ballot. He said he thinks May is too early because Council does not have a complete plan and suggested August.

Council Member Murdock said he thinks the city should go for May and the 5 year financial projections should be known before then.

Mayor Schreiber asked staff is not sure when the income tax numbers will be available because it depends on securing tax information from the Department of Treasury.

Administrative Services Director Kowal reported he had a pre-conference with consultants recently and they indicated it can be done. He said for an earlier election he would need to go in and change the scope of services on the request for proposal. He said the most important part is obtaining an estimate and he could get that by the end of February which would give them time to get the ballot language together.

Council Member Murdock suggested staff plug in a number as an estimate for the 5 year financial plan as they approach the election and work on planning. He said the question isn't what the number is anyway and said the city should estimate conservatively and make the case based on that number because details of the actual number is not needed for the election. He added that the details from previous the previous income tax study is still available.

Council Member Bodary said he would support a motion to push it forward because he wants to get things moving.

Council Member Murdock said it is possible to get a good figure by projecting from the businesses around along with a bulk of residential.

Council Member Vogt asked what would be a time frame for the income tax and when would the tax begin.

Council Member Murdock answered the tax could begin in January 2013 if the election is in May, otherwise in July 2013.

Council Member Vogt felt people would be less upset if the income tax began in January. He agreed that it doesn't matter how much revenue because the city needs it all and no amount is enough. He said it is important to pick the right time for when it is most likely to be approved and said he is leaning toward a May election because supporters can communicate without being hindered with other arguments and political stuff.

Mayor Pro-Tem Richardson supported starting the process and trying to get it done sooner than later.

Mayor Schreiber asked Council Member Murdock to elaborate on the best time to have a special assessment district.

Council Member Murdock said he assumes options for beginning the special assessment will be brought with the 5 year financial plan. He said he is not opposed to a special assessment but doesn't want to go down that road with other issues on the table. He said he thinks a reality check needs to occur and it would be good to have the options there if something needs to be cut.

Mayor Schreiber asked if Council has any objections to staff working on the special assessment.

Council Member Robb suggested conversion of the entire city to LED and staff would not have to work on the special assessment. He questioned if the city wants to use both tools together.

Mayor Schreiber suggested it be considered as an operational piece. He said he is in favor of staff working on this and making a presentation at the January meeting.

Council Member Robb asked what needs to be worked on.

Mr. Koryzno answered designating which streets and properties.

Mr. Koryzno said he will add to the plan the sale of assets and local cooperation.

Mayor Schreiber asked if there are any objections to assuming an election in May.

There were no objections expressed by Council.

Council Member Vogt suggested Council proceed as if May is the date and fall back on August if necessary.

X. AUDIENCE PARTICIPATION

1. Firefighter Ken Hobbs expressed dissatisfaction in the actions of Council and said he was not sure what just happened. He said he hopes the street light assessment would be done to save employees. He referenced an article in the City of Ann Arbor regarding pensions and suggested that the collective bargaining process be used to reach an agreement to benefit both sides and he would like to continue the process. He said nothing has been laid out yet and the Union doesn't know how to work without direction. He said the fire union wants to work with the city. He said the township is saving on health care by going to a higher deductible and questioned if that is feasible for the city.

2. Mr. Levy, 2504 Eagle Circle, said nobody comes to live where there is poor fire and police protection and if police are cut he will have to buy a shot gun.

He said the YPD is doing a good job rounding up criminals in town and the city should not cut them.

XI. REMARKS FROM THE MAYOR

Mayor Schreiber appreciated Mr. Hobb's comments and said the city adjusted its health care last year and saved $1.2 million. He said the township is doing what the city has done over the last 2-3 years. He said Ypsilanti is trying to do all they can to balance the budget.

Mr. Schreiber appreciated Mr. Levy's comments on fire protection.

XII. ADJOURNMENT

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried and the meeting adjourned at 7:49 p.m.

Draft

CITY OF YPSILANTI
SPECIAL COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS
ONE SOUTH HURON STREET, YPSILANTI, MI 48197
MONDAY, DECEMBER 12, 2011
6:00 P.M.

I. CALL TO ORDER

The meeting was called to order at 6:06 p.m.

II. ROLL CALL

Council Member Bodary	Present	Council Member Robb	Present
Council Member Jefferson	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Absent		

Council Member Bodary moved, supported by Council Member Jefferson to excuse the absence of Mayor Pro-Tem Richardson.

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

III. INVOCATION

The Mayor 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. AUDIENCE PARTICIPATION

None

VI. REMARKS BY THE MAYOR

None

VII. INTERIM CITY MANAGER INTERVIEWS

- **Mark Wollenweber**
- **Reid Charles**
- **Ann Capela**
- **John Hansen**

VIII. MOTIONS/RESOLUTIONS/DISCUSSION

Resolution No. 2011-263, approving Interim City Manager appointment.

No action taken. Council agreed to place this item on the next agenda.

Council gave their general thoughts regarding the candidates.

Mayor Schreiber said he liked how Mr. Wollenweber said he would handle personnel conflicts and was impressed by Ms. Capela's budget knowledge.

Council Member Bodary said he felt Ms. Capela's experience and knowledge of the city places her above Mr. Wollenweber. He said he liked Mr. Hansen and feels he is a good, honest person capable of carrying the City through the impending transition.

Council Member Jefferson said he was impressed with Ms. Capela's understanding of the city's finances and experience with contract negotiations. He said he liked Mr. Wallenweber's answers regarding how he would interact with staff and city residents. Mr. Jefferson said he liked the fact that Mr. Charles was an innovator with good insight and Mr. Hansen was open-minded.

Council Member Vogt expressed concern regarding Ms. Capela's recent problems in the City of Inkster. He said Mr. Hansen is very honest and dedicated but does not have as much experience but felt he could relate to the public and would be easily trusted. He said Mr. Wallenweber was balanced and would be a good fit however distance and his contract price may pose problems.

Council Member Robb said he was impressed with Mr. Hansen because he was the only candidate who said he would meet with Council. He said Mr. Hansen has overseen budgets of $50 million dollars and has experience with unions. He said Mr. Charles blew him away with his years of experience. He thought Mr. Wallenweber would work out fine but was concerned with his work hours and travel. He said he feels Ms. Capela is capable but expresses concern over her being fired with cause from the City of Inkster.

Council Member Murdock said the fact that Ms. Capela had some disagreements with the Inkster City Council and left is a concern for him. He said he liked her financial strength.

IX. REMARKS BY THE MAYOR

None

X. ADJOURNMENT

Council Member Jefferson moved, supported by Council Member Vogt to adjourn the meeting. The meeting adjourned at 9:58 p.m.

Draft

City of Ypsilanti
Financial Goal Setting Minutes
City Council Chambers – One South Huron St.
Tuesday, November 29, 2011
6:00 p.m.

I. CALL TO ORDER

The meeting was called to order at 6:04 p.m.

II. ROLL CALL

Council Member Bodary	Present	Council Member Robb	Present
Council Member Jefferson	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Absent		

Council Member Vogt moved, supported by Council Member Murdock to excuse the absence of Mayor Pro-Tem Richardson.

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

III. INVOCATION

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

IV. PLEDGE OF ALLEGIANCE

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS

Mayor Schreiber introduced Ypsilanti Township Fire Chief Eric Copeland, Fire Chief Jon Ichesco, DDA Director Tim Colbeck, Police Chief Amy Walker, Fiscal Services Director Marilou Uy and Eric Lupher of the Citizens Research Council of Michigan.

VI. AUDIENCE PARTICIPATION

Mayor Schreiber read the rules for audience participation.

Sigrid Melvin reported there is has been a problem for two years with residents viewing their televisions when the service changed from analogue to digital. She said they can no longer see who is in the lobby before letting them in the door. She said people who have Comcast are able to see people. She said she contacted the FCC and they said it's the city's problem since they receive a franchise fee from Comcast. She asked for help solving this problem.

She also said residents no longer have access to Wireless Ypsi and asked what happened. Lastly, Ms. Melvin said there is still a problem with the gaps in the sidewalks and the drain work is still incomplete on Hamilton and Michigan Avenue.

She added that the Veterans Services have people available to assist the city is help is needed in any area.

VII. REMARKS FROM THE MAYOR

Mayor Schreiber said he exchanged emails with Ms. Melvin regarding conditions at Towne Center in the past and suggested a meeting be held with the management to resolve the television problem. Regarding Wireless Ypsi, he said it is a private entity and the city has no involvement in that. He asked Mr. Kirton to address the sidewalks.

Public Services Director Kirton said he has been speaking to MDOT about the ramps and they are in the process of getting estimates to do the work. He also said a patch crew will begin repaving soon.

Council Member Murdock said there are several ramps on Michigan Avenue that are in bad shape and asked if they belong to MDOT.

Mr. Kirton replied he would have to check with the DDA to confirm which belong to MDOT.

VIII. FINANCIAL GOAL SETTING ITEMS

A. Discussion of Long and Short-term Goals
B. Discussion of Action Plans
C. Next Steps

(PowerPoint presentation on file in Clerk's Office)

City Manager Koryzno gave the staff report and stated during the first goal setting session held on November 1, 2011 City Council proposed a number of long and short-term strategies to address the financial challenges facing the City. Council determined their sole objective is to prepare a plan to balance the City's general fund budget during the next five years using a combination of revenue increases and spending reductions. Determining the specifics of the solution is the object of the succeeding goal setting sessions.

Council's discussion on November 1st comprised a broad range of topics and included the need to determine the level of service the City can afford to provide, what our core business should be, what spending reductions are needed and what other revenue sources may be considered. Staff compiled the proposed goals into long and short-term categories.

The long-term category consisted of exploring consolidation study of the City and Township, updating the City Income Tax Feasibility Study, considering Water Street millage ballot proposal, considering Storm Water Utility and a Public Safety Department, exploring a Hybrid Fire Department, considering the sale of City assets, investigating consolidation of City Hall offices and reducing FY 2012-13 budget by $500,000.

The short-term category consisted of collective bargaining negotiations, contacting the Department of Treasury to determine options, general fund reduction options of 1%, 3% and 5%, developing alternative budget projections that contain reductions to share with residents, proposing a multi-faceted communication strategy to inform residents of financial challenges and options, creating a street light special assessment district and researching the cost and benefit of conversion to LED street lights.

Mr. Koryzno gave an update on the actions taken to date to address the proposed long and short-term goals.

Mr. Koryzno stated that staff has not proceeded with the study of the consolidation of the City and Township because both municipalities have not agreed to it and said he has had heard nothing from the Township. He stated Eric Lupher of the Citizens Research Council of Michigan is present to explain the process.

Mayor Schreiber asked Mr. Lupher what can Council do at this time.

Mr. Lupher replied the government should request what the people want and if the people have not initiated the process, staff should do nothing. He explained that a vote of the people would be necessary to consolidate and any study would be devoted to the people.

Mayor Schreiber asked if the residents of the former city would be responsible for paying their debts even if the city is dissolved.

Mr. Lupher replied yes and said the Township would absorb the liability but the burden would rest with the City who created it.

Mayor Schreiber asked if the City would still have the same taxes.

Mr. Lupher replied yes and cited the consolidation of the city and township of Battle Creek. He said other than that there is not much prior experience in the state.

Council Member Murdock asked when would a RFP for an Income Tax study be complete.

Administrative Director Kowal answered RFPs would be due in January and the study would take approximately 3-4 months. He said we are looking at April or May at the earliest.

Council Member Murdock asked if the process could be accelerated.

Mr. Koryzno answered the income tax data comes from the State and he is not sure what their time frame is.

Mr. Koryzno asked if Council would like to proceed with the storm water assessment.

Council Member Robb answered it would generate under $50,000 and would be a waste of time at this moment.

Council Member Murdock said a storm water utility can be assessed without a vote and suggested a presentation to Council be done.

Council Member Bodary didn't feel that exploring the storm water utility is a waste of time. He said the funds could be used to pave a road and would help along the way.

Mayor Schreiber agreed with Council Member Bodary and said the assessment would apply to all properties in the city and he is in favor of going to the next step.

Council Member Robb suggested City Council decide which plans to pursue and encouraged looking into more global ones to present to residents such as the Water Street Debt millage and the City Income Tax proposals.

Mayor Schreiber said the city should be looking at everything in order to come up with a plan and he prefers to do it at once instead of piecemeal.

Council Member Robb suggested Council discuss the strategy first rather than continuing to give the City Manager assignments.

Council Member Murdock said the storm water utility is a good idea but not the major focus for tonight because Council action can get that started. He said there are bigger questions that need to be focused on and then the task of communicating it to the residents.

Council Member Vogt agreed with the comments and said he favors a hybrid view where the city does all that it can do first and then use it as part of the campaign by stating what has already been done.

Council Member Jefferson agreed and said Council must cover all avenues and have all the information and studies available for the public. He said he is in favor of a storm water utility.

Mayor Schreiber said consolidating offices will not help much because there is a lot of time and work involved. He suggested the idea be eliminated.

Council Member Robb suggested Skype be placed on the computer. He said closing city hall will generate a savings in electricity. He said Council shouldn't wait until February to start looking at it.

Mr. Koryzno said staff would prefer a plan.

Council Member Murdock said he is willing to come up with a plan. He said any plan would include dealing with the elements causing the deficit.

He said his plan would include a Water Street Debt millage, an income tax and cuts in health care while implementing the street light assessment and storm water utility. He said if the property tax keeps decreasing the city will never catch up therefore there needs to be a change in the financing structure of the city. He said an income tax is more reliable than property tax.

Mayor Schreiber agreed with Council Member Murdock and said a diverse plan with an income tax is needed.

Council Member Murdock suggested that for planning purposes the city plug in $250,000 as an estimate for the income tax revenue, place it on the ballot and let the residents vote it up or down.

Council Member Bodary suggested a special election to place both the income tax and Water Street Debt millage on the ballot. He suggested it be placed on the August ballot.

Council Member Vogt agreed with Council Member Bodary and said August is the proper time.

Council Member Bodary moved, supported by Council Member Vogt to place both questions on an August ballot.

Council Member Murdock said Council's goal is to come out with a balanced budget and suggested staff figure out the numbers.

Council Members Bodary and Vogt withdrew the motion to allow staff to proceed with the income tax study.

Council Member Robb demonstrated possible financial outcomes in a city hall budget spreadsheet presentation where hypothetical numbers were inserted to give Council an idea of what the target numbers should be. Mr. Robb suggested that staff play out all five years.

After exploration of Mr. Robb's spreadsheet, Council determined that $650,000 was the target number with approximately $620,000 come from reserves.

Council discussed a newsletter being a part of the "next steps" in order to get the word out to residents of what the city is proposing.

Council Member Robb agreed to distribute his spreadsheet to Council and staff.

Mayor Schreiber appreciated Council Member Robb sharing his city hall budget machine spreadsheet.

IX. AUDIENCE PARTICIPATION

None

X. REMARKS FROM THE MAYOR

Mayor Schreiber appreciated Council and staff's work on the financial plan and said it has been tough. He suggested that any additional items be forwarded to Mr. Koryzno.

XI. ADJOURNMENT

Council Member Jefferson moved, supported by Council Member Vogt to adjourn the meeting.

On a voice vote the motion carried and the meeting adjourned at 8:43 p.m.

Resolution No. 2012 – 002
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI,

That the following items be approved:

1. Resolution No. 2012-003, approving renewal agreement with the Ann Arbor YMCA.

2. Resolution No. 2012- 004, approving appointment to Boards and Commissions.

3. Resolution No. 2012-005, approving employment contract with John Hansen.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

REQUEST FOR LEGISLATION
January 10, 2012

FROM: Edward B. Koryzno Jr., City Manager

SUBJECT: Renewal of Agreement with the Ann Arbor YMCA

Summary: The YMCA initiated a pilot recreation program for youth in Recreation Park during the summer of 2008. The program was successful and the YMCA expanded its summer program into a year-around recreation program for youth in the community. The Y has also been working with the Ypsilanti Public Schools for several years and are providing after school programs.

The YMCA and City entered into a two-year agreement to provide recreational programs during 2010. That agreement has expired and is renewable for additional two-year periods, if both parties are amenable. The agreement calls for the YMCA to provide youth recreation programming in city parks. In return, the City will assume no cost for the programs. The YMCA will charge a fee to program participants using their standard guidelines. The YMCA has reviewed the updated agreement and it is satisfactory. The proposed agreement will be renewable in two-year increments with the expressed written approval of both parties.

Recommendation: That City Council considers approving the proposed renewal agreement with the Ann Arbor YMCA to provide recreations programming for youth in City parks during 2012 and 2013.

Attachments: Proposed Agreement with Ann Arbor YMCA, proposed resolution

Council Agenda Date: January 10, 2012 Council Agenda Item No. 2012-003

City Manager Approval: ________________________________

City Manager Comments: ________________________________

Finance Director Approval: ________________________________

Resolution No. 2012-003
January 20, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, due to reduced General Fund, revenues the City of Ypsilanti eliminated recreational programming for the City's youth; and

Whereas, financial contributions from foundations, businesses, non-profits and individuals, combined with contributions of time from many volunteers in the City, have kept the City's recreational facilities open; and

Whereas, the Ann Arbor YMCA desires to continue to provide recreational opportunities for area youth during 2012 and 2013; including youth basketball, youth flag football summer camps; and

Whereas, the City of Ypsilanti desires to offer the use of City park facilities to the Ann Arbor YMCA in return for providing recreational opportunities for area youth at no charge.

Now Therefore Be it Resolved that the City Council approves the agreement with the Ann Arbor YMCA to provide recreational opportunities during 2012 and 2013 to area youth in City parks at no cost to the City.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

CONTRACT FOR RECREATIONAL SERVICES
FOR THE CITY OF YPSILANTI
AND LIMITED LICENSING OF PARKS
2012-2013

This Agreement is made this ______ day of ____________2012, between THE CITY OF YPSILANTI, a Michigan home-rule municipal corporation of One South Huron Street, Ypsilanti, MI 48197, hereinafter referred to as "CITY," and the ANN ARBOR YMCA, a Michigan Non-profit Corporation, of 400 W. Washington Street, Ann Arbor, MI 48103:

WHEREAS the CITY is desirous of acquiring recreational services for the benefit of its citizens, and the YMCA desires to provide recreational service for the benefit of Ypsilanti citizens, and to use city-owned parks and property to provide such recreational services and to further its mission, and

WHEREAS the YMCA has supplied recreational service during 2009 and the parties are willing to continue their agreement, now therefore:

IT IS AGREED AS FOLLOWS:

1. YCMA, for the sole and total consideration of the use of city parks, shall provide regular recreational services at some or all public parks within the City of Ypsilanti, excluding Riverside Park and Frog Island Park.

2. CITY hereby does license the YMCA to use city parks and recreation facilities to conduct reasonable and regular recreational activities at city parks according to a schedule to be provided, without other prior approval from City Council, City Manager, or otherwise.

3. The parties agree that since YMCA is providing services for CITY, YMCA is not subject to the CITY "special events" ordinance. YMCA shall abide by and obey all other City ordinances, rules and regulations.

4. YMCA agrees to provide CITY with a schedule of activities to take place within city parks three months in advance of the programs start dates.

5. In the event of any conflict of scheduling or other reason, YMCA agrees to abide by all stop orders of the City Manager and immediately cease and desist from any activity upon direction of the City Manager.

6. This agreement shall run for the 2012 and 2013 Calendar Years and will be renewable in two year increments with the express written approval of both parties.

The parties furthermore understand and agree that either party may terminate this contract at any time with thirty days notice.

7. The parties understand that individuals hired by the YMCA are not employees of the CITY. They are employees of the YMCA.

8. YMCA is an independent contractor and all of its officers, employees, agents or contractors are not employees of the CITY.

9. YMCA agrees to defend, indemnify and hold harmless the CITY and its agents, employees and representatives from and against any and all costs, losses, claims, liabilities, fines, expenses, penalties and damages for personal injury or property damages, including reasonable attorney fees (of an attorney agreeable to both parties), in connection with or resulting from:

a. The negligent acts or omissions of the YMCA or its agents or representatives in connection with the performance of this Contract; or,
b. YMCA's failure to substantially perform or observe any covenant, agreement or condition required under this Contract; or
c. Any other costs arising out of YMCA's performance of its duties under this Contract.
d. YMCA, at its own cost, is required to provide to the CITY a certificate of primary insurance with the following limits of liability:

e.	Worker's Compensation:		Statutory
f.	Employer's Liability		
	i.	Each Accident	$ 500,000
	ii.	Disease, Policy Limit	$ 500,000
	iii.	Disease, Each Employee	$ 500,000
g.	General Liability		
	i.	Each Occurrence (injury/property damage)	$1,000,000
	ii.	General Aggregate:	$4,000,000
h.	Excess Liability		$2,000,000

10. The CITY must be listed as an additional insured on the YMCA's insurance policy.

11. YMCA shall be required to pay all deductibles for any claims submitted, including but not limited to the $10,000 Self Insured Retention payment.

12. All insurance policies shall be by Michigan companies or companies admitted to do business in the State of Michigan.

13. This Contract is to be performed in Washtenaw County, Michigan, and all legal venues shall be exclusively lie therein.

14. The rights and obligations under this Contract are personal to the parties' privy to the Contract and may not be assigned or transferred in any way. YMCA further agrees not to subcontract its duties set forth in Paragraph 1 to another party.

15. The invalidity or unenforceability of any particular provision of this Contract shall not affect the other provisions hereof, and this Contract shall be construed in all respects as if such invalid or unenforceable provision were omitted.

16. The Contract is the sole Contract and Agreement between the parties. Any changes, additions or deletions shall not be effective or actionable unless they are in writing and signed by the parties.

IN WITNESS WHEREOF, the undersigned have set their hands this _____ day of _______________, 2011.

In the presence of:

ANN ARBOR YMCA

_______________________ BY: ______________________________

____

THE CITY OF YPSILANT

_______________________ BY: ______________________________
Edward B. Koryzno, Jr. City Manager

APPROVED AS TO FORM:

John Barr, City Attorney

Resolution No. 2012 – 004
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

NAME	**BOARD**	**TERM TO EXPIRE**
John McMillan 504 North Huron St. Ypsilanti, MI 48197	Fire Civil Service Commission (new appointment)	1/10/2018
Jennifer Henricksen 709 Prospect Ypsilanti, MI 48197	Historic District Commission (reappointment)	1/31/2015
Ron Rupert 421 N. Huron Ypsilanti, MI 48197	Historic District Commission (reappointment)	1/31/2015

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

Statement from Jennifer Henrickson:
I have worked with QUINN EVANS | ARCHITECTS for the past thirteen years in the Ann Arbor office. I have a solid understanding of existing building components and construction systems as well as experience in assessing conditions and documenting treatments and alterations to existing buildings. During my time at Quinn Evans, I have worked on a variety of both large and small rehabilitation/preservation projects. I am a licensed architect in the State of Michigan. During the past year I served as Vice President of the Association for Preservation Technology Eastern Great Lakes Chapter. APT is dedicated to promoting the best technology for conserving historic structures and their settings, and the Eastern Great Lakes chapter works to share and expand the knowledge of our local experts.

I feel my experience brings to the HDC architectural knowledge of construction possibilities and technologies specific to historic buildings, as well as an understanding of the relationship between the built environment and its community. This will allow me to assist the HDC meet its goals, which I share - to respect and preserve the history of our community while encouraging Ypsilanti's positive growth and development.

Jennifer
Quinn Evans Architects
Jennifer Henriksen, AIA

Statement from Ron Rupert:
Mr. Mayor, If reappointed I will continue to uphold the Secretary of Interior Standards of Preservation to the best of my ability as a commissioner of the Ypsilanti Historic District and safeguarding our cities' heritage. Thank you.

Ron

REQUEST FOR LEGISLATION
January 5, 2012

To: Mayor and Council

From: David R. Kowal, Director of Administrative Services

Subject: Independent Contractor Agreement; Temporary City Manager Consulting Services

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SUMMARY & BACKGROUND:

After conducting interviews with four candidates, the City Council determined it to be in the best interests of the City to appoint Mr. John P. Hansen as Interim City Manager. The City Council previously authorized and directed Mayor Schreiber, Mayor Pro Tem Richardson, and Councilperson Robb to negotiate an acceptable Agreement by and between the City of Ypsilanti and Mr. Hansen for Interim City Manager consulting services.

Please find attached a copy of the Independent Contractor Agreement between the City of Ypsilanti and Mr. John P. Hansen, dba Hansen Consulting Services, for Temporary City Manager Consulting Services as agreed to by the parties and approved as to form by City Attorney Barr.

RECOMMENDED ACTION (Approval)

Staff recommends approval of the attached Council resolution.

ATTACHMENTS:

1. Independent Contractor Agreement between the City of Ypsilanti and Mr. John P. Hansen, dba Hansen Consulting Services, for Temporary City Manager Consulting Services
2. Council Resolution

CITY MANAGER APPROVAL: ______________________________ Council Agenda Date: 1-10-12

CITY MANAGER COMMENTS: ____

FISCAL SERVICES DIRECTOR APPROVAL: ______________________________________

Resolution No. 2012 - 005
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Manager of the City of Ypsilanti filed a letter of resignation with the City Council effective January 20, 2012; and

WHEREAS, the City Council has determined it to be in the best interest of the City of Ypsilanti to hire an Interim City Manager while the Council performs an executive recruitment process for a new City Manager; and

WHEREAS, after conducting interviews with four candidates, the City Council has determined that Mr. John P. Hansen shall be appointed as Interim City Manager.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council does hereby authorize and direct the Mayor and City Clerk to execute an Independent Contractor Agreement between the City of Ypsilanti and John P. Hansen, dba Hansen Consulting Services, for Temporary City Manager Consulting Services.

OFFERED BY: ______________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE:

INDEPENDENT CONTRACTOR AGREEMENT BETWEEN
THE CITY OF YPSILANTI, MICHIGAN AND
JOHN P. HANSEN, dba Hansen Consulting Services
FOR TEMPORARY CITY MANAGER CONSULTING SERVICES

THIS AGREEMENT made this ____ day of January, 2012, by and between the CITY OF YPSILANTI, a Michigan Home-Rule Corporation, hereinafter referred to as "CITY", and JOHN P. HANSEN, dba Hansen Consulting Services of 7880 5th Street, Dexter, MI 48130, hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS the CITY desires to secure the services of a knowledgeable, qualified, competent, and diligent individual to perform interim temporary City Manager services for the CITY; and

WHEREAS the CONTRACTOR has the required qualifications; and

WHEREAS the CITY desires to obtain the services of the CONTRACTOR for the purpose of performing said services;

NOW THEREFORE, in consideration of the promises and covenants herein contained, the parties hereto mutually agree as follows:

1. Services. The CONTRACTOR, beginning January 19, 2012, shall execute the following services for the CITY:

A. Serve as interim city manager of the City of Ypsilanti.
B. Fulfill all the City Charter requirements of the City Manager.
   a. The CONTRACTOR is excused from City residence.
C. Perform all other services as required by the Ypsilanti City Code.
D. Perform all other services as required by City Council resolution.
E. Perform all other services as may be required from time to time by circumstance.
F. Attend all City Council meetings and other meetings and functions for the benefit of the city.
G. Keep City Council fully informed of city business and provide a written comprehensive report at least monthly.
H. Meet with the mayor on a periodic basis.

2. Standard of Performance: The CONTRACTOR shall perform the Contract faithfully and diligently and perform the management services in a competent, professional,

satisfactory and proper manner and during the Contract term or extensions thereof, use every best effort and endeavor to promote the interests of the CITY and devote such time, attention, skill, knowledge and ability as is necessary to most effectively and efficiently carry out and perform the Contract.

3. In consideration of the satisfactory furnishing of such services, the CITY agrees to pay the CONTRACTOR the sum of $400 per day, for days worked, payable monthly. The CONTRACTOR shall keep detailed records of all days spent on the furnishing of services and provide a monthly invoice to the CITY.

4. This agreement shall commence on January 20, 2012, and continue on an as-needed basis.

5. Independent Contractor. The relationship of the CONTRACTOR to the CITY is and shall continue to be that of an INDEPENDENT CONTRACTOR and no liability or benefits such as worker's compensation, FICA, pension rights, tax withholding, insurance, vacation, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party as a result of the performance of this contract.

6. Independent judgment. CONTRACTOR, in the performance of his duties, shall exercise his independent judgment concerning the place where services are to be performed, the hours of his furnishing services, and resources utilized by him to complete his work. CONTRACTOR will, however, coordinate efforts with those of CITY to successfully fulfill this contract. If requested by the CONTRACTOR the CITY will make space and records available to CONTRACTOR as required to perform the services.

7. Tax withholding and insurance. CONTRACTOR shall provide all his own insurance needs including health and agrees that the CITY will not withhold any taxes from amount paid to CONTRACTOR and contractor shall be solely responsible for the same and indemnify and hold the CITY harmless.

8. Indemnity. To the extent not covered by CITY insurance, The CONTRACTOR agrees to save harmless the CITY against and from all

liabilities, obligations, damages, penalties, claims, costs, charges, losses, and expenses which may be imposed, incurred by, or asserted against the CITY by reason of:

A. Any negligent or tortuous act, error or omission of the CONTRACTOR.

B. Any failure by the CONTRACTOR to perform his obligations, either implied or expressed, under this contract.

9. Waiver of Liability. The CONTRACTOR hereby waives any claim against the CITY and agrees not to hold the CITY liable for any personal injury or property damage incurred by it, its employees or associates on this project which is not held by a court of competent jurisdiction to be directly attributable to the gross negligence or malicious intentional conduct of any employee of the CITY acting within the scope of their employment. It further agrees to hold the CITY harmless from any such claim by its employees or associates.

A. For the purpose of the hold harmless, indemnity and insurance provision contained in this contract, the term "CITY" shall be deemed to include the City of Ypsilanti and all other associated, affiliated, allied or subsidiary entities, or commissions, officers, agents, representatives and employees.

10. Conflict of Interest. The CONTRACTOR covenants that neither said contractor, nor any officer, agent, or employee of the contractor has any interest, nor shall they acquire any interest, directly or indirectly, which would conflict in the manner or degree of performance with the contract.

11. Contingent Fees. The CONTRACTOR warrants it has not employed or retained any company or person other than a bonafide employee working solely for the CONTRACTOR, to solicit or secure this contract, and that it has not paid or agreed to pay any company, or person other than a bonafide employee working solely for the CONTRACTOR, any fee, commission percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award of making this

contract. For breach or violation of this warranty, the CITY shall have the right to annul the contract without liability or, at its discretion, to deduct from the fees due the CONTRACTOR, or otherwise, recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

12. No discrimination. The CONTRACTOR further agrees not to discriminate against any employee or applicant for employment because race, color, religion, sex, national origin, physical handicap, age, height, weight, or marital status (except insofar as it relates to a bonafide or occupational qualification reasonably necessary to the normal operation of the business). Breach of this provision may be regarded as material breach of the Agreement.

13. Meeting with Mayor. The CONTRACTOR and the Mayor (or designee) shall hold conferences upon the request of the other party to resolve any problems that may arise in the performances of this agreement. Any portion of this Agreement that may require interpretation shall be in writing submitted to the City Attorney, who shall render such interpretation.

14. Termination. Should the CONTRACTOR for any cause fail to perform any of the services called for under this Agreement in a manner that is unsatisfactory to the CITY, the CITY may terminate the Agreement by giving written notice to the CONTRACTOR at least three (3) calendar days before the effective date of the proposed termination. In addition, either party may terminate this Agreement at will by giving ten (10) calendar days written notice to the other. In the event of termination, the CONTRACTOR shall be paid a pro-rated amount for all services satisfactorily completed at the rate established in paragraph 2. However, the CITY retains the right to withhold any amounts due the CONTRACTOR for purposes of set-off of amounts due to the CITY.

15. Reporting and chain of command. The CONTRACTOR shall report to the Mayor and City Council.

16. Expense reimbursement. CITY will reimburse CONTRACTOR for actual necessary expenses incurred in performance of this contract in accordance with City policy for reimbursed expenses for department heads.

17. No subcontracting or assignment. No service required of the CONTRACTOR under this Agreement shall be subcontracted, nor shall the Agreement be assigned by the CONTRACTOR.

18. Entire agreement. This Agreement represents the entire contract between the CITY and the CONTRACTOR and supersedes all prior negotiations, representations or agreements either written or oral. This Agreement may be amended only by written instrument signed by both the CITY and the CONTRACTOR.

19. Conflict of interest default. Failure to comply with the conflict of interest provisions (paragraphs 21 and 22 above) shall result in immediate termination of this agreement at the option of the CITY. The CONTRACTOR shall forfeit to the CITY any portion of permit fees paid for any work which conflicts with these provisions.

20. Law, venue and jurisdiction. This contract shall be governed by the laws of the State of Michigan. All venue and jurisdiction of this contract and the parties shall be Washtenaw County, Michigan.

IN WITNESS WHEREOF, the undersigned have set their hands the day and year first above written.

____
JOHN P. HANSEN, dba Hansen Consulting Services, Contractor

CITY OF YPSILANTI, a Michigan Home-Rule City

BY: ______________________________________
Paul Schreiber, Mayor

BY: ______________________________________
Frances McMullen, City Clerk

APPROVED AS TO FORM:

____
John M. Barr P-10465
Ypsilanti City Attorney

REQUEST FOR LEGISLATION
October 04, 2011

TO: Mayor and Council

FROM: Edward B. Koryzno Jr, City Manager

SUBJECT: Approving a public transportation agreement between Ann Arbor Transit Authority, Cities of Ypsilanti and Ann Arbor and Washtenaw County

SUMMARY & BACKGROUND:

In November, 2010 residents of the City of Ypsilanti approved amending the city charter to allow for a designation of .9879 mills to pay for bus and A-ride service purchased from the Ann Arbor Transportation Authority.

The Ann Arbor Transportation Authority (AATA) is moving forward with the directive to provide public transportation to the entirety of Washtenaw County. Doing so requires an approval of a Public Transportation Agreement between the AATA, Washtenaw County, the City of Ann Arbor, and the City of Ypsilanti. Under Public Act 196, the parties will agree to create a new County Transportation Authority (TA) to succeed the AATA.

Before the TA is established, an Unincorporated Transit Board comprised of 15 representatives from the entire county will establish a preliminary process of governance. The focus of the Unincorporated Transit Board will be to establish recommended bylaws, policy on how/if to provide service outside of the authority's boundaries, and a 5-Year Transit Improvement Program that will define transit services and locations as well as the amount and type of funding and fares. Board members, with the support of AATA staff, will be expected to communicate regularly with municipal boards and seek local input on service development and needs.

In exchange for transferring their full respective transportation millages set at the 2012 millage rate or as adjusted by the State of Michigan statute, the City of Ann Arbor will appoint seven directors, and the City of Ypsilanti will appoint one director to the Unincorporated Transit Board.

County wide voter approval for supplying a funding source that is adequate enough to sustain ongoing operations of the new TA is required before December 31, 2014. If action does not occur before December 31, 2015, the Public Transportation Agreement between the parties will automatically terminate. Any transfer of assets and liabilities between the AATA and the new TA are subject to approval by federal and state funding sources, as well as all parties who contract with the AATA.

Recommended Action:

That City Council considers approving the Public Transportation Agreement between AATA, the Cities of Ann Arbor and Ypsilanti, and Washtenaw County. Doing so requires that the City of Ypsilanti pledge its transportation millage formerly dedicated to the AATA to the new county-wide Transportation Authority. In exchange, Council will be allowed to appoint one director to the Unincorporated Transit Board to help formulate and guide future TA policy and operations.

Attachments:

- Public Transportation Agreement

CITY MANAGER APPROVAL: ______________________ COUNCIL AGENDA DATE: 1/10/12

CITY MANAGER COMMENTS: __________________________

FISCAL SERVICES DIRECTOR APPROVAL: _____________________________________

Resolution No.2011-223
December 20, 2011
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, in November, 2010, residents of the City of Ypsilanti approved amending the city charter to allow for the designation of.9879 mills to purchase bus service and A-ride service from the Ann Arbor Transportation Authority; and

WHEREAS, the AATA is moving toward providing county-wide public transportation services that require approval of a Public Transportation Agreement between AATA, the City of Ann Arbor, the City of Ypsilanti, and Washtenaw County. Under Public Act 196, approval of this agreement will result in the formulation of a new County Transportation Authority; and

WHEREAS, an Unincorporated Transit Board comprised of 15 representatives from the entire county will be formed to establish the preliminary process of governance of the new Transportation Authority and develop a 5-Year Transit Improvement Program; and

WHEREAS, in exchange for transferring the transportation millage set at the 2012 millage rate to the new Transportation Authority, the City of Ypsilanti will appoint one director to the Unincorporated Transit Board; and

WHEREAS, county wide voter approval of a funding source for the new Transportation Authority is required by December 31, 2014. If action fails to occur prior to December 31, 2015, the Public Transportation Agreement between the parties will automatically terminate.

NOW THEREFORE IT IS RESOLVED that the City Council approves the Public Transportation Agreement between AATA, the cities of Ann Arbor and Ypsilanti, and Washtenaw County.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

DRAFT

PUBLIC TRANSPORTATION AGREEMENT

among the following:

AATA: Ann Arbor Transportation Authority
2700 South Industrial Highway
Ann Arbor, Michigan 48104
Attention: Michael Ford

Ann Arbor: City of Ann Arbor
301 E. Huron Street
Ann Arbor, Michigan 48107
Attention: City Administrator

Ypsilanti: City of Ypsilanti
One South Huron Street
Ypsilanti, Michigan 48197
Attention: City Manager

County: Washtenaw County
220 North Main
Ann Arbor, Michigan 48107
Attention: County Administrator

1. Acknowledged Facts. The Ann Arbor Transportation Authority (hereafter "AATA") was incorporated by the City of Ann Arbor (hereafter "Ann Arbor") for the purpose of acquiring, owning, operating, or causing to be operated a mass transportation system under the provisions of Public Act 55 of 1963. AATA and Ann Arbor are parties to a certain agreement which sets forth the operational relationship between them and which specifically provides the agreement shall remain in full force and effect until mutually terminated. The City of Ypsilanti has contracted with AATA for transportation services for many years and recently approved a Charter Amendment dedicating certain tax revenue for transportation purposes. The above named parties are planning for countywide public transportation by creating a new authority under Act 196 of 1986 ("New TA"). AATA and Ann Arbor New TA in partnership with the other above named parties which would succeed to the public transportation system currently operated by AATA under the terms of this Agreement and Section 11 of Act 196 of 1986.

2. Authority Formation. The County, upon the AATA's written request and authorization of the governing bodies of Ann Arbor and AATA terminating their operational relationship in favor of the New TA, will create a new Act 196 authority by approving, signing and filing articles of incorporation in substantially the form attached as Exhibit A. **AATA will publish details of the service and funding plan in paper(s) of record before requesting the articles to be filed.**

3. City Transportation Millages.

a. Ann Arbor agrees, subject to the Paragraph 8 below, to designate the New TA, as successor to AATA, as the contracting agency for use of the 2.5 mills tax levy under Section 8.18 of the Ann Arbor City Charter and allocated the tax levy in its entirely to AATA at the 2012 millage rate or as adjusted by State of Michigan statute less a municipal service charge of one percent (1%) of the annual millage at the time of the collection of taxes. Such designation shall become effective on the date the New TA succeeds to AATA's public transportation services under the terms of this Agreement; and

b. Ypsilanti agrees, subject to Paragraph 8 below, to transfer its full respective transportation millages, less a municipal service charge of one percent (1%) at the 2012 millage rate or as adjusted by State of Michigan statute to the New TA effective when the New TA succeeds to AATA's public transportation services.

4. Transfer of Assets. AATA will transfer to New TA at closing all assets then owned by AATA, including, without limitation, all rights to the names "Ann Arbor Transportation Authority". New TA will accept the transfer of those assets subject to all obligations and liabilities regarding those assets existing at the time of the transfer.

5. Assumption of Liabilities. New TA will assume at closing all liabilities of AATA existing at the time of closing.

6. Indemnification. The New TA shall indemnify and hold Washtenaw County, the Cities of Ann Arbor and Ypsilanti, their elected officials, employees, agents and volunteers harmless from and against all actions, liabilities, demands, costs and expenses, including court costs and attorney fees, which may arise due to the New TA's negligent, grossly negligent and /or intentional acts or omissions under this Agreement and/or once the New TA is operational. This provision shall survive termination or expiration of this Agreement.

7. Full Faith and Credit. The parties agree that Washtenaw County shall not be required, by virtue of its action in creating the New TA, to provide its full faith and credit for any project undertaken by the New TA. The parties further agree that the Cities of Ann Arbor and Ypsilanti shall not be required to, and does not pledge its full faith and credit for any project undertaken by the New TA.

8. Contingencies to Closing. The closing of the transfer of assets and assumption of liabilities is contingent upon all of the following occurring on terms acceptable to all parties:

a. The creation of New TA by Washtenaw County.

b. AATA and New TA obtaining all necessary approvals for the transfer of assets and assumption of obligations and liabilities, including approvals that may be required from federal and state agencies who provided funding for those assets = and consents from parties to contracts with AATA.

c. AATA taking such necessary actions by its governing body to terminate its operational agreement with Ann Arbor effective at closing.

d. In exchange for the mayor's nomination with council confirmation, of seven directors of New TA's board, and annual submission to Ann Arbor of the AATA's proposed budget and yearly audit and the New TA's agreement to apprise Ann Arbor City Council and solicit Council's advice prior to making major long-term policy actions concerning mass transportation services, Ann Arbor's agreement to (i) take such necessary actions by its governing body to terminate its operational agreement with AATA effective at closing; (ii) take such necessary actions by its governing body to authorize the execution and delivery of this Agreement and all documents and

Formatted: Font: 10 pt, Do not check spelling or grammar instruments contemplated by this Agreement, and the performance by Ann Arbor of the obligations to be performed by it hereunder; and (iii) designate the New TA, as successor to AATA, as the contracting agency for use of the 2.5 mills tax levy under Section 8.18 of the Ann Arbor City Charter and allocated the tax levy in its entirely to AATA at the 2012 millage rate or as adjusted by State of Michigan statute less a municipal service charge of one percent (1%) of the annual millage at the time of the collection of taxes. upon transfer from an Act 55 to an Act 196 authority.

e. In exchange for the City of Ypsilanti mayor's nomination with council confirmation, of one director of New TA's board, and the new TA agreement to apprise and solicit the Ypsilanti City Council's advice-prior to making major long-term policy actions concerning mass transportation, the City of Ypsilanti agrees to pay its charter transportation millage at the 2012 millage rate or as adjusted by State Statute to the New TA upon transfer from an Act 55 to an Act 196 authority.

f. Countywide voter approval before December 31, 2014, of a New TA Act 196 funding source adequate to fund ongoing operations of New TA. Any ballot question submitted to the voters of the City of Ann Arbor and/or the City of Ypsilanti shall clearly identify the new funding as additional to the existing millage.

9. Closing. The transfer of assets and assumption of liabilities will occur at a date, time and place agreed between AATA and New TA, but no later than October 1, 2015, given the clearance of all contingencies.

10. Public Transportation Services and Cooperation Before Closing. Before the closing, AATA retains full authority and control over the conduct of its business. AATA will reimburse New TA for reasonable business expenses incurred by New TA before closing, including expenses relating to New TA's formation and preparation to close this transaction.

11. Termination of Agreement. This agreement will terminate automatically if the closing does not occur before December 31, 2015. The Washtenaw County Board will also be allowed to dissolve the New TA if there is no Countywide voter approved funding passed before December 31, 2014. However, no such dissolution shall be effective unless and until provision for continued transportation services to Ann Arbor and Ypsilanti is in place and operational and satisfaction of all liabilities of the New TA.

12. General Provisions.

a. Notices. Any notice required or permitted under this agreement is deemed given either upon personal delivery or within two business days after mailing by U.S. first-class mail, postage prepaid, to the parties at their respective addresses shown on this agreement's first page.

b. Assignment. No party may assign any of its rights or delegate any of its duties under this agreement without the prior written consent of the other parties.

c. Entire Agreement and Amendment. This agreement contains the entire agreement among the parties with regard to its subject matter, supersedes all

Formatted: Font: 10 pt, Do not check spelling or grammar previous understandings, and may be amended only in writing signed by both parties and approved by the board of each party.

ANN ARBOR TRANSPORTATION AUTHORITY (AATA)

Dated: ___________________, 2011 By:____
Michael Ford, Chief Executive Officer

CITY OF ANN ARBOR

Dated:___________________, 2011 By:____
John Hieftje, Mayor

And:_______________________________________
Jacqueline Beaudry, City Clerk

Approved as to substance

____
Steven D. Powers, City Administrator

Approved as to form

____
Stephen K. Postema, City Attorney

CITY OF YPSILANTI

Dated:___________________, 2011 By:____
Paul Schreiber, Mayor

And:_______________________________________
City Clerk

WASHTENAW COUNTY

Dated:___________________, 2011 By:____
Conan Smith, Board Chair

S:\Clerk's Office\CITY COUNCIL MEETINGS\2011 City Council Meetings\12-20-11\4-Party PUBLIC TRANSPORTATION AGREEMENT 11-11-11.docx~~C:\Documents and Settings\spressprich\Desktop\Governance and Millage\Transfer Agreement\4-Party PUBLIC TRANSPORTATION AGREEMENT 11-11-11.docx~~

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Resolution No. 2011-260
December 6, 2011 ***(Tabled)***
December 20, 2011 ***(Tabled)***
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the east side of the 200 block of Lincoln St. has persistent problems with cars parked within the roadway; and

WHEREAS, previous enforcement efforts have provided only short term fixes; and

WHEREAS, the parking problems have created an impediment to the travel of fire and other emergency vehicles on the streets;

NOW THEREFORE BE IT RESOLVED, THAT the City Council hereby approves Traffic Control Order 2011-04 and authorizes the requested change to No Parking, and Tow Away Zone for the east side of the 200 block of Lincoln Street.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

CITY OF YPSILANTI
TRAFFIC CONTROL ORDER

DATE: August 31, 2011

ORDER NO: 2011-04

LOCATION: 200 block of Lincoln Street, east side

ORDER: Install R8-3 "No Parking" and R7-201P "Tow Away Zone" signs along the east side of the 200 block of Lincoln Street by Wed., September 7, 2011.

REASON: Cars have been illegally parked within the roadway of the 200 block of Lincoln Street, limiting fire vehicle access.

Approved by: ____________
Edward B. Koryzno, Jr., City Manager

Prepared by: ____________
Teresa Gillotti, Planner III

Date Completed: 9-14-11

By: ____________

cc: Ed Koryzno, City Manager
Tim Colbeck, YDDA
Jon Ichesco, YFD
Janice Beckett, DPS
Kim Teamer, Treasurer
Traffic Review Committee:
Stan Kirton, DPS
[redacted]
Amy Walker, YPD
Craig Annas, YPD

City of Ypsilanti
Pride. Diversity. Heritage.

REQUEST FOR LEGISLATION
January 10, 2012

From: Edward B. Koryzno, City Manager
Teresa Gillotti, Planner II

Subject: Letter of Intent for Washtenaw County Parks and Recreation Commission to Development a Recreation Center within the Water Street Redevelopment Area

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On October 4, 2011, Washtenaw County Parks and Recreation Commission (WCPRC) staff presented conceptual plans for a Recreational Facility on a portion of the Water Street Redevelopment Area. On October 18, 2011, staff presented a review of the initial plan and received direction from City Council to continue working towards a Letter of Intent (LOI) to develop the recreational facility within the Water Street Redevelopment Area.

City Staff had continued to meet and coordinate details of the LOI. At this point, staff is recommending approval of the attached Letter of Intent that would effectively take 8 acres of the property off the market for 18 months, while City and WCPRC staff work out details of a development agreement for the Recreational Facility.

LOI Terms

The WCPRC has considered various locations on the site and is formally requesting the up to 8 acres be removed from the market as development plans and agreement is crafted. The area would be on the western portion of the site, and include Michigan Avenue and Huron River frontage. WCPRC has indicated to staff that they are interested in locating a facility of approximately 50,000 to 60,000 SF on Michigan Avenue frontage with parking in the rear. At this point, the exact size of the parcel is unknown until more design work has been completed. Final location of the building, parking and other amenities resulting in a total parcel size, will be determined during the term of the LOI. In addition to up to 8 acres for the Recreational Facility, WCPRC is also including in the LOI, development of a linear park extending along the Huron River with a depth of approximately 100 linear feet. This park is estimated to be between 2 and 3 acres in size. Its final development area will largely depend on MDEQ approvals.

The LOI specifies that infrastructure development, outside of the proposed Recreational Facility footprint be provided in lieu of purchase price. The details of this additional infrastructure plan will be determined at the point of the development agreement, however, this element is meant to further prepare the Water Street Redevelopment Area for subsequent development.

If adopted, the Letter of Intent will be in effect for a period of up to 18 months to allow for coordinated planning of the project. The time period would allow WCPRC to coordinate financing, design, infrastructure plan for outside of the project area, and allow both the City and

WCPRC to market the project as an opportunity for co-development. At the end of 18 months (or sooner) the intent is to present a full development agreement to City Council and WCPRC to transfer the property. The agreement will include the following at minimum:

- Exact location and size of parcel
- Size and orientation of structure
- Proposed site plan and building design
- Timeline for approvals, permits and construction
- Plan for infrastructure development beyond parcel footprint
- Plans and timeline for linear park
- Roles and Responsibilities
- Parcel transfer or long term lease
- Other legal responsibilities for development and opening of the Recreational Facility

Approval Process
Previously staff had forwarded information to council regarding the formal approval process for development proposals on the Water Street Redevelopment Area. A public hearing for the sale or transfer of property is included in step 4 below. This is detailed in Resolution 2009-149 which notes that… "A public hearing shall be scheduled for each Water Street Purchase Offer that is brought before council…" That resolution is attached for reference.

Below is the approval process for Water Street Redevelopment Area sale or transfer of property We are currently at **Step** 2 in the process:

1. Present City Council a Letter of Intent (LOI) to purchase or transfer of property
    - This document would provide the basic details related to the scope of development, location, expected purchase price, potential roles and responsibilities related to infrastructure development, and basic timeline for the project
2. City Council would accept the LOI, request changes or reject it.
    - This stage is important for presenting and addressing key issues or concerns to be addressed while developing the development agreement.
3. If accepted, the City would agree to take the proposed acreage "off the market" for a set period of time. During this time period staff and the developer would negotiate the terms of a development agreement based on the City's established template
4. City Council would then be presented with a development agreement and more detail on the location, scale, style and detail regarding the development, the terms and conditions as well as roles and responsibilities related to infrastructure construction, Brownfield remediation, and finally, purchase price.
5. City Council would either accept, request changes or reject the purchase agreement
6. Staff would then work with the developer on the following elements (not in any particular order)
    - Appropriate rezoning (requires Council approval)
    - Site plans and Planned Unit Development (PUD requires Council approval)
    - Amendments to the Brownfield plan and Act 81 work plans (Brownfield plan requires Council approval)
    - Other related permitting and review

Staff Review
As was discussed at the staff review of the initial WCPRC proposal on October 18, 2011, there are costs and benefits to this proposal. While there are no immediate tax revenues from this project, it does offer the potential for a quality, public project to both benefit Ypsilanti residents as well as take away some of the risk for additional developers. Having WCPRC "go first" on Water Street will likely relieve some of the concern of subsequent developers as there will be a known development on the site. Approval of the Letter of Intent would allow staff to continue to work with WCPRC on the Recreational Facility, and work toward a mutually beneficial development agreement that will further prepare the site for future development.

Next Steps
Upon approval, City and WCPRC staff will meet to determine the work plan for the project with tentative timeline. Quarterly updates will be provided to City Council as to the project planning.

RECOMMENDED ACTION: Approval

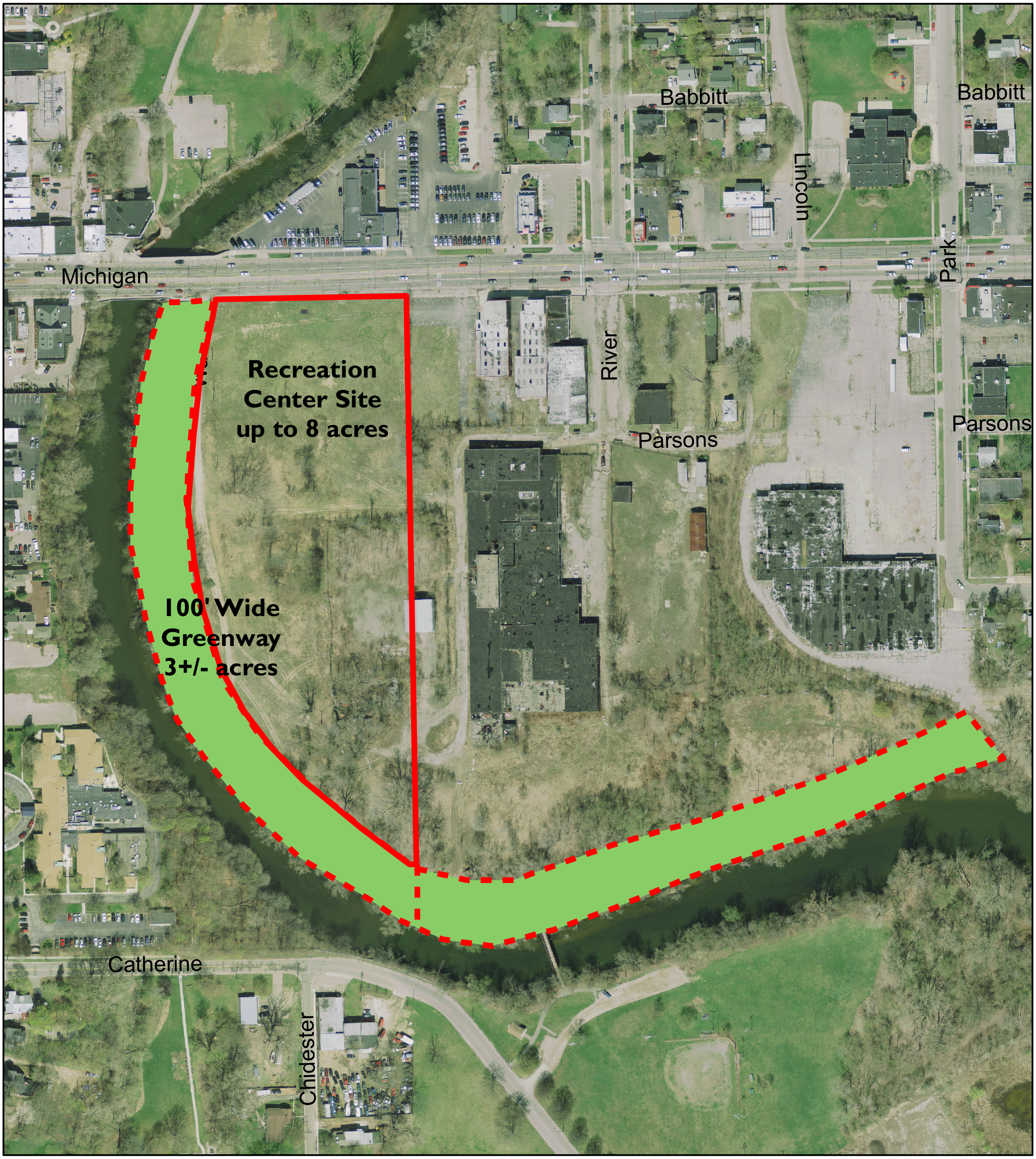
ATTACHMENTS:
- WCPRC Letter of Intent
- City Council resolution 2009-149
- Resolution of approval

CITY MANAGER APPROVAL: ________________________ COUNCIL AGENDA DATE: __01-12-12__

CITY MANAGER COMMENTS: ____

FISCAL SERVICES DIRECTOR APPROVAL: ____

Water Street Development
Potential Recreation Center Site
11+/- acres



Washtenaw County Parks & Recreation Commission
(734) 971-6337
parks.ewashtenaw.org

Prepared by Washtenaw County Parks & Recreation Commission
Washtenaw County 2010 Aerial

0 125 250 500 Feet

N

Washtenaw County Parks and Recreation Commission

To: Ed Koryzo, Manager, City of Ypsilanti

From: Robert L. Tetens, Director, Washtenaw County Parks & Recreation Commission

Date: January 5, 2012

Re: Letter of Intent to develop a Community Recreation Center at the Water Street Redevelopment Area property

The Washtenaw County Parks and Recreation Commission (WCPARC) is proposing to construct a new Recreation Center to serve the populations of the eastern portion of the County. In partnership with the City of Ypsilanti and other community partners, staff is in the process of investigating the siting, feasibility, and initial design development for the new facility at the 38-acre Water Street Redevelopment Area in Ypsilanti. Initial staff analysis indicates that that the preliminary program can be accommodated within a new 50,000 to 60,000 SF facility at the site. A final program and construction budget will be determinate by the WCPARC with input from the project partners and the community.

Obligations of letter of intent: <u>This letter of intent is a non-binding agreement</u> between the City of Ypsilanti and the Washtenaw County Parks and Recreation Commission to work for a term not to exceed 18 months on a development agreement to transfer or lease a portion of the Water Street Redevelopment Area (as described below) to the County based on the terms listed below. WCPARC is requesting this initial agreement as it is part of the city of Ypsilanti's process for transferring ownership of Water Street property, and it will provide WCPARC the opportunity to seek co-developers, complete marketing studies, confirm financing, and finish conceptual design plans and other details to be included in a full development agreement and transfer of property.

The Washtenaw County Parks and Recreation Commission is respectfully requesting upon acceptance of this letter of intent, that the City of Ypsilanti remove the portion of the Water Street Redevelopment Area described below from the market, and reserve it for the development of a Community Recreation Facility subject to the terms listed below:

1. <u>Seller</u>: City of Ypsilanti

2. <u>Purchaser</u>: Washtenaw County Parks and Recreation Commission

3. <u>Property</u>: The property is located in the northwest corner of the site as represented on Attachment A.

4. <u>Purchase Price</u>: It is understood that the Purchaser will not make a financial contribution for the property, but will work cooperatively to develop infrastructure beyond the particular needs of the proposed Community Recreation Facility, to include water/sewer/road access into the site. Details of the infrastructure plan and commitment amount will be negotiated as part of a resulting development agreement between the Seller and Purchaser at the end of the term.

5. Other Purchaser Obligations: Purchaser agrees, upon execution of a development agreement and property transfer, to develop and maintain a linear park of roughly 100 feet from the Huron River, in accordance with DEQ approvals. The linear park will include a Border-to-Border trail extension and ongoing public access to the Huron River.

6. Term: The Letter of Intent will be in effect for up to 18 months or until a development agreement and transfer of the property occurred, whichever is sooner. Either party can request a 6 month extension if necessary after 12 months.

7. Elements of the Development Agreement: Both parties agree to spend the term of this agreement working through the details of the standard development agreement utilized by the Ypsilanti City Council for transfer/sale of the Water Street Redevelopment area, to include: time frames for governmental approvals, brownfield plan amendments, inspections, permitting and construction.

Purchaser:	Witness
Seller:	Witness
Date:	

Resolution No. 2009-149
July 21, 2009

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti is currently working with multiple developers for the sale of the Water Street Property; and

WHEREAS, the City must approve the sale of City owned property through an ordinance; and

WHEREAS, the sale of Water Street will include multiple sites; and

WHEREAS, the City Attorney has indicated that one ordinance for the Water Street Redevelopment site as whole will be adequate, allowing for purchase offers to be considered through resolutions; and

WHEREAS, an ordinance to sell Water Streets is scheduled on August 18, 2009; and

WHEREAS, in an additional effort to allow for public input for each proposed purchase, City Council is requiring one public hearing to be held for each purchase offer considered by council; and

NOW THEREFORE BE IT RESOLVED:. A public hearing shall be scheduled for each Water Street Purchase Offer that is brought before council. This resolution is intended to be informative to the public and seek public input on the proposed offers only. This resolution does not waive any legal obligations, nor does this public hearing qualify for any other purpose such as any public hearings, and or notices required planning and zoning.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council Member Richardson

YES: 5 NO: 2 ABSENT: 2 (Swanson-Winston, Bodary) VOTE: Carried

Resolution No. 2012-006
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti is the property owner of the Water Street Redevelopment Area and is seeking appropriate development projects; and

WHEREAS, Washtenaw County Parks and Recreation Commission (WCPRC) has submitted a Letter of Intent (LOI) to develop a Recreational Facility on up to 8 acres of the western portion of the site as included in Attachment A; and

WHEREAS, the proposed Recreational Facility development would create a public facility to benefit Ypsilanti and other Washtenaw County residents; and

WHEREAS, the development would provide additional infrastructure to benefit subsequent development.

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approves the attached Letter of Intent from Washtenaw County Parks and Recreation Commission to develop a Recreational Facility on a portion of the Water Street Redevelopment Area.

FURTHER, that the Mayor and City Clerk are authorized to sign the agreement to approval by the City Attorney.

OFFERED BY: ____

SUPPORTED BY: ______________________________________

YES: NO: ABSENT: VOTE:

REQUEST FOR LEGISLATION
January 10, 2012

TO: Mayor and Council

FROM: Marilou T. Uy, Fiscal Services Director

SUBJECT: Deficit Elimination Plan

SUMMARY & BACKGROUND:

The Comprehensive Annual Financial Report for the City of Ypsilanti as of June 30, 2011 revealed that the 2003 General Obligation Unlimited Tax Bonds fund (341) has a deficit fund balance of $9,551 (please see page 67 of 2011 CAFR). The State of Michigan, Department of Treasury requires that the City of Ypsilanti formulate and file a financial plan to eliminate the deficit and present it to them. The plan was submitted to them by letter dated December 20, 2011, noting that it would be submitted to the Ypsilanti City Council for approval at this meeting.

The deficit in Fund 341 was the result of actual and estimated charge backs from Washtenaw County and estimated Michigan Tax Tribunal during the fiscal year. The deficit will be eliminated by adjusting Fiscal year 2012-2013 street millage rates.

Recommended Action: That the City Council adopt the attached resolution to accept the deficit elimination plan submitted to the State of Michigan to avoid violation of Act 275 of the Public Acts of 1980.

Attachment: Deficit Elimination Plan letter and page 66 of the June 30, 2011 of the Comprehensive Annual Financial Report.

CITY MANAGER APPROVAL: ____________________________ For Agenda of: January 10, 2012

CITY MANAGER COMMENTS: ____

FISCAL SERVICES DIRECTOR APPROVAL: ____

Resolution No. 2012 - 007
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti Comprehensive Annual Financial Report as of June 30, 2011 revealed that the 2003 General Obligation Unlimited Tax Bonds fund (341) has a deficit fund balance of $9,551; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the City of Ypsilanti and filed with the State of Michigan, Department of Treasury; and

WHEREAS, such a plan was submitted on December 20, 2011, noting that it would be presented to the Ypsilanti City Council for approval January 10, 2012.

NOW, THEREFORE, BE IT RESOLVED that the City adopts the deficit elimination plan as submitted as required by the State of Michigan, Department of Treasury.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

City of Ypsilanti
Finance Department
Accounting Division

December 20, 2011

Mr. Harlan Goodrich
Local Audits and Finance Division
Michigan Department of Treasury
P.O. Box 30728
Lansing, MI 48909-8228

Dear Mr. Goodrich:

The Comprehensive Annual Financial Report of the City of Ypsilanti as of June 30, 2011, revealed that the 2003 General Obligation Unlimited Tax Bonds Fund (341) had a deficit fund balance of $9,551 (please see page 67 of 2011 CAFR).

The State of Michigan, Department of Treasury, Local Audit and Finance Division, requires that the City of Ypsilanti formulate and file a financial plan to eliminate the deficit.

The deficit in Fund 341 was the result of actual and estimated charge backs from Washtenaw County and estimated Michigan Tax Tribunal during the fiscal year. The deficit will be eliminated by increasing the Fiscal Year 2012-2013 street millage rate by generating additional revenue to cover the $9,551 deficit.

Thank you and I trust I have addressed the deficit elimination plan. Please contact me if you have questions.

Sincerely,

Marilou T. Uy
Director of Fiscal Services

Enclosures

One South Huron Street
Ypsilanti, MI 48197
Tel (734) 483-1105
Fax (734) 482-7784
www.CityofYpsilanti.com

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2011

	2001 General Obligation Roads	2001 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds	2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2003 Unlimited Tax Bonds	2010 Refunding Bonds	Total
Revenues										
Taxes and special assessments	$ 673,576	$ -	$ -	$ -	$ -	$ -	$ -	$ 682,015	$ -	$ 1,355,591
Intergovernmental	-	108,739	127,738	-	32,940	426,074	597,881	-	-	1,293,372
Investment earnings	547	138	137	-	-	125	112	787	13	1,859
Other revenue	443	-	-	-	-	-	-	451	-	894
Total revenues	674,566	108,877	127,875	-	32,940	426,199	597,993	683,253	13	2,651,716
Expenditures										
Debt service:										
Principal	520,000	60,000	70,000	25,000	25,000	255,000	510,000	495,000	-	1,960,000
Interest and fiscal charges	97,568	48,878	57,875	10,149	7,938	171,200	87,993	218,547	52,694	752,842
Bond issuance costs	-	-	-	-	-	-	-	-	75,847	75,847
Total expenditures	617,568	108,878	127,875	35,149	32,938	426,200	597,993	713,547	128,541	2,788,689
Revenues over (under) expenditures	56,998	(1)	-	(35,149)	2	(1)	-	(30,294)	(128,528)	(136,973)
Other financing sources (uses)										
Issuance of refunding bonds	-	-	-	-	-	-	-	-	3,830,000	3,830,000
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(3,749,306)	(3,749,306)
Transfers in	-	-	-	35,149	-	-	-	-	79,869	115,018
Transfers out	(79,869)	-	-	-	-	-	-	-	-	(79,869)
Total other financing sources (uses)	(79,869)	-	-	35,149	-	-	-	-	160,563	115,843
Net changes in fund balances	(22,871)	(1)	-	-	2	(1)	-	(30,294)	32,035	(21,130)
Fund balances, beginning of year	22,871	381,117	434,594	-	44,394	602,758	281,465	20,743	-	1,787,942
Fund balances, end of year	$ -	$ 381,116	$ 434,594	$ -	$ 44,396	$ 602,757	$ 281,465	$ (9,551)	$ 32,035	$ 1,766,812

REQUEST FOR LEGISLATION
January 5, 2012

FROM: Edward B. Koryzno Jr., City Manager

SUBJECT: Adoption of Five-Year Financial Plan

Summary: City Council began examining the city's financial condition and possible solutions during August and concluded during their annual goal setting in December. The discussion included developing a comprehensive plan that included a combination of budget reductions, ballot proposals to address debt and generate revenues. Council expressed a desire during goal setting to discuss and potentially adopt a schedule to implement that five-year plan at the January 10, 2012 council meeting.

The proposed plan is attached for your consideration

Recommendation: That city council review the proposed plan and adopt it, if satisfactory.

Attachments: Proposed five-year financial plan, resolution

Council Agenda Date: January 10, 2012 Council Agenda Item No. 2012-008

City Manager Approval: ______________________________

City Manager Comments: ______________________________

Finance Director Approval: ______________________________

City of Ypsilanti
Pride. Diversity. Heritage.

Resolution No. 2012-008
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, City Council has met and discussed the city's long term financial status; and

Whereas, the city's decline in taxable value coupled with declining population, lack of economic development on Water Street and legacy costs has created a financial crisis; and

Whereas, City Council has developed a five-year financial plan that addresses budget reductions, revenue generation and addressing long term debt; and

Whereas City Council has developed a schedule to implement the five-year financial plan.

Now therefore be it resolved, that the Ypsilanti City Council approves the attached five year financial plan including ballot issues to be placed on the May 2012 election.

OFFERED BY: ______________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE:

CITY OF YPSILANTI FIVE-YEAR FINANCIAL PLAN
IMPLEMENTATION SCHEDULE
JANUARY 10, 2012

<u>Tuesday, January 10, 2012</u>
- Adopt Schedule

<u>Week of January 23rd or 30, 2012</u>
- Notice of Public Hearing printed in Ypsilanti Courier on the Five Year Financial Plan including first reading of City Income Tax ordinance (CIT) & Water Street Debt (WSD) millage ballot issues at February 7 council meeting

<u>Tuesday, February 7, 2012</u>
- During City Council meeting
  - Presentation of Five Year Financial Plan
  - First Reading of Income Tax Ordinance
  - Public Hearings on
    Five Year Plan
    CIT
    Water Street Debt Millage

<u>Tuesday, Wednesday and Thursday, February 14, 15, 16, 2012</u>
- Public Presentations/Hearings in each of the city's three Wards

<u>Tuesday, February 21, 2012</u>
- During City Council meeting
  - Adoption of the Five Year Financial Plan
  - Second Reading of CIT Ordinance
  - Adopt wording and date for CIT ballot Issue
  - Adopt wording and date for Water Street Debt Bond ballot Issue

<u>Wednesday, Thursday or Friday - February 22, 23 or 24, 2012</u>
- Clerk delivers certified copies of the ballot language adopted by City Council for CIT and WSD

<u>Tuesday, February 28, 2012</u>
- Ballot Language certified by County Clerk

<u>Tuesday, May 8, 2012</u>
- Election for CIT and WSD

<u>June 2012</u>
- Adopt two-year budget based upon Five Year projections and results of election

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

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Ypsilanti, MI 48197
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e-mail: jslider@barrlawfirm.com

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

REQUEST FOR LEGISLATION

DATE: January 6, 2012

FROM: John M. Barr, Ypsilanti City Attorney

SUBJECT: Authority for County to Demolish 310 Park Street

SUMMARY/BACKGROUND

310 Park Street is a dangerous building. The Dangerous Building Hearing Officer, with consent of the building owner ordered the building demolished. City Council approved the order. Washtenaw County will demolish the building, but wants permission to enter.

ATTACHMENTS: Resolution allowing Washtenaw County to Demolish 310 Park Street

RECOMMENDED ACTION: Request Council approve the resolution of demolition.

DATE RECEIVED: 1-5-12 AGENDA ITEM NO. Res. No. 2012-011

CITY MANAGER COMMENTS: ____________________

FOR AGENDA OF: 1-10-12 FINANCE DIR. APPROVAL: ____________________

COUNCIL ACTION TAKEN:
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Resolution No. 2012-011
January 10, 2012

RESOLUTION APPROVING WASHTENAW COUNTY DEMOLOTION OF 310 PARK STREET

WHEREAS, 310 Park Street, Ypsilanti, Michigan is a dangerous building; and

WHEREAS, the Dangerous Building Hearing Officer, with the consent of the owner ordered the building demolished; and

WHEREAS, Washtenaw County is ready to begin the demolition process.

NOW THEREFORE, IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that: Washtenaw County is granted the permission and authority to enter the property at 310 Park Street, Ypsilanti, Michigan and begin and complete demolition, and take all necessary action therein.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

Resolution No. 2012-012
January 10, 2012

A RESOLUTION OF APPRECIATION TO CITY MANAGER EDWARD B. KORYZNO JR. FOR HIS YEARS OF SERVICE TO THE CITY OF YPSILANTI

WHEREAS, Edward B. Koryzno, Jr. has worked in Michigan local government for over 31 Years; and,

WHEREAS, City Manager Koryzno holds a Bachelors and Masters Degrees from Michigan State University; and

WHEREAS, In an effort to enhance his educational endeavors he additionally attended the University of Virginia's Senior Executive Institute; and

WHEREAS, Edward B. Koryzno, Jr. has been the City Manager of Ypsilanti since 1996; and

WHEREAS, In addition to serving in the City of Ypsilanti, City Manager Koryzno has served in the cities of Fenton, Grand Haven and the Village of Spring Lake; and

WHEREAS, City Manager Koryzno has demonstrated his professional leadership by currently serving as a Board Member of the Michigan Suburbs Alliance and Ypsilanti Public School Foundation and;

WHEREAS, In the past City Manager Koryzno was a Board Member of the Michigan Municipal Works Compensation Fund, former Michigan Municipal League Regional Officer and past President of the Michigan Local Government Association.

NOW THEREFORE BE IT RESOLVED, That the Ypsilanti City Council hereby expresses it's sincere appreciation to City Manager Edward B. Koryzno, Jr. for his many years of service to the City of Ypsilanti and its residents.

BE IT FURTHER RESOLVED, That the Ypsilanti City Council wishes Mr. Koryzno well in his future leadership role.

OFFERED BY: ____

SUPPORTED BY: ____

YES: NO: ABSENT: VOTE:

Resolution No. 2012 - 013
January 10, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: ______________________________

SUPPORTED BY: ______________________________

YES: NO: ABSENT: VOTE: