Approved

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

I. CALL TO ORDER

The meeting was called to order at 7:08 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 (8:07)		

Council Member Bodary 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 the following persons: Police Chief Amy Walker, Firefighter Ken Hobbs, Director of Public Services Stan Kirton, Fiscal Services Director Marilou Uy, Deputy Clerk Felicia Rutledge and City Clerk Frances McMullan acting as City Manager.

VI. AGENDA APPROVAL

Council Member Murdock suggested we move the three public hearings after the presentations.

Council Member Jefferson added Resolution 2012-029 to appoint City Clerk Frances McMullan as Interim City Manager.

On a voice vote the agenda was approved as amended.

VII. PRESENTATIONS –

1. Millennial Vision – Sarah Demmon and Morgan Cox, Millennial Mayors Congress

Sarah Demmon and Morgan Cox presented on the Millenial's group that was created in May of 2010. Several focus groups were held and millenial's between the ages of 18-35 were surveyed. The millennial's were interested in the economy, government, transportation, education, vibrant spaces and the environment. The Millennial's are asking the City of Ypsilanti to pass a resolution in support of their vision.

Council Member Bodary thanked Sarah Demmon and Morgan Cox for sharing the vision of MMC and said he feels it is a vision we all can share and one that is young person friendly.

Council Member Robb asked if the city's master plan had been looked at for efficiencies and mixed use development.

Council Member Bodary replied a copy of the master plan will be forwarded.

Mayor Schreiber commented about taxes, renovation and how rehabilitation will make our city vibrant. The Mayor said he would like for State Representative David Rutledge to be approached about doing a presentation at the state level to make sure they know young people are interested in government.

2. Presentation of the Five-Year Financial Plan

Council Member Vogt asked if the plan shows a 3% decline in revenue sharing.

Administrative Services Director David Kowal answered yes there is a continued decrease of revenue sharing in the five-year period.

Council Member Murdock asked Mr. Kowal to expand on the Water Street debt millage and the City income tax before the public hearings begin.

David Kowal commented on Water Street debt millage and stated a series of bonds were issued for land acquisition, finance, environmental clean-up and to refinance public infrastructure. We have bonds that total $15,455.00. The bond payments are from 2012-2031 and the general fund to date has been paying those payments. The Water Street project was to be tax revenue for the City but there is no such development on the property so the City is paying the bond debt from the general fund and this is unsustainable.

VIII. PUBLIC HEARINGS –

Mayor Schreiber opened the public hearings and read the rules for audience participation.

Water Street Debt Millage public hearing.

1. Mark Hergott, 111 Miles, stated he will vote for the Water Street bond millage because it has an end to it and he will tell his neighbors and everyone to support it.

2. Beth Bashert, 909 Grant, commented she hates the name but will support the Water Street debt millage. She said she would rather pay out of her personal property taxes as opposed to sacrificing police and fire services.

3. Erika Nelson, 518 Fairview Circle, stated she supports the Water Street millage for the same reasons as Beth.

4. Bob Levy, 2504 Eagle Circle, supported the Water Street debt millage and said nothing is free in this world so we don't have a choice. He said Ypsilanti is a wonderful city.

A. Resolution No. 2012-017, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing regarding the Water Street Debt Millage be officially closed.

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

On a voice vote the motion to close the public hearing for Resolution 2012-017 was unanimous.

CITY INCOME TAX public hearing.

1. Mark Hergott, 111 Miles, stated he is against putting both the income tax proposal and the Water Street debt proposal on the same ballot.

2. Beth Bashert, 909 Grant, stated she strongly supports an income tax. She said Ypsilanti did not create the economic crisis and she is glad Ypsilanti is finally finding a way for EMU employees to help with the expenses they help build.

3. Bob Levy, 2504 Eagle Circle, commented that a city income tax is essential in these tough times. He said he will support the city income tax proposal.

4. Erika Nelson, 518 Fairview Circle, commented she supports the city income tax. She stated she was a prior Ferndale resident and saw what living next to a city like Detroit did to her insurance rates. She said it is essential that both the city income tax and the Water Street debt millage pass together. She said the city income tax is a lot less regressive.

5. Lee Tooson stated he will support the city income tax if it is etched in stone that the fire and police departments will have everything they need and if Chief Amy Walker remains police chief.

6. Leslie Letbetter, 810 N. River, commented she is new to town and does not support the city income tax. She said people will not want to live here and her property taxes will go down.

7. Lou Bloon, 1763 Vermont, said he is thinking of moving to Ypsilanti and is glad to see a City Council that is looking 5 years out. He said what he has witnessed makes him want to live in Ypsilanti.

8. Janet Ohm, 422 S. Huron, spoke against the city income tax and said overall it would discourage people from moving into the community. She felt the two proposals should be separate.

   Resolution No. 2012-019, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider an ordinance to add Chapter 3 to the Ypsilanti City Code entitled, "Uniform City Income Tax" be officially closed.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Vogt

On a voice vote the motion to close the public hearing for Resolution 2012-019 was unanimous.

FIVE YEAR PLAN public hearing.

1. Mark Hergott, 111 Miles, said it really doesn't matter what will happen after 2014. He said things are looking good for the Big 3 and Michigan is coming back. He said it seems we are boxed into a corner and being proded into a decision that will affect the city for decades to come.

2. Fred Davis, 524 Marion, stated economic traditions have changed with property taxes and state revenue sharing but we can't count on that. He asked City Council to support both the city income tax proposal and the Water Street debt proposal.

3. Erika Nelson, 518 Fairview, said she supports both the city income tax and Water Street debt proposals. She said this creates a diverse source of revenue for the city and the numbers don't come together unless both proposals pass.

4. Mr. Bloon stated this is a conservative estimate for a five year plan based on property taxes and state revenue and asked what happens if the sky does not fall and if the proposals do not pass.

5. Beth Bashert, 909 Grant, said that now is the time for the city to pull together. The city does not have enough money and we need both measures to pass.

6. Bob Levy, 2504 Eagle Circle, compared Ypsilanti to Camden, New Jersey. He stated no one likes a city income tax and he is proud that city council has the guts to put both measures before the public for a vote. He said he is proud to be an Ypsilanti resident.

7. Lee Tooson commented he is still going on the honesty of the whole thing. He said if police and fire can operate properly, and the Police Chief can remain and run the department the way it needs to be run, he will support the measures.

8. Glen Sard, 309 E. Cross, commented that he strongly supports the five year plan, the income tax and the Water Street debt proposal. He thanked the Mayor for his support and said he hopes Council votes unanimously in order to keep our city solvent.

Resolution No. 2012-015, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing on the "Five-Year Financial Plan" be officially closed.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Vogt

On a voice vote, the motion to close the public hearing for Resolution 2012-015 was unanimous.

A. Resolution 2012-014, determination (Five-Year plan)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, a financial plan sets forth strategies that the organization will pursue for financial health over a multi-year period and keeps everyone's eye on long-term financial health; and

WHEREAS, a long term financial plan is a combination of technical analysis and strategizing; and

WHEREAS, a plan does not just forecast the status quo into the future; It considers different possible futures; and

WHEREAS, as an anchor of financial sustainability, financial planning encourages big-picture and long-term thinking among elected and appointed officials; and

WHEREAS, the attached City of Ypsilanti 5-Year Financial Plan is a culmination of many months of planning and strategy meetings by elected and appointed officials; and

WHEREAS, the financial plan incorporates a conservative series of assumptions, conservative revenue forecasts, realistic expenditure projections, and two major new sources of potential revenue – a city income tax and a special Water Street debt service millage – both of which will require voter approval and are scheduled for consideration by the electorate on the May 8, 2012 special election.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council does hereby adopt the City of Ypsilanti Financial Plan for the period Fiscal Year 2012/13 through Fiscal Year 2016/17.

OFFERED BY Council Member Robb
SUPPORTED BY: Council Member Bodary

Council Member Vogt commented the staff has done a great job getting ready for this evening. He said a lot of difficult work has been done and it is necessary to adopt the five year plan. He said he does not want rising crime and we don't have time to wait on the property taxes to go down and for foreclosures to levy out. He said the city is trying to put provisions in place for when things recover and Council will have the ability to lower the levy. The best plan is to cover the short term problems, pay the extra money and keep pressure on the legislature and Governor. He said he fully supports the plan and will continue to be in support.

Council Member Bodary commented on Visteon not being in Ypsilanti and how that was a major tax revenue for the city. He said he was not in favor of a city income tax in the past but sees it as necessary now. He agreed with Erika Nelson's comments that the city has to diversify and said he is going to support the income tax now.

Council Member Robb suggested that Council dial down the rhetoric and admit that Water Street was a mistake and just ask the public to pay for it. He recalled that several people spoke about diversity but residents paying for the city income tax and the Water Street debt millage is not diversification.

Council Member Murdock commented that Council and staff had 2 year budgets but Council started doing 5 year projections and the projections that have been done to date are conservative. He stated both measures need to pass and bankruptcy is not an option or a solution. He highlighted he has lived in Ypsilanti all his life and wants the community to be the type that people would like to live in.

Mayor Pro Tem Richardson commented she will support the proposals and never thought of not supporting. She questioned what would be done if the plan fails? She stated that some actions need to be put in place in case the city income tax and Water Street debt millage do not pass.

Council Member Jefferson commented he agrees both measures need to pass. He said it is best for the city to continue to come up with creative solutions because the rescue wagon is not coming. He said he loves the city and whatever it takes to make the city a good place to live he is willing to support. He further stated if residents have suggestions, Council is listening. He said he will support the measures so the city can maintain its sustainability.

Mayor Schreiber said he will support all the measures and thanked all the speakers who spoke. He highlighted that it is important to city council that residents come out and speak. We all have an investment in the City and that is why he will support the both measures.

On roll call, the vote to approve Resolution 2012-015 was as follows:

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

VOTE:

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

B. Resolution 2012-016, determination (Water Street)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti, Michigan (the "City") has previously issued various series of bonds to finance and refinance the costs relating to land acquisition, environmental cleanup and public infrastructure in an area of the downtown referred to as the Water Street Redevelopment Project; and

WHEREAS, the City's General Obligation Limited Tax Capital Improvement Refunding Bonds, Series 2006 (Taxable) (the "Bonds") are currently outstanding in the principal amount of $15,455,000 payable on May 1 from 2012 through 2031; and

WHEREAS, the City entered into a Community Development Block Grant Agreement for Project MSC 201017-EDIG (the "CDBG Agreement") and received grant funds in the amount of

$3,050,350, of which $2,750,350 remains outstanding and due to be paid, from January 1, 2015 through January 1, 2025; and

WHEREAS, the Bonds and the CDBG Agreement were issued in anticipation of tax increment revenues being generated by the proposed development, which has not occurred as originally anticipated; and

WHEREAS, the City is currently paying the debt service on the Bonds from its general fund and other sources; and

WHEREAS, the City Council desires to seek voter approval to pledge the City's unlimited tax full faith and credit for payment of the Bonds and CDBG Agreement to allow a millage to be levied to pay the debt service on the Bonds and CDBG Agreement.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Ypsilanti, Michigan, as follows:

1. **A special election of the qualified electors of the City is called and requested to be held on Tuesday, May 8, 2012, for the purpose of submitting the following proposal to the electors:**

WATER STREET DEBT MILLAGE PROPOSAL

Shall the City of Ypsilanti, County of Washtenaw, Michigan, be authorized to pledge its unlimited tax full faith and credit for payment of its General Obligation Limited Tax Capital Improvement Refunding Bonds, Series 2006 (Taxable), which are outstanding in the principal amount of $15,455,000, payable through 2031, and its contractual obligations under a Community Development Block Grant Agreement which is currently outstanding in the principal amount of $2,750,350, payable through 2025, both of which were issued or incurred for the purpose of paying the cost of financing and refinancing certain capital improvement costs relating to the Water Street Redevelopment Project? The estimated millage to be levied in 2012 is 4.94 mills ($4.94 per $1,000 of taxable value) and the estimated simple average annual millage rate required to retire the debt is 5.40 mills ($5.40 per $1,000 of taxable value).

2. **The City Clerk is hereby authorized to cause the above proposal to be placed on the ballot at the election to be held on May 8, 2012.**

3. **The canvass and determination of votes of said question shall be made in accordance with the laws of the State of Michigan and the Charter of the City of Ypsilanti.**

OFFERED BY: Council Member Bodary
SUPPORTED BY: Council Member Jefferson

On roll call, the vote to approve Resolution 2012-016 was as follows:

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

VOTE:

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

<u>ORDINANCES – FIRST READING</u> Ordinance No. 1169

1. An ordinance to add Chapter 3 to the Ypsilanti City Code entitled, “Uniform City Income Tax”.

   A. Resolution No. 2012-018, determination.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "Uniform City Income Tax” be approved on first reading.

CITY OF YPSILANTI
NOTICE OF ADOPTED ORDINANCE
Ordinance No. 1169

An ordinance to add Chapter 3 to the Ypsilanti City Code entitled “Uniform City Income Tax.”

1. THE CITY OF YPSILANTI ORDAINS That, pursuant to the authority of Section 3c of Chapter 1 of Act 284 of the Public Acts of 1964, as amended (The City Income Tax Act, MCL 141.501 et seq), a new Chapter 3 of the Code of the City of Ypsilanti entitled “Uniform City Income Tax” Ordinance is hereby added to read as follows:

Chapter 3. <u>Uniform City Income Tax</u>

Section 3-1. Adoption
The Uniform City Income Tax Ordinance as prescribed by Act 284 of the Michigan Public Acts of 1964, as amended, is hereby adopted as the City of Ypsilanti Uniform City Income Tax Ordinance and all the terms, provisions, and conditions as found therein are hereby incorporated by reference.

Section 3-2. Rate of Taxation
Subject to the exclusions, adjustments, exemptions, and deductions herein provided, and in accordance with Section 11 of Chapter 2 of the uniform city income tax ordinance, MCL 141.611, an annual tax of one percent (1%) on corporations and resident individuals and of one half of one percent (*.5%)* on non-resident individuals for general revenue purposes is hereby imposed as an excise on income earned and received on and after the effective date of this ordinance.

Section 3-3 Effective Date
This Ordinance is effective on January 1, 2013, pursuant to the authority of Section 3 of Chapter 1 of Act 284 of the Public Acts of 1964, as amended (the City Income Tax Act MCL 141.405); provided, however, that this Ordinance shall not be effective unless approved by a majority of the qualified electors voting on the question at an election to be held Tuesday, May 8, 2012.

Section 3-4 Individual deduction
An individual taxpayer, in computing his taxable income, is allowed a deduction of One Thousand Dollars ($1,000) for each personal and dependency exemption under the rules for determining exemptions and dependents as provided in the Federal Internal Revenue Code.

Section 3-5 Additional deductions
An additional deduction is allowed under section 3-4 for a taxpayer who is sixty- five (65) years of age or older, or who is blind as defined in Section 504 of the Income Tax Act of 1967, Act 281 of the Public Acts of 1967, being Section 206.504 of the Michigan Compiled Laws. If the taxpayer is both sixty-five (65) years of age or older and blind, two (2) additional exemptions are allowed under this section.

Section 3-6 Additional deductions
An additional deduction is allowed under section 3-4 for a taxpayer who is a paraplegic, quadriplegic, hemiplegic or totally and permanently disabled or deaf, as those terms are defined in state law.

2. <u>Severability.</u> If any clause, sentence, section, paragraph, or part of this ordinance, or the application thereof to any person, firm, corporation, legal entity, or circumstances, shall be for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not effect, impair, or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, legal entities, or circumstances by such judgment shall be confined in its operation to the clause, sentence, section, paragraph, or part of this Ordinance thereof directly involved in the case or controversy in which such judgment shall have been rendered and to

the person, firm, corporation, legal entity, or circumstances then and there involved. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

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

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

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

6. Publication and Effective Date. The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published by printing the same in the publication of record. This Ordinance shall become effective after publication at the expiration of 30 days after adoption.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Vogt

On roll call, the vote to approve Resolution 2012-018 "Uniform City Income Tax Ordinance" was as follows:

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

VOTE:

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

Mayor Schreiber called for a 10 minute recess at 9:30 p.m.

The meeting reconvened at 9:44 p.m.

X. AUDIENCE PARTICIPATION

Mayor Schreiber read the rules for audience participation.

1. Mark Hergott, 111 Miles, reiterated his opinion on the revenue enhancement proposals stating both should be separate proposals on different election dates.

2. William Simmons said he will support both tax proposals because he knows something needs to be done and trusts that City Council will get it done.

3. Leonardo Christian, 7 S. Normal, commented the Interim City Manager quit and we have the City Clerk in the Manager position. He said he hopes the pay goes with the job. He apologized to Marilou about the comments that were made to her and said he is not one for biting his tongue and what is done in the dark will come to light.

4. Erika Nelson commented specifically to Council Member Robb that the city income tax will tax others that come into the community as well as residents and that coupled with the Water Street millage, is diversification. She said she supports both measures.

5. Bob Levy commented that he witnessed democracy in action tonight. He applauded City Council on how they entertained comments from the public and how they have the guts to do a city income tax and Water Street debt millage. He wished all of the City Council Members success in being re-elected.

6. Jason Ledbetter, 810 N. River, commented he does not want to pay the city income tax and that both proposals should be called a bailout. He stated that in five years the city will still be in the red.

7. Mr. Tooson commented City Council sat around and circumvented the City Charter and not once did anyone speak up for Ms. Frances. He said City Council hired a man for $800.00 a day when they could have saved by hiring Ms. Frances. He said Council should not have to look for a city manager; Ms. Frances is more than qualified to do the job. He highlighted that he hopes Ms. Frances applies for the job.

XI. REMARKS BY THE MAYOR

Mayor Schreiber read the City Charter which states in an emergency the City Clerk assumes the duty of City Manager until the next City Council meeting. He said Council Member Jefferson has added a resolution that will take care of the appointment.

Council Member Bodary commented this is not a bailout. He said the city needs to look forward and not backward.

Council Member Jefferson commented that the pay for the Interim City Manager should be comparable to what was being paid previously. He also said there is a zero tolerance for behavior that discriminates against anyone. He said he takes full responsibility for not researching into Mr. Hansen's character and not looking into the city charter about the City Clerk being placed in the position of City Manager in an emergency. He was involved in the interim search, which in hindsight, he would not have chosen anyone and would have advocated for the City Clerk to step into that position and save money.

Major Schreiber said there is development in process for Water Street because the city signed a letter of intent to build a recreation center. The city has some interested parties and he thinks this will spur other development and the bond will be reduced.

Major Schreiber commented that pay for the position will be handled according to the employee hand book.

XII. MINUTES

Resolution No. 2012-020, approving the minutes of January 10, 2012.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of January 10, 2012 be approved.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Bodary

On a voice vote, the motion to approve Resolution 2012-020 carried unamiously.

XIII. CONSENT AGENDA Resolution No. 2012-021

1. Resolution No. 2012-022, adopting the Millennial Vision and protocol for the City of Ypsilanti.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS the City of Ypsilanti is one of 22 local governments participating in the Millennial Mayors Congress, a voluntary regional coalition of municipal leaders and young residents; and

WHEREAS Michael Bodary and Sarah Demmon are Ypsilanti's appointed representatives to the Millennial Mayors Congress; and

WHEREAS the Millennial Mayors Congress unanimously adopted the Millennial Vision for Metro Detroit on December 3, 2011 via the attached resolution in order to guide and coordinate future development according to the priorities of Millennial residents;

WHEREAS the City Council has determined that it is in the interests of the City of Ypsilanti, as a participating member of the Millennial Mayors Congress, to pursue the same goals for metro Detroit's future.

NOW THEREFORE IT IS RESOLVED that it is the goal of the City of Ypsilanti to work towards the shared goals for metro Detroit enumerated in the Millennial Vision for Metro Detroit.

IT IS FURTHER RESOLVED that the City Council instructs the City Manager and the [relevant staff person] to work with Michael Bodary, Sarah Demmon and the staff of the Millennial Mayors Congress to identify implementation steps, taking into account the specific conditions and priorities of the City of Ypsilanti.

2. Resolution No. 2012-023, approving contract with MDOT for 2012 CMAQ Equipment Replacement Project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Congestion Mitigation and Air Quality (CMAQ) funding has been programmed to replace the 1987 Elgin Eagle Street Sweeper in 2012; and

WHEREAS, it is necessary to enter into a contract with the Michigan Department of Transportation to receive the CMAQ Funds to purchase a 2012 Allianz Johnston VT650 Vacuum Street Sweeper;

NOW THEREFORE BE IT RESOLVED THAT the City Council approves the Michigan Department of Transportation Contract No. 2012-0262; and

THAT the Mayor and City Clerk are authorized to sign this contract and any change orders, subject to approval by the City Attorney, to facilitate the purchase of this vehicle.

3. Resolution No. 2012-024, authorizing execution of the Adoption Agreement, Amended Cafeteria Plan and renewal contract with BASIC for administrative assistance of the city's flex plan.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Ypsilanti City Council deems it to be in the best interest of its employees and officers to adopt, amend or restate its Cafeteria Plan under Section 125 of the Internal Revenue Code of 1986, as amended.

WHEREAS, the City Council hereby adopts and approves this Cafeteria Plan as amended or restated to become effective as of 01/01/2012, pursuant to the Adoption Agreement and Cafeteria Plan which are attached hereto.

NOW THEREFORE BE IT RESOLVED, that the Interim City Manager of the City of Ypsilanti is authorized to execute the Adoption Agreement and Amended Cafeteria Plan, and other documents and agreements as may be necessary to implement the Plan.

4. Resolution No. 2012-025, authorizing the City to retain Hartford Insurance to provide 457(b) deferred compensation services to city employees for the calendar year of January 1, 2012 through December 31, 2012.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, City Council of the City of Ypsilanti deems it to be in the best interest of its employees to continue to offer a 457 (b) Deferred Compensation Plan; and

WHEREAS, the City Council acknowledges and does hereby declare the Intention of the Hartford Insurance Company to continue the Plan, but reserves the right to terminate or amend the Plan at any time with Hartford Insurance; and

RESOLVED that the Human Resources Department of the City of Ypsilanti will make this benefit known to all City employees and

provide them with contact information to enroll in this supplemental benefit.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council authorizes the Human Resources Department to retain Hartford Insurance to provide 457 (b) Deferred Compensation Services to City employees for the calendar year of January 1, 2012 through December 31, 2012.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Mayor Pro Tem Richardson

On a voice vote, the motion to approve Resolution 2012-021 (Consent Agenda) carried unanimously.

XIV. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2012-026, approving financing and other related requests for Hamilton Crossing Phase II.

BE IT RESOLVED THAT, the City of Ypsilanti approves the actions described below with respect to the development of a multifamily residential housing complex formerly known as Parkview Apartments (Phase 1) on the property located in Ypsilanti, Michigan described on Exhibit "A-1" (the "Project").

WHEREAS, Ypsilanti Housing Commission (YHC) acquired the Project for nominal consideration from the U.S. Department of Housing and Urban Development ("HUD") as part of a foreclosure sale, which was deeded to Revision Parkview LLC ("Parkview"), a wholly owned subsidiary of YHC, to redevelop the Project in two separate phases;

AND WHEREAS, Michigan State Housing Development Agency ("MSHDA") has asked the City, Parkview and YHC to clarify certain provisions in various agreements prior to approval of its financing to Hamilton Crossing Limited Dividend Housing Association Phase 1 Limited Partnership, a Michigan limited partnership ("Partnership");

THEREFORE BE IT RESOLVED, that the City of Ypsilanti finds the Project, which is included in the Agreement for Approval of Purchase of Parkview Apartments between the City of Ypsilanti and the Ypsilanti Housing Commission dated June 15, 2010 ("Purchase Agreement"), is subject to the City's right of first refusal provided in Section 3 of the Purchase Agreement ("First Refusal"). The City of Ypsilanti subordinates its First Refusal Right to the interests of the Partnership and MSHDA so long as MSHDA has any interest in the Project and further agrees that the First Refusal Right shall be subject to MSHDA's *Procedures and Requirements for Transfers Involving Authority-Financed Developments* dated June 27, 2007, incorporated herein as Exhibit A-4, as may be amended from time to time;

FURTHER RESOLVED, the Project is benefited by the Planned Unit Development Agreement dated June 7, 2011, a copy of which is attached hereto as <u>Exhibit "A-2"</u> and made a part hereof ("PUD Agreement"). The PUD Agreement relates to a "Phase 1 Property" and separate "Phase 2 Property", as such terms are defined therein. The Project is the Phase 1 Property described in the PUD Agreement. Parkview is the "Phase 1 Developer" as defined in the PUD Agreement. Parkview is conveying the Project to the Partnership. The terms, provisions and conditions of the PUD Agreement applicable to the Phase 1 Property shall be deemed a restrictive covenant which shall run with the land and be binding upon and inure to the benefit of the Partnership; provided, however, that the Partnership shall not be bound by or subject to the obligations, terms or conditions set forth in Section 1.8.1 of the PUD Agreement. The obligation to complete development of the Phase 1 Property and the Phase 2 Property belongs to both Parkview and the YHC, not the Partnership;

FURTHER RESOLVED, that financing relative to the Phase 1 Property and Phase 2 Property, as each are defined in the PUD Agreement, a summary of which is attached hereto as <u>Exhibit "A-3"</u> is approved by the City in accordance with its rules and regulations; and

FURTHER RESOLVED, that all actions taken to date in furtherance of the foregoing resolutions are hereby ratified and approved.

OFFERED BY: Mayor Pro Tem Richardson
SUPPORTED BY: Council Member Vogt

Vickie Vaughn, representing Chesapeake Community Development, was present to give an overview of the request.

Council Member Bodary asked if there was a memo from Ms. Gillotti with her approval of this project.

Council Member Bodary commented why would we want to acquire this property?

City Attorney Karl Barr replied in case it becomes dilapidated.

Mayor Pro Tem Richardson asked if is necessary now to have the right of first refusal?

Attorney Karl Barr answered this situation is a result of Phase II starting before Phase I.

Mayor Pro-Tem Richardson commented if the property did become disarrayed or dilapidated the city would have the right of first refusal and she does not want to give up right of first refusal.

Vickie Vaughn commented the City cannot be a borrower under MISHDA Charter and that means the city cannot take on MISHDA finance and cannot assume the MISDA debt. She said if the City has its own financing it would have the right of first refusal.

Mayor Pro-Tem Richardson commented she would like to hear from Ms. Gillotti and sit down with the attorney to get additional clarification.

Mayor Pro-Tem Richardson moved, supported by Council Member Robb, to table the approval of Resolution 2012-026 until the February 21, 2012 City Council meeting.

Council Member Vogt commented this puts us behind the lender as we should be and this is a technicality.

Mayor Schreiber commented he would vote against tabling.

On a roll call vote, the vote to table Resolution 2012-026 was as follows:

Mayor Pro Tem Richardson	Yes	Council Member Bodary	No
Council Member Robb	Yes	Council Member Jefferson	Yes
Council Member Vogt	No	Council Member Murdock	Yes
Mayor Schreiber	No		

VOTE:

Yes: 4 No: 3 (Vogt, Schreiber, Bodary) Absent: 0 Vote: Carried

5. Resolution No. 2012-027, approving city income tax ballot language.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Resolution concerning city income tax.

RESOLVED by the Council of the City of Ypsilanti that the following ballot question be placed before the electorate for their adoption or rejection at an election to be held on Tuesday, May 8, 2012:

ADOPTION OF UNIFORM CITY INCOME **TAX**

Shall Ordinance No. 1169 adopting the Uniform City Income Tax Ordinance, which imposes an annual rate of tax on corporations and resident individuals of 1%, and on non-resident individuals of .5%, effective January 1, 2013, be approved?

Yes ( )
No ( )

IT IS FURTHER RESOLVED that the City Clerk shall do and perform all acts required by the Charter and the laws of the state relative to the giving of notice of such election and of the registration of electors therefore; make all necessary arrangements for the registration of electors for said election and the holding of elections and obtain the approval of all required persons or bodies as to the form in which said ballot question shall be presented to the electors.

IT IS FURTHER RESOLVED that, as part of the Notice of Registration and Notice of Election, the proposed ballot question be published in full in The Ypsilanti Courier the official newspaper of the City of Ypsilanti.

IT IS FURTHER RESOLVED that the canvass and determination of the votes upon the ballot question be made in accordance with the Charter and the state laws applicable thereto.

Council consented to delay Resolution 2012-027 until the second reading of the Income Tax at the February 21, 2012 regular City Council meeting.

On roll call, the vote to delay Resolution 2012-027 until the February 21, 2012 meeting 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

6. Resolution No. 2012-028, approving FY 2012-2013 budget priorities.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Charter requires that each year in February, City Council provides the City Manager by resolution the budget priorities for the next fiscal year.

NOW THEREFORE BE IT RESOLVED, in accordance with Section 5.02 of the City Charter, the following direction is hereby given:

That the City Manager shall present City council with a balanced Resources Allocation Plan for Fiscal Year 2011-2012 using the following organizational values, goals and action strategies:

<u>Organizational Values</u>
Three fundamental values continue to underlie our work together on behalf of the citizens of and visitors to the City of Ypsilanti.

1. Open, transparent and accessible decision-making
We are committed to openness and transparency in our decision-making, doing whatever we can to ensure that information is available to the public in a timely fashion and in a manner that is easily understood, and providing opportunities for public engagement and participation in decision-making.

2. Fiscal solvency and sustainability
We are committed to ensuring the long-term financial stability of the City. Our budget decisions must reflect a balance between short and long-term considerations, and we will work to reduce the costs of city services to the extent we can while maintaining effective city services and a sound infrastructure.

3. Customer Friendly Service
We are committed to providing services to residents and visitors in a customer friendly fashion, ensuring that service processes are effective and understandable, being responsive to requests for service to the extent we can consistent with procedures and resources, and ensuring that people recognize the limits of our ability to respond.

<u>Budget Priorities for FY 2011-2012</u>

During City Council's second goal setting session held on November 29, 2011, Council arrived at a consensus on a number of issues. The most significant was the combination of revenue and budget reduction strategies to balance the FY 2012-13 and FY 2014 budgets. The objective of the December 13th meeting is to review and finalize the Council's goals for the next year. Formal adoption of Council's budget priorities will take place at the February 6, 2012 Council meeting. Staff is exploring cost reduction alternatives for next fiscal year and will provide these in conceptual form prior to the February 6, 2011 Council meeting.

I am consolidating Council's proposed long and short term goals in an effort to make these as straightforward as possible and to reflect Council's agreement on the major components of a broader financial strategy. I believe a consolidated version of the goals initially proposed would benefit both Council and the staff, particularly, because an Interim Manager will be preparing and recommending the new budget. Council has also suggested that Council's primary goal be to a plan to balance revenues and expenses for the next five years. I have incorporated this suggestion into the recommended goals.

Below is the list of goals initially proposed by city council? Some of the proposed goals listed would be considered and pursued under the action plans or budget reductions while other items may prove to be too costly after further investigation.

<u>Action Plans</u>
<u>Evaluate During Budget Preparation</u>

Income Tax **Consolidation**
Water Street Millage **Public Safety**
Storm Water Utility **Hybrid Fire**
Department
Budget Reductions **Reductions of**
1%, 3%, 5%
Collective Bargaining Negotiations
Communication Strategy
Street Light Special Assessment **Alternative**
Budget Projections
Conversion to LED Street Lights **Sale of Assets**

Use General Fund, Fund Balance **Consolidation**
of City Offices
Department of Treasury
Alternatives

Based upon Council discussions, I am recommending Council's primary goal as "develop a five-year plan to balance the general fund budget" and the strategies discussed at the last goal setting session action plans related to that goal.

<u>Proposed Fiscal Year 2012-13 City Council Goal</u>

1. **Develop a Five-Year Plan to Balance General Fund Revenues and Expenses**

Action Plans:

a. ***Place a city income tax proposal on the ballot***

b. ***Place a Water Street Millage on the ballot***

c. ***Consider a Storm Water Utility***

d. ***Reduce FY 2012-13 General Fund Budget expenses in the amount of $650,000***

e. ***Attain collective bargaining concessions from employee unions***

f. ***Balance FY 2012-13 General Fund budget by using fund balance contribution of $620,000***

g. ***Create a Street Light Special Assessment District *****

h. ***Convert street lights in the city to LED lights***

i. ***Sell Surplus City Assets***

j. ***Continue Internal Reorganization and Cooperative Intergovernmental Relationships.***

****Assumes the shift of street lighting costs from the General Fund through a Special Assessment District, as part of the $650,000 of budget reductions for FY 2012-13.**

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

On a roll call vote, the vote to approve Resolution 2012-028 - Budget Priorities was as follows:

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

VOTE:

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

4. Resolution No. 2012-029, to appoint City Clerk Frances McMullan as Interim City Manager

Whereas, John Hansen resigned as Interim City Manager effective Friday, February 3, 2012; and

Whereas, According to City Charter, Section 4.02, in the event of an emergency, the City Clerk will serve as Acting City Manager until the next Council.

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF YPSILANTI appoints Frances McMullan as Interim City Manager until a permanent City Manager is appointed.

OFFERED BY: Council Member Jefferson
SUPPORTED BY Council Member Vogt

On a roll call vote, the vote to approve Resolution 2012-029 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

Council Member Robb commented we have a relatively new person in the Clerk's office and asked how this would be done.

Mayor Schreiber asked Ms. Rutledge to introduce herself.

Ms. Rutledge introduced herself and gave background on her prior experience in the Pittsfield Township Clerk's office.

Interim City Manager McMullan commented the Clerk's office will also have an intern on staff soon.

Mayor Schreiber commented that he supports City Clerk McMullan becoming the Interim City Manager. He said she has earned the respect of him and other employees.

Mayor Pro-Tem Richardson commented that Ms. McMullan is capable of handling the City Interim Manager position.

Council Member Vogt commented that he supports City Clerk Ms. McMullan as Interim City Manager.

Council Member Jefferson said he supports City Clerk Ms. McMullan performing the Interim City Manager duties and believes that Ms. McMullan will be productive and do the City justice.

XV. LIASON REPORTS

A. SEMCOG Update - Mayor Pro Tem Richardson commented about a meeting being held on 2-8-12.

B. Washtenaw Area Transportation Study - Council Member Murdock commented there is a meeting next week.

C. Washtenaw Metro Alliance - Mayor Schreiber commented he did not attend the meeting.

D. Urban Counties – None

E. Freight House - Council Member Murdock said there is no report for the Freight House.

XVI. COUNCIL PROPOSED BUSINESS

Richardson

Mayor Pro-Tem Richardson commented she is very happy to see Ms. McMullan as Interim City Manager. She said the appearance of the Clerk's office has been a big difference under her leadership.

Mayor Pro Tem Richardson commented about her trip to Washington.

Murdock

Council Member Murdock commented about seeing internet traffic about people's trees in the median being cut down.

Robb

Council Member Robb commented about trees being cut down at the Boys and Girls club and the City's website is operating inappropriately. He questioned if the website launched too early.

Bodary

Council Member Bodary commented about the Friends of the Rutherford pool contracting with EMU.

XVII. COMMUNICATIONS FROM THE MAYOR –

Mayor Schreiber commented the AATA 4 Party agreement will be read in March.

Mayor Schreiber commented the staff did an outstanding job on the budget issues and thanked Marilou Uy and David Kowal for their work. He said he looks forward to working with Interim City Manager McMullan.

Mayor Schreiber read his nomination for the Planning Commission.

Council Member Murdock commented on the YCUA nomination and said he had no knowledge of the vacancy.

Mayor Schreiber commented that he does not know if nominations went out thru the Clerk's Office or not but that is how he will communicate vacancies next time. He said the Clerk's Office will email all vacancies and resignations to Council members.

Nominations:

Planning Commission
Dan Lautenbach (reappointment)
106 Oakwood
Ypsilanti, MI 48197
Term Expires: 5/1/2015

Planning Commission
Richard Murphy (reappointment)
406 Florence
Ypsilanti, MI 48198

Term Expires: 5/1/2015

Planning Commission
Cheryl Zeullig (reappointment)
702 Collegewood
Ypsilanti, MI 48197
Term Expires: 5/1/2015

Ypsilanti Community Utilities Authority
Andrew Cameron (new appointment replacing Deedra Climer who resigned)
1313 W. Cross
Ypsilanti, MI 48197
Term Expires: 12/1/2012

XVIII. COMMUNICATIONS FROM THE INTERIM CITY MANAGER

Interim City Manager McMullan commented on the Huron sanitary sewer improvement construction and said it will begin soon and asked Council to inform their constituents and neighbors.

Interim City Manager McMullan commented she has received communications from several council members about the posting of the city manager position in the MML and IMCA publications and said the comments have been forwarded to Ms. Parker. She said the desire that a committee review the applicants can be done by a subcommittee chosen by Council however some information is confidential and would have to be redacted.

She asked if Council had reviewed the posting created by Ms. Parker for the city manager position. Council consented that the posting was okay for posting.

Mayor Pro Tem Richardson announced the Brown Chapel Brotherhood banquet is coming up soon.

XIX. AUDIENCE PARTICIPATION

1. Lee Tooson commented that Council did discriminate against Ms. Frances and he is looking forward to Ms. Frances moving upstairs.

2. Mike Hergott commented about things going on with the Ypsilanti Housing Commission and said it needs resolution. He restated he feels putting the city income tax and Water Street debt proposal on the election ballot at the same time is a mistake.

3. Leslie Lettbetter restated her opposition to the city income tax.

4. Leonardo Christian commented on the previous City Manager and his character.

5. Bob Levy said he supports the city income tax.

XX. REMARKS FROM THE MAYOR

Mayor Schreiber made comments about the city income tax proposal and said he is in support.

Council Member Murdock expressed his support for the city income tax proposal.

Council Member Bodary supported the city income tax proposal.

XXI. ADJOURNMENT

A. Resolution No. 2012-029 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 Resolution No. 2012-029 to adjourn the City Council meeting carried unanimously.

The meeting adjourned at 11:22 p.m.