

1. City Council Regular Meeting Agenda

Documents: [4-3-12 AGENDA.PDF](#)

2. City Council Regular Meeting Packet

Documents: [4-3-12 AGENDA AND PACKET.PDF](#)



**CITY OF YPSILANTI
COUNCIL MEETING AGENDA
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, APRIL 3, 2012
7:00 P.M. – OPEN SESSION**

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 –

VII. PRESENTATIONS –

1. State of the City Address- Mayor Paul Schreiber
Questions and Answers- Mayor and City Council

VIII. PUBLIC HEARINGS-

IX. AUDIENCE PARTICIPATION-

X. REMARKS BY THE MAYOR –

XI. MINUTES –

Resolution No. 2012-063, approving the minutes of March 20, 2012.

XII. CONSENT AGENDA-

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2012-064, approving the purchase of a Fire Service Utility Vehicle.
2. Resolution No. 2012-065 approving appointments to Boards and Commissions.
3. Resolution No. 2012-066 approving an ordinance to add Subsection 9 of Section 2-298 to the Ypsilanti Code of Ordinances: Construction Unity Board (CUB)
(Ordinance NO. 1172.) (Second Reading)

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. REPORTS SUBMITTED-

1. Ypsilanti Housing Commission updated Sustainability Report.
2. Ypsilanti Community Utilities Authority (YCUA) Comprehensive Annual Financial Report.

XXI. ADJOURNMENT –

Resolution No. 2012-067 adjourning the City Council meeting.



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XXI. ADJOURNMENT –

Resolution No. 2012-067 adjourning the City Council meeting.



Resolution No. 2012 – 063
April 3, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of March 20, 2012 be approved.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



**CITY OF YPSILANTI
COUNCIL MEETING AGENDA
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, MARCH 20, 2012
6:00 P.M. –WORK SESSION
7:00 P.M. – OPEN SESSION**

I. CALL TO ORDER –

The meeting was called to order 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	Absent		

Council Member Murdock moved, supported by Council Member Bodary, to excuse the absence of Mayor Pro-Tem Richardson.

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

III. INVOCATION –

IV. PLEDGE OF ALLEGIANCE –

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V. WORK SESSION (6:00 p.m.-7:00 p.m.)

1. Water Street Update- Teresa Gillotti, Senior Planner

Senior Planner, Teresa Gillotti gave a brief overview of the Water Street listing contract with CBRE Listing Agent. She said in 2008 the City of Ypsilanti altered the direction of marketing efforts for the Water Street redevelopment area, opening up the potential to sell smaller portions of the site in addition to the potential to sell the 38 acre parcel as a whole. To further inform this process, the City entered into a contract with CB Richard Ellis, (CBRE) to develop a market study for the site, create a plan for parcelization that included developing specific pricing, listing the property on MLS services, and ongoing marketing at events and through their networks.

That contract had stipulated a monthly payment, which was to be applied to potential commission. The amount related to this “pre-paid” commission is \$72,000. The new contract stipulates that CBRE will not be entitled to any additional consulting fees, and that CBRE waives the right to any additional consulting fees related to activities since the end of the prior

agreement, through the proposed contract. In addition Ms. Gilliotti commented that the updated contract includes these provisions of note: The city will expend no additional funds for the services provided by CBRE, in the case of a donation or transfer of land, rather than a sale, CBRE cannot claim any commission. CBRE will also be under contract for additional services that are to include an updated Analysis and Brochures, and they shall prepare new comparable analysis and updated brochures for the Property at least every six (6) months during the term and feature the Property at the International Council of Shopping Centers' regional and national annual meetings

Ms. Gilliotti further stated that the City has been in conversation with three developers in addition to Washtenaw County Parks and Recreation Commission. Projects under consideration include active senior housing, family affordable housing, and small retail development. Staff is providing interested developers with site information, zoning guidelines, and general location on the proposed location for the County's Recreation facility. Staff will be working with CBRE to move these parties toward a Letter of Intent in upcoming weeks.

Staff would like Council to select either the Mayor or a Council Member to serve on the Steering Committee, as well as the funding committee. Staff would also like approval to work with the Planning Commission and Recreation Commission to select members for the building, site, and trail committees.

Council Member Bodary asked what has CBRE accomplished while being the listing agent for the Water Street property?

Arthur Itkis, CBRE Representative, commented that no contract was in place but that he had been performing marketing on his own without a contract.

Council Member Bodary asked what happened to the contract.

Mr. Itkis responded the contract had expired.

Ms. Gillotti commented that she was trying to get a few items worked out before bringing the contract before city council.

Council Member Bodary commented that he knows Interim City Manager McMullan will do a better job of relaying information to city council about CBRE than had been done in the past. Additionally he said he can't believe that the signs in front of Water Street had not been pulled due to the listing company not having a contract for 12 months.

Council Member Vogt asked what efforts had been made by CBRE for publicizing the Water Street property.

Mr. Itkis responded he publicized to a list of potential occupants, which included student housing, affordable housing and senior housing.

Mayor Schreiber thanked Mr. Itkis and Mr. Fasio for attending the City Council meeting and commented about the challenges of negotiating the contract and that City Council wants to show the public that they are acting in good faith with the Water Street property.

Council Member Murdock asked if lending has still been an issue for financing commercial properties.

Mr. Itkis responded that lending is still an issue but has loosened a bit.

Council Member Murdock commented that the city is working with Washtenaw County Parks and Recreation to build a facility and that will improve the value of the Water Street property.

Mayor Schreiber asked Ms. Gillotti to explain affordable housing.

Ms. Gillotti explained there are different tax credits and qualifying limits for affordable housing versus senior housing. She said a lot of senior housing will apply for a PILOT program which consists of payments in lieu of taxes.

Mayor Schreiber commented Hamilton Crossing has a taxable base.

Washtenaw County Parks and Recreation Deputy Director Coy Vaughn commented on a recreation center being built on the Water Street property.

VI. INTRODUCTIONS –

Mayor Schreiber introduced Washtenaw County Commissioner, Rolland Sizemore, Ypsilanti Library Committee Members, Donna Debutts, Kay Williams, Linda Gurka, Fran Doe, and Joe Murry, CBRE Representative, Arthur Itkis and Miller Canfield Representative, Joe Fasio, and Administrative Services Director, David Kowal.

VII. AGENDA APPROVAL –

Mayor Schreiber amended the agenda to add three Resolutions:

1. Resolution to appoint Staff recommendations to non-council positions.
2. Resolution to appoint a city council liason to the Steering committee.
3. Resolution to appoint a city council liason to the partnership funding committee.

Mayor Schreiber amended the agenda to go thru each “Consent Agenda” Resolution separately.

On a voice vote the agenda was approved as amended.

VIII. PRESENTATIONS –

1. Ypsilanti Library Annual Report- Donna DeButts, Community Relations Coordinator

Ypsilanti Library Representative Donna DeButts gave an overview of the 2011 Annual Ypsilanti Library Report. Ms. DeButts commented that renovation of the YDL- Teen Zone had been completed. She also said forty computers have been added throughout the library system, YDL now has downloadable e-books, 5,000 new library cards have been issued, and the library has collaborated with community organizations to present several reading programs. (Please see the Clerk’s office for a copy of the 2011 YDL Community Report)

Mayor Schreiber commented that it is nice to see the Book Mobile out in the neighborhoods.

Donna Debutts, commented that the Book Mobile goes to the area schools during the day and the neighborhoods in the evenings.

Mayor Schreiber commented that he appreciates the fact that the library has meeting rooms.

IX. PUBLIC HEARINGS-

1. Creation of DDA-Wide OPRA District

A. Resolution No. 2012-048, 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, some parcels within the proposed district are characterized by obsolete commercial or commercial housing property as required in the Act; and

WHEREAS, the City of Ypsilanti, a qualified local governmental unit, sets forth a finding and determination that the district meets the requirements set forth in section 3(1) of Public Act 146 of 2000; and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district, and to the public by newspaper advertisement and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on March 20, 2012 a public hearing was held and all residents and taxpayers of the City of Ypsilanti were afforded an opportunity to be heard thereon; and

WHEREAS, the Ypsilanti City Council deems it to be in the public interest of the City of Ypsilanti to establish the Obsolete Property Rehabilitation Act District as proposed;

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council establishes the Obsolete Property Rehabilitation District consisting of parcel in the West Cross, Downtown and Depot Town DDA districts, as shown on the attached map.

OFFERED BY: Council Member Vogt

SUPPORTED BY: Council Member Jefferson

Moved by Council Member Vogt, Supported by Council Member Jefferson to delay Resolution 2012-048 until April 17, 2012.

Mayor Schreiber asked Ms. Gillotti to explain why the public hearing was being delayed until April 17, 2012.

Ms. Gillotti commented that the notice for the public hearing was published in the paper, but that proper notice by planning had not been done to residents within a specific radius of the OPRA.

Council Member Murdock questioned why the item was just not taken off the agenda.

Ms. Gillotti said she thought that since the notice had been published in the newspaper, that the public hearing needed to be held.

Attorney John Barr commented that the public hearing could be adjourned.

Moved by Council Member Vogt, Supported by Council Member Jefferson to delay Resolution 2012-048 and the public hearing until April 17, 2012.

On a voice vote, the motion to delay the public hearing for Resolution 2012-048 was unanimous.

- B. Open Public Hearing.
- C. Resolution No. 2012-049, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider the proposed resolution entitled "CREATION OF DDA-WIDE OPRA" be officially closed.

- 2. NRTF Application for Water Street Trail
 - A. Resolution No. 2012-050, determination.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, certain funding is available through the Michigan Natural Resources Trust Fund that may be used for recreation improvements;

WHEREAS, The creation of a non-motorized pathway along the western edge of the Water Street Redevelopment Area, along the Huron River, has been identified as "River's Edge Linear Park" in the Parks and Recreation Master Plan (2008) and the Master Plan (1998) as a project that will promote access to and enjoyment of the river and the parkland along it;

WHEREAS, The Washtenaw County Parks and Recreation Commission has generously agreed to provide up to \$292,000 for the implementation of this project;

WHEREAS, The MNRTF funding available, when combined with existing funding, would be sufficient for the construction of this non-motorized path; and

WHEREAS, The construction of this amenity, in coordination with the surrounding Water Street redevelopment, will advance local and

regional goals of increasing access between neighborhoods, parks, and regional non-motorized facilities;

NOW THEREFORE BE IT RESOLVED, that the Ypsilanti City Council hereby approve the application for FY 2012 MNRTF funding to construct a non-motorized path connection between Michigan Avenue and Grove Road area.

FURTHER, that should the grant be awarded, the Mayor and City Clerk are authorized to sign all documents relating to this grant.

OFFERED BY: Council Member Bodary

SUPPORTED BY: Council Member Vogt

On a roll call vote, the motion to approve Resolution 2012-050 was as follows:

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

VOTE:

Yes: 5 No: 0 Absent: 1 (Mayor Pro-Tem Richardson) Vote: Carried

B. Open Public Hearing.

Mayor Schreiber read the rules for audience participation.

Commissioner Sizemore commented Good Luck and he supports.

Mark Hergott, 111 Miles, commented the crossing on Michigan Ave, suggest you don't go with a hawk, he suggest a pedestrian refugee. He said that a pedestrian refugee is safer in his opinion.

Richard Ellis, 1473 Wild Wood Trail in Saline, commented about bicycle safety and his support of this resolution.

C. Resolution No. 2012-051, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider the 2012 Natural Resources Trust Fund Grant Application for River's Edge Linear Park and Trail be officially closed.

OFFERED BY: Council Member Bodary

SUPPORTED BY: Council Member Vogt

On a voice vote the motion for Resolution 2012-051 to close the public hearing was unanimous.

3. Creation of an Industrial Development District- 715 Norris St.

A. Resolution No. 2012-052, 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 Plant Rehabilitation and Industrial Development Districts Act 198 of 1974 as amended, provides for a tax incentive to encourage rehabilitation or expansion of existing facilities, and other related incentives; and

WHEREAS, the City of Ypsilanti is a qualified local government unit under the Act, and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district, and to the public by newspaper advertisement in the and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on March 20, 2012 a public hearing was held and owners and other residents or taxpayers of the local governmental unit were provided the opportunity to appear and be heard; and

WHEREAS, the City Council finds that more than 50% of the state equalized valuation of the industrial property of parcel #11-11-04-425-001 (715 Norris St.), the property commonly known as the former Motor Wheel Property, is obsolete; and

WHEREAS, the Ypsilanti City Council deems it to be in the public interest of the City of Ypsilanti to establish the Industrial Development District as proposed;

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council establishes an Industrial Development District for parcel #11-11-04-425-001 (715 Norris St).

OFFERED BY: Council Member Robb

SUPPORTED BY: Council Member Murdock

Ms. Gillotti commented that the goal here is to take proactive steps for properties that the city has had a hard time redeveloping. The Motor Wheels site is already in an IDD and can apply for tax incentives per the state Act. She said the goal here is to advertise the fact that this property is in an Industrial Development District. (IDD)

Council Member Murdock asked does this include the entire parcel up to Highland Park.

Ms. Gillotti answered no it is a single parcel.

Council Member Bodary asked what the current taxable value is.

Council Member Robb answered the property is assessed at \$851,000.00 for real property.

Council Member Bodary commented he supports moving forward with making this an Industrial Development District.

Council Member Robb asked how far this parcel from an R-1 district is.

Ms. Gillotti commented there is little bit of residential on the north street separated by the river on Forest Street.

Council Member Robb commented he is concerned about truck traffic in this area.

Ms. Gillotti commented that there is a possibility of truck and employee traffic but that traffic could go Forest and then onto River.

Ms. Gillotti commented that the area is already zoned industrial.

Council Member Robb asked if we do make industrial, how this affects the master plan.

Ms. Gillotti commented it would be a non-conforming use for the specific area.

Council Member Robb commented he does not support an IDD on Norris Street

Ms. Gillotti suggested a traffic study be performed prior to City Council approving any potential purchaser.

Council Member Murdock commented that environmentally the site is a mess. He said he use to work there and he thinks the impact of a 1000 jobs would be great for the community.

Council Member Robb commented that 40 years ago the community was not thrilled that a plant was in a residential area. He said that he is not sure if the young urban community that the city is trying to attract would be in favor of an industrial plant.

On a roll call vote, the motion to approve Resolution 2012-052 was as follows:

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

VOTE:

Yes: 5 No: 1 (Robb) Absent: 1 (Mayor Pro-Tem Richardson) Vote: Carried

B. Open Public Hearing.

Mayor Schreiber read the rules for public comments.

Mark Hergott, 111 Miles, commented he supports making the parcel located at 715 an Industrial Development District.

Washtenaw County Commissioner, Rolland Sizemore, commented he sits on the Aerotropolis Board and offered his support.

Ted Mull, 704 Dwight Street, commented he supports seeing development at that site.

Mayor Schrebier asked Ms. Gillotti why we are creating the Industrial Development District now.

Ms. Gillotti responded that she had this on a list of task to complete.

- C. Resolution No. 2012-053, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider the proposed resolution entitled "CREATION OF INDUSTRIAL DEVELOPMENT DISTRICT AT 715 NORRIS STREET" be officially closed.

OFFERED BY: Council Member Robb

SUPPORTED BY: Council Member Jefferson

On a voice vote, the motion to approve Resolution 2012-053 to close the public hearing carried unanimously.

X. ORDINANCES- FIRST READING-

Ordinance No. 1172

1. Adding Subsection 9 of Section 2-298 to the Ypsilanti Code of Ordinances: Construction Unity Board (CUB)

- A. Resolution No. 2012-054, determination.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS Subsection 9 of Section 2-298 of the Ypsilanti City code required a Construction Unity Board (CUB) agreement in certain city contracts; and

WHEREAS this requirement was deleted by reason of Public Act 98 of 2011 which prohibits such ordinance requirement; and

WHEREAS the said law has been declared unconstitutional, NOW THEREFORE:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "An ordinance to add Subsection 9 of Section 2-298 of the Ypsilanti City Code to add Construction Unity Board Requirements" be approved on first reading.

**CITY OF YPSILANTI
Ordinance No. 1172**

An ordinance to add Subsection 9 of Section 2-298 of the Ypsilanti City Code to add Construction Unity Board Requirements to the Ypsilanti City Code.

1. THE CITY OF YPSILANTI ORDAINS That Section 2-298, Subparagraph 9, of the Ypsilanti City Code is hereby added and adopted:

Any bid for new construction or renovation work for capital facilities or improvement projects shall contain a requirement that the winning bidder agree to sign a construction unity board ("CUB") memorandum of understanding as a condition of receiving the contract. Accordingly, any RFP for this type of contract shall include the requirement that the winning bidder sign a CUB agreement.

- 2. Severability. If any clause, sentence, section, paragraph, or part of this ordinance, or the application thereof to any person, firm, corporation, legal entity, or circumstances, shall be for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not effect, impair, or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, legal entities, or circumstances by such judgment shall be confined in its operation to the clause, sentence, section, paragraph, or part of this Ordinance thereof directly involved in the case or controversy in which such judgment shall have been rendered and to the person, firm, corporation, legal entity, or circumstances then and there involved. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.**
- 3. Repeal. All other Ordinances inconsistent with the provisions of this Ordinance are, to the extent of such inconsistencies, hereby repealed.**
- 4. Savings Clause. The balance of the Code of Ordinances, City of Ypsilanti, Michigan, except as herein or previously amended, shall remain in full force and effect. The repeal provided herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.**

5. **Copies to be available.** Copies of the Ordinance are available at the office of the city clerk for inspection by, and distribution to, the public during normal office hours. A complete copy of the ordinance is also available for inspection on the City's website, www.cityofypsilanti.com.
6. **Publication and Effective Date.** The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published 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 Bodary

Council Member Murdock commented the CUB agreement was adopted a couple years ago the state banned the agreement and the courts overturned the ban.

Mayor Schreiber commented the CUB agreement fosters local employment.

Council Member Murdock commented the CUB Agreement fosters local employment and wages to stay in the community.

On a roll call vote, the motion to approve Resolution 2012-054 was as follows:

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

VOTE:

Yes: 6 No: 0 Absent: 1 (Mayor Pro-Tem Richardson) Vote: Carried

B. Open Public Hearing.

Mayor Schreiber read the rules for public comment.

Dave Alber, 308 Maple Street, commented he supports reinstating the CUB Ordinance.

C. Resolution No. 2012-055, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider the proposed Ordinance entitled "ADDING THE CONSTRUCTION UNITY BOARD (CUB) TO THE YPSILANTI CODE OF ORDINANCES" be officially closed.

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

On a voice vote, the motion to approve Resolution 2012-055 to close the public hearing carried unanimously.

XI. AUDIENCE PARTICIPATION-

Mark Hergott, 111 Miles, commented he will not be attending the meetings for awhile. He said the city has to find new ways to work with the regional government to expand the tax base. He said he opposes putting both tax measures on the same ballot proposal.

XII. REMARKS BY THE MAYOR –

Mayor Schrieber commented he -appreciated Mr. Hergott attending meetings and wishes the best for him and his family.

XIII. MINUTES –

Resolution No. 2012-056, approving the minutes of March 6, 2012.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of March 6, 2012 be approved.

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

On a voice vote, the motion to approve Resolution 2012-056 carried unanimously.

XIV. CONSENT AGENDA-

Resolution No. 2012-057

1. Resolution No. 2012-058, for the appointment of Hershey Ballard to the Ypsilanti Housing Commission.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the following individual be appointed to the Ypsilanti Housing Commission as indicated below:

<u>NAME</u>	<u>BOARD</u>	<u>TERM TO EXPIRE</u>
Hershey Ballard 715 Towner #1 Ypsilanti, Michigan 48198	Ypsilanti Housing Commission (YHC resident appointment)	03/20/2016

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Jefferson

Council Member Murdock commented he does not agree with making any appointments to the housing commission. He said he does not have confidence with their management practices and they have not been forth coming with Council Member Jefferson in regards to providing information that he has requested. In addition he said he suspects they may be abusing the Open Meetings Act. He will not support appointing a member to the housing commission unless it is to replace a member.

Mayor Schreiber commented that by state statute the position being filled is a free position, being a resident appointee.

Council Member Murdock asked is the appointment for a specific slot?

Council Member Bodary commented if no resident had been on this long why would we make an appointment to that commission now.

Mayor Schreiber commented that the previous resident appointee resigned and he consulted Council Member Jefferson and Mayor Pro tem Richardson for a recommendation.

Council Member Murdock commented that he would make a motion to table an appointee to the housing commission indefinitely.

Council Member Murdock moved, supported by Council Member Robb, to table a resident appointment to the Housing Commission indefinitely.

On a roll call vote, the vote to approve delaying an appointment to the Ypsilanti Housing Commission indefinitely was as follows:

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

VOTE:

Yes: 5 No: 1 (Mayor Schreiber) Absent:1 (Mayor Pro-Tem Richardson) Vote: Carried

- Resolution No. 2012-059, approving an ordinance to adopt the FEMA Flood Insurance Rate Map. **(Ordinance No. 1170.) (Second Reading)**

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the proposed Ordinance entitled "FEMA FLOOD DAMAGE PREVENTION ORDINANCE UPDATE" be adopted on Second Reading.

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

On a roll call vote, the vote to approve Resolution 2012-059 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	Absent
Council Member Bodary	Yes		

VOTE:

Yes: 6 No: Absent: 1 (Mayor Pro-Tem Richardson) Vote: Carried

3. Resolution No. 2012-060, approving the CBRE marketing agreement.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti desires to continue marketing the Water Street Redevelopment Area; and

WHEREAS, the City of Ypsilanti previously entered into a contract with CB Richard Ellis on June 15 2008 to provide a series of services including a market study, development of a pricing scheme for parcels on the site, and ongoing marketing of the property; and

WHEREAS, the contract was extended until June 14, 2010 but had not been formally extended, and

WHEREAS, the new contract would allow CBRE to more actively market the property including updating sales materials, develop a new marketing plan and update the previous market study without any additional cost to the City of Ypsilanti,

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approves the attached contract with CBRE; and

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

OFFERED BY: Council Member Bodary

SUPPORTED BY: Council Member Jefferson

Council Member Bodary commented the reason he wanted it pulled from the agenda was because there has been nothing current going on with the property. He said maybe CBRE is too big and is wondering if it is better to solicit a smaller or local firm to do a better job.

Ms. Gillotti commented when the bid went out previously, there was only one responder and that was CBRE. She said CBRE has committed for the length of the contract and she is not sure if we would get a different perspective from local realtors.

Council Member Robb commented that Gary Lilly's firm also submitted bid info but their bid was received late. He said he does not support delaying the signing of the contract with CBRE.

Council Member Vogt commented that he had the same concerns as Council Member Bodary and the fact that we didn't have a contract explains a lot. He said he thinks it is a good time to take a fresh look at other companies

Mr. Fasio commented if you do use another company you will lose the \$72,000.00 credit. He said the agreement does include co-brokering with local agents.

Council Member Jefferson commented that he appreciates the continued work that had been done, even without a contract. He said he supports the contract with CBRE.

Council Member Vogt asked Ms. Gillotti what area the city would solicit local companies if bids were solicited out.

Ms. Gillotti commented southeast Michigan, mainly in Ann Arbor.

Council Member Murdock commented about the inactivity on the Water Street property and said he would support renewing CBRE's contract for the reason CBRE has familiarity with the property and if the city solicited out for bid contracts, that would mean another 3-6 months of inactivity.

Mayor Schreiber commented he supports the CBRE contract.

On a roll call vote, the motion to approve Resolution 2012-060 was as follows:

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

VOTE:

Yes: 4 No: 2 Absent: 1 (Mayor Pro-Tem Richardson) Vote: Carried

XV. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2012-061, approving an investigation of an Ypsilanti Housing Commission employee.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the Ypsilanti Housing Commission provides the Ypsilanti City Council the following documents

- 1. Employment Application**
- 2. Time Sheets from March 1, 2009 through the end of July 31, 2009**
- 3. The Check registry for year ending 2009**
- 4. YHC Personnel Manual**
- 5. The Resolution passed stating that the YHC adopted the City Employee Handbook and the minutes of the meeting at which the resolution was adopted and to include all findings and actions including the investigation of the allegations of YHC employee felony convictions no later than April 1, 2012.**

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

Council Member Jefferson commented this is a resolution to officially take action and holding the Ypsilanti Housing Commission accountable for management issues and the allegation of a felony record by Ypsilanti Housing Commission employee Eric Temple.

Council Member Robb commented about the wording of the Resolution. He said he supports Council Member Jefferson's intent, but the issue here is about management at the Ypsilanti Housing Commission and not who has a felony record. He stated he would like to see the line taken out about investigating a felony record.

Council Member Jefferson commented about changing the language.

Council Member Murdock commented about the lack of confidence in the housing commission administration and the hiring of Mr. Temple.

Mayor Schreiber commented that he communicated with Council Member Jefferson about the investigation when it was printed in annarbor.com. He said his focus is on how the Ypsilanti Housing Commission is being managed. He suggested that city council wait until the Ypsilanti Housing Commission has done its investigation into the felony conviction and the HUD assessment before council proceeds with actions. Additionally he asked that city council consider a liaison.

Council Member Jefferson stated he believes we need to have this resolution even if the wording is changed. He said he has no problem with an individual being hired that has a felony, given they have paid their debt to society. He said he is concerned about the handling of Mr. Temple's felony conviction with regards to his employment at the Ypsilanti Housing Commission. He said he does not support a liaison because it does not give an individual the right to be in a closed meeting or the right to make decisions.

Mayor Schreiber commented he was present when Mr. Norris introduced Mr. Temple to City Council but he personally had no knowledge that Mr. Temple had an alledged felony conviction. He said his first time hearing of an alledged felony conviction was when it was brought to City Council's attention by a resident and was confirmed in annarbor.com.

Council Member Jefferson commented he is not sure about the Ypsilanti Housing Commission investigating themselves. He said he has sent several e-mails requesting information and has not received any to date. No one has notified council of any investigation, either.

Council Member Robb commented that he does not support having a liaison. He again stated he does not care about Mr. Temple's resume and this is more about the Ypsilanti Housing Commission's oversight. He said 8 days should be plenty time to provide documents to council.

Council Member Bodary commented about a lack of openness in Eric Temple's resume.

Council Member Robb commented that, as a working individual, he does not keep arrest or convictions on his resume as most people would not provide that information on a resume. He said if a person has a felony, they wouldn't publicize it.

Council Member Jefferson commented the resume is there because the resume would show what period of time Mr. Temple worked at the Galveston Housing Commission.

Council Member Robb commented he does not support asking for Eric Temple's resume.

Meeting adjourned at 8:40 p.m.

Meeting reconvened at 8:50 p.m.

Council Member Jefferson read a substitution Resolution No. 2012-061

Mayor Schreiber commented on a meeting that Council Member Jefferson attended with the Ypsilanti Housing Commission. He asked did Council Member Jefferson request any information from the YHC.

Council Member Jefferson commented he did attend a meeting with the Ypsilanti Housing Commission but did not request any information at that meeting.

Mayor Schreiber commented that Council Member Jefferson should have requested information from the YHC and that communication should go both ways.

Council Member Jefferson commented that to document the actions of the investigation of the Ypsilanti Housing Commission Resolution 2012-061 is needed. He said if Ypsilanti Housing Commission continues to not provide information, he will begin to speak publicly on these issues.

Council Member Bodary commented that he understands the frustration of Council Member Jefferson. He said the Housing Commission needs to realize City Council wants accountability because council makes appointments to the Ypsilanti Housing Commission.

Council Member Jefferson commented that since the HUD assessment came down in December he called two commissioners personally and opened his door for the lines of communication to begin. He said, to date, he still has not received a call or any information.

Council Member Vogt asked when the next meeting is.

Mayor Schreiber commented he believed they meet the 3rd week of the Month.

Mayor Schreiber commented, to be clear, we are seeking documents from the Ypsilanti Housing Commission and not an investigation.

Council Member Jefferson commented that, correct, he is seeking documents and not an investigation.

Council Member Vogt commented this is not an investigation of Eric Temple but of the management practices of the Ypsilanti Housing Commission.

Council Member Jefferson commented that seeing as we are not investigating Eric Temple, we can remove his resume.

Mayor Schreiber asked, to be accurate, we are striking the resume, correct?

Council Member Jefferson responded that is correct, since we are not investigating Eric Temple.

On a roll call vote, the motion to approve Resolution 2012-061 was as follows:

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

VOTE:

Yes: 5 No: 1 (Mayor Schreiber) Absent: 1 (Mayor Pro-Tem Richardson) Vote: Carried

2. **MOTION TO APPOINT CITY .COUNCIL MEMBERS TO COMMITTEES**

Mayor Schreiber asked for nominations to the Water Street Steering Committee.

Council Member Murdock volunteered if no other Council Member wanted to.

Moved by Council Member Bodary, supported by Council Member Vogt to nominate Council Member Murdock to the Water Street Steering Committee.

On a voice vote, the motion carried unanimously.

Mayor Schrieber asked for nominations to the Partnership Funding Committee

Council Member Robb commented that the Mayor should be on the Partnership and Funding Committee.

Moved by Council Member Jefferson, supported by Council Member Vogt to nominate Mayor Schreiber to the Partnership and Funding Committee.

On a voice vote, the motion carried unanimously.

XVI. LIASON REPORTS -

- A. SEMCOG Update –Council Member Jefferson said a General Assembly meeting is scheduled for the 22nd of March at Schoolcraft College.
- B. Washtenaw Area Transportation Study- Council Member Murdock said a meeting is on March 21, 2012.
- C. Washtenaw Metro Alliance – Council Member Robb said nothing to report.
- D. Urban Counties- Mayor Schreiber said nothing to report
- E. Freight House-Council Member Murdock reported a meeting will be held Thursday March 22nd.

XVII. COUNCIL PROPOSED BUSINESS –

Council Member Murdock commented that a lot of no parking signs are going up and when that happens there are a multitude of calls that come thru. He asked for Stan Kirton to please give council a heads up when this happens.

Council Member Murdock commented he had complaints about the Digarnos Bar and wanted DPS to monitor.

Council Member Robb would like a decription the process for issuing recycle bins. He said a resident in a seven member home asked for recycle bins but was told by the Department of Public Works they could not provide them with that amount of recycle bins.

Council Member Bodary wanted to thank Interim City Manager McMullan for cleaning up the Former Sunshine Market on Washtenaw Ave where residents were parking, leaving their cars in the parking lot, and commuting to other destitanations. He said signs have gone up and if cars are left in that parking lot they will be ticketed.

Council Member Robb commented that we don't ticket in private lots. He asked is this something the city does.

Interim City Manager McMullan said they would start ticketing if they are storing cars in that parking lot.

Council Member Robb stated the owner needs to hire a private towing company.

Interim City Manager McMullan said yes, you are correct; the owner should hire his own towing company.

Council Member Bodary suggested maybe we should let the owner know to put up a sign that reads no parking or your vehicle will be towed.

XVIII. COMMUNICATIONS FROM THE MAYOR –

Mayor Schreiber commented about possible development of Water Street; he said council may want to consider narrowing down what development may be.

Mayor Schreiber suggested City Council consider his suggestion of a liason to the Ypsilanti City Housing Commission.

Mayor Schreiber commented to Council Member Jefferson that he does understand his frustrations with the Ypsilanti Housing Commission.

Mayor Schreiber commented about Evan Dority's nomination to the Ethics Board. He said he is a professor and would be a great edition.

Mayor Schrieber commented that Rois Savvides is the owner of Tower Inn and would be a great addition to the YDDA Board.

Council Member Murdock commented that the YDDA appointment would be a good opportunity to shrink the DDA board to something more manageable without thowing anyone off.

Mayor Schreiber asked Council Member Murdock if it is his intent to offer a resolution to shrink the DDA?

Council Member Murdock commented that, no, we could do it by attrition; we would have a vacancy that we do not have to fill.

Mayor Schreiber commented that we have people on the DDA that are snow birds and he believes we still need two representatives on the West Cross end.

Council Member Murdock commented that the meeting was cancelled in February for the purpose of the snowbirds.

Council Member Robb commented that Ms. Gillotti works with the DDA and asked how does she feel about shrinking the DDA?

Ms. Gillotti commented that a bigger board is a lot to do and the DDA has a small staff and she did complain to Council Member Murdock for a large board. She said the question is what kind of representation does the city want?

Council Member Murdock commented that Ms. McMullan did a great job at the neighborhood forum.

Council Member Jefferson asked would the forum be rescheduled for Parkridge.

Interim City Manager McMullan commented that, at this time, a forum had not been rescheduled for Parkridge but she was open to doing so.

Nomination to Ethics Board:

Evan Dority (Democrat)
908 Pleasant Drive
Ypsilanti, MI, 48197

Nomination to YDDA Board (West Cross District)

Rois Savvides
1834 Collegewood
Ypsilanti, MI 48197

XIX. COMMUNICATIONS FROM THE CITY MANAGER –

XX. AUDIENCE PARTICIPATION -

Mark Hergott, 111 Milles, commented that the Ypsilanti Housing Commission's actions are concerning. He said he disagrees with putting both the Water Street and City Income Tax proposals on the same ballot.

XXI. REMARKS FROM THE MAYOR –

XXII. REPORTS SUBMITTED-

1. Ypsilanti Housing Commission updated Sustainability Report

XXIII. ADJOURNMENT –

Resolution No. 2012-062, 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 to approve Resolution 2012-062 to adjourn the City Council Meeting carried unanimously.

The meeting adjourned at 9:39 p.m.



REQUEST FOR LEGISLATION

March 23, 2012

FROM: JON R. ICHESCO FIRE CHIEF _____

SUBJECT: FIRE SERVICE UTILITY VEHICLE PURCHASE

BACKGROUND: The vehicle bid selections are derived from a list of State of Michigan Purchase, Mi-Deal light truck bids.

The 2011/2012 Fire Motor Pool Budget approved \$28,000 for the purchase of an emergency utility van replacing a 1992 fire services van. The current 1992 van failed the required DOT inspection with costs exceeding the value of the van.

Fire Services requests a change from a 2 wheel drive van to a 4 wheel drive truck based vehicle capable of seating four fire fighters. Our experiences of the inability of the 2 wheel drive van to respond in winter conditions is the basis for the requested vehicle upgrade. Fire Services removed the 1992 van from emergency response. Prior use included but not limited to secondary rescue response, personnel transport to emergency scenes, and hazardous conditions response.

The four wheel drive vehicles exceed the \$28,000 approved in the current budget. The additional funds will come from the sale of three previous fire trucks and the 1992 van.

Fire Services secured Mi-Deal quotes for a two wheel drive and four wheel drive emergency vehicle less graphics.

The two bidders were:

- State Mi-Deal low bid Ford Motor Company
- State Mi-Deal dealer Gorno Ford Woodhaven Ford

Considerations were given to size, price, engine size, fuel economy, safety, features, capacity, needs, and use.

RECOMMENDED ACTION:

Purchase of the Ford F-150 4X4 Crew Cab for \$34,016.00.

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS:

FINANCE DIRECTOR APPROVAL: _____



Resolution No. 2012- 064
April 3, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the 2011/2012 Fire Motor Pool Budget approved \$28,000 for the purchase of an emergency utility van replacing a 1992 fire services van as the current 1992 van failed the required DOT inspection with costs exceeding the value of the van; and

WHEREAS, the vehicle bid selections are derived from a list of State of Michigan Purchase, Mi-Deal light truck bids; and

WHEREAS, Fire Services requests a change from a two-wheel drive van to a four-wheel drive truck based vehicle capable of seating four fire fighters because of the better capability to respond in winter; and

WHEREAS, the four-wheel drive vehicles exceed the \$28,000 approved in the current budget, with the additional funds coming from the sale of three previous fire trucks and the 1992 van; and

WHEREAS, Fire Services secured Mi-Deal quotes for a two-wheel drive and four-wheel drive emergency vehicle less graphics; and

WHEREAS, the two bidders were State Mi-Deal low bid Ford Motor Company and State Mi-Deal dealer Gorno Ford Woodhaven Ford;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the purchase of the Ford F-150 4X4 Crew Cab for \$34,016.00 from State Mi-Deal dealer Gorno Ford Woodhaven Ford.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

GORNO FORD
22025 ALLEN ROAD
WOODHAVEN, MI 48183

DATE: 3/20/12 (REV.3.22.12)

TO: CHIEF JON ICHESCO, YPSILANTI F.D.
734-482-9778 (DIRECT) jichesco@cityofypsilanti.com

FROM: JIM AGNEY, GORNO FORD, GOVERNMENT & FLEET SALES
734-671-4033 (DIRECT) (FAX) 734-676-7647 jagney@gornoford.com

RE: **MiDEAL # 3958-0086 CONTRACT# 071B1300005**
2012MY F-150 XL w/ CREW CAB Option 4x4, 157" WB, 6.5'BED, 8,200 GVWR,
3.73 LTD. SLIP, 5.0LV8, 6spd. A/Tw/TOWHAUL MODE, A/C, OXFORD WHITE/-
GRAY VINYL, BLACK MOLDED RUNNING BOARDS, SKID PLATES, TPMS,
PWR. WINDOWS/LOCKS/MIRRORS, FOG LAMPS, H.D. RAD./TRANS. COOLER,
DISC BRKS.w/ABS, AIR BAGS, ADVANCE TRACw/ROLL STABILITY
CNTRL., TRAILER SWAY CNTRL., AM/FMw/CLOCK, TILT/CRUISE, DRL,
P245/70Rx17AT, VINYL FLOOR, STEP BUMPER, CLASS IV TRAILER TOWw/2"-
RECVR., VINYL FLOOR, BOX SIDE STEPS, XL DÉCOR CHROME PKG.,
CODE-3 RED LED LIGHT BARw/FRNT. TAKE-DOWN, SIREN/SPEAKER/CNTRLR.,
A.R.E. H.D. ALUM. BED CAPw/12" DEEP TOOL BINS & INTERIOR LIGHTING,
H.D. 1,200# CAPACITY PULL-OUT BED SLIDE

Lead Time estimated to be 10 -12 weeks from receipt of P.O.

F.O.B. DELIVERED TO YPSILANTI, MI \$34,016.00
(DEDUCT \$2,500.00 FOR EXT. CAB MODEL)
(MSRP = \$47,069.00)

RECOMMENDED OPTIONS:

SPRAY-IN RHINO BEDLINER	590.00
ELEC. BRK. CNTRLR.	230.00
H.D. ALL-WEATHER RUBBER FLOOR MATS	89.00

Please review, select color/options, sign and fax/e-mail back or fax/e-mail Purchase Order to Jim Agney.

Customer Signature: _____

Thank you,
Jim Agney

This quotation is confidential and privileged and is intended solely for the use of Gorno Ford and City of Ypsilanti Fire Dept. . This quotation is compiled in association with the MiDEAL Contract and intended for use by MiDEAL Members and State of Michigan government agencies stated above. Information/specifications in this quotation have been established by and are intended only for use by the stated parties. This document is not to be disclosed, distributed, used/re-used as a basis for specifications subsequent bids or request(s) for quotation(s) to any other party or bidders other than the intended parties and/or their authorizes personnel.

DATE: 3/20/12 (REV. 3.22.12)

TO: CHIEF JON ICHESCO, YPSILANTI F.D.
734-482-9778 (DIRECT) jichesco@cityofypsilanti.com

FROM: JIM AGNEY, GORNO FORD, GOVERNMENT & FLEET SALES
734-671-4033 (DIRECT) (FAX) 734-676-7647 jagney@gornoford.com

RE: **MiDEAL # 3958-0032 CONTRACT # 071B1300005 – (1) 2012MY E-150 XL CARGO VAN, 138" WB, 8,600 GVWR, 3.73 LTD SLIP AXLE, 5.4L V8, 4spd. A/T, A/C, EXT. UPGRADE, OXFORD WHITE/FLINT VINYL, SLIDING SIDE DOORw/REAR/SIDE GLASS, DISC BRKS.w/ABS, AIR BAGS, ADVANCE TRACw/ROLL STABILITY CNTRL, DRL, AM/FMw/CLOCK, TILT/CRUISE, TPMS, LT225/75RX16E, VINYL FRNT/REAR FLOOR, CREW VAN PKG. (Includes; 2nd Row Vinyl Bench Seat, Vinyl Trim Panels & Partial Headliner), MSG. CTR., FULL MESH SAFETY BULKHEAD, REVERSE SENSING, H.D. BATT./ALTERNATOR, REAR STEP BUMPER, PWR. WINDOWS/LOCKS/MIRRORS, UPFITTER SWITCHES, CODE-3 RED LED LIGHT BARw/FRNT. TAKE-DOWN, SIREN/SPEAKER/CNTRLR., H.D.1,200# CAPACITY PULL-OUT BED SLIDE**

F.O.B. DELIVERED TO NOVI, MI \$28, 289.00
(MSRP = \$36,973.00)

Current lead time is estimated at 10 – 12 weeks from receipt of Purchase Order.

RECOMMENDED OPTIONS:

PWR. DRIVERS SEAT	390.00
REVERSE SAFETY BEEPER	149.00
H.D. ALL-WEATHER FLOOR MATS	139.00
REVERSE CAMERA	595.00
ALUMINUM PULL-DOWN LADDER RACK	1,395.00
TRAILER TOW PKG.	395.00
ELEC. BRK. CNTRLR.	230.00

Please review, *SELECT OPTIONS*, sign and fax back or fax Purchase Order to Jim Agney.

Customer Signature: _____

Thank you,
Jim Agney

This quotation is confidential and privileged and is intended solely for the use of Gorno Ford and City of Ypsilanti Fire Dept. This quotation is compiled in association with the MiDEAL Contract and intended for use by MiDEAL Members and State of Michigan government agencies stated above. Information/specifications in this quotation have been established by and are intended only for use by the stated parties. This document is not to be disclosed, distributed, used/re-used as a basis for specifications subsequent bids or request(s) for quotation(s) to any other party or bidders other than the intended parties and/or their authorizes personnel.



Resolution No. 2012- 065
April 3, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

<u>NAME</u>	<u>BOARD</u>	<u>TERM TO EXPIRE</u>
Evan Dority (Democrat) 908 Pleasant Dr. Ypsilanti, MI. 48197	Ethics Board	4/13/2017
Rios Savvides 1834 Collegewood Ypsilanti, MI. 48197	YDDA (West Cross District)	7/7/2012

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

Evan Dority



SUMMARY OF QUALIFICATIONS

Seven years teaching at the college level. Expertise in teaching ethics, and in teaching critical thinking and introductory courses in philosophy. Very enthusiastic teacher, enjoy lecturing, excellent communication skills with students, teaching assistants and professors. Experienced with a full range of class sizes.

EXPERIENCE

- Adjunct instructor at Eastern Michigan University (2008-2012)
- G.T.A. Wayne State University (2004-2008)
- Conducted undergraduate-level courses in Philosophy, including Medical Ethics, Professional Ethics, Critical Thinking and Introduction to Philosophy.
- Prepared and presented lectures to students; researched and compiled bibliographies of specialized materials for outside reading assignments; facilitated class discussions.
- Lectured to large groups of 150+ using a microphone and PowerPoint presentations
- Taught standard classes with 30-40 students as well as lead discussion-based sections with less than 20 students.
- Selected the readings for courses while staying within department and university guidelines for curriculum requirements.
- Designed and executed the evaluations for courses including in-class assignments, in-class exams, take-home essays, papers and other writing assignments.
- Served as assistant to professors and other instructors by leading discussion sections and grading exams and papers.

EDUCATION

Bachelors of Science in Philosophy, 2003 Wayne State University
Masters in Philosophy, 2008 Wayne State University

References upon request

STATEMENT OF GOALS

Dear Paul,

I have many goals for serving, including the opportunity to get involved in local city issues, to deliberate on ethical issues that face the city, and to work within a body that practices what I teach at EMU, namely applied ethics. My interests in ethics is matched by the immersion in city government, having grown up in the house of a city manager--my father. I hope to be able to use my experiences to help out Ypsilanti in times of question, and to clarify any ethical dilemmas.

Thank you,

Evan Dority

STATEMENT OF ROIS SAVVIDES.

Dear Mayor Schreiber,

I would like to thank you in considering me for the YDDA board.

I have been a resident of Ypsilanti since 1983. I graduated from Eastern Michigan University in 1990 with a Bachelors Degree in Business Administration. My wife and I purchased the Tower Inn Café in 1997.

I believe that I will be a good addition to the DDA since I have lived the changes that our city has been through and love the city of Ypsilanti. We have an active interest on our neighborhood of businesses and our city as a whole.

We own three properties in the city of Ypsilanti and our business.

Please let me know if you need any more information,

Rois Savvides



Resolution No. 2012-066
April 3, 2012

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the proposed Ordinance entitled "CONSTRUCTION UNITY BOARD" (CUB), Adding Subsection 9 of Section 2-298 to the Ypsilanti Code of Ordinances be adopted on **Second Reading.**

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



**CITY OF YPSILANTI
Ordinance No. 1172**

An ordinance to add Subsection 9 of Section 2-298 of the Ypsilanti City Code to add Construction Unity Board Requirements to the Ypsilanti City Code.

1. **THE CITY OF YPSILANTI ORDAINS** That Section 2-298, Subparagraph 9, of the Ypsilanti City Code is hereby added and adopted:

9. Any bid for new construction or renovation work for capital facilities or improvement projects shall contain a requirement that the winning bidder agree to sign a construction unity board ("CUB") memorandum of understanding as a condition of receiving the contract. Accordingly, any RFP for this type of contract shall include the requirement that the winning bidder sign a CUB agreement.

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

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

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

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

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

MADE, PASSED AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS _____
DAY OF _____, 2012.

Frances McMullan, City Clerk

Attest

I do hereby confirm that the above Ordinance No. ____ was published in The Ypsilanti Courier on the _____ day of _____, 2012.

Frances McMullan, City Clerk

CERTIFICATE OF ADOPTING

I hereby certify that the foregoing is a true copy of the Ordinance passed at the regular meeting of the City Council held on the _____ day of _____, 2012.

Frances McMullan, City Clerk

Notice Published: March 8, 2012

First Reading: March 20, 2012

Second Reading: April 3, 2012

Published: _____

Effective Date: _____

TO: City of Ypsilanti Mayor and City Council
YHC Board of Commission

FROM: Walter Norris, Jr. Executive Director
Ypsilanti Housing Commission

RE: YHC Sustainability Plan Update

DATE March 28, 2012

Below is the biweekly update of YHC Sustainability Plan. The YHC Commissioners, Executive Director and staff, continues to work toward meet the Accomplishment dates set in the plan.

Programmatic Governance and Execution

1. The Board of Commissioners does not provide required governance over the Ypsilanti Housing Commission's ("YHC") programs, finances, and the Executive Director

- A. *YHC BOC met and evaluated the ED, on January 13,2012*
- B. *Each BOC member was issued/reissued a copy of the YHC Procurement Policy on 10-28-2011.*
- C. *The procurement policy was updated reviewed and approval by the BOC at their December 12-15-2011 meeting.*
- D. *The BOC voted to review on quarterly basics all major contracts and 10% of all contracts issued, procurement awards etc. to assure that YHC is in compliance with the board's adopted procurement policy.*
- E. *The YHC requested that the Board and the City council receive a biweekly report effective January 18 until the plan is completed and accepted by HUD Council and board received a update report on January 18*
- F. *YHC has submitted bi weekly report to the City Council ,YHC BOC and HUD January 26, & Feb 2,2012 Feb 15,2012*
- G. *YHC Board of Commissioners Met with HUD Detroit and HUD Troubled Housing Recovery Team Leader on Feb21,2012 to review sustainability plan and other housing program areas*
- H. **YHC Board of Commission meet with HUD Recovery team and HUD Detroit on March 20th for Board training on Board governance .**
- I. **YHC Board Pass a resolution to submit Completed Sustainability plan to HUD March 2012**

2. YHC is often non-responsive to the Department's request for information and the ED is often unreachable by HC or HUD staff

- A. ED, will provide appropriate responses within the requested time frames all HUD communication i.e. e-mail, letters, telephone messages with copies sent to the BOC.
- B. The ED will be present in the YHC offices per the designated schedule prescribed in the YHC Personnel Policy unless out of office for meeting or other office related business, vacation, sick leave or emergencies all of which will be communicated to the BOC President or other designated person by the BOC
- C. The ED has addressed concerns and communication from HUD , Council and the BOC during the last several weeks including the:
 - Payment to the city for 2011 PILOT
 - Revised its CFP 2011 Annual statement/Performance and Evaluation
 - Updated and posted BOC minutes and Revision Parkview LLC minutes to the agency website
 - Completed and corrected NRA Voucher Management System for September 2011-December 2012
 - Submitted YHC Public Housing Monthly Vacancy Report

3. The Executive Director ("ED") does not currently provide adequate oversight of the administration of YHC's programs

- A. *YHC BOC reviewed and discussed with the ED and ADM staff the Sustainability Plan at the Board retreat August 30 & 31 and at the September 29th BOC meeting*
- B. *YHC Commissioners, Executive Director and staff are reviewing the organizational Chart and Job Descriptions.*
- C. *YHC Commissioners, approval the revised Job Description at January 26th Board Meeting*
- D. *organizational Chart will be revised and approval by Board of Commission at its February board meeting*
- E. *Board Approval YHC revised organizational Chart. at the February 23,2012 Board meeting*

4. YHC lacks a training plan, yet has paid for some employee education

- A. *The Board has been provide a Training plan for each department*
- B. *A training plan, for the appropriate and affected Staff in the area of UPCS, SEMAP, PHAS, Housing Choice Voucher and Executive staff, Executive Director Education has been developed*
- C. *YHC will reimburse tuition and training for YHC employees will follow existing policy*
- D. *Board members to be offer board training to be provide by NCRC NAHRO in Peoria, IL April 25-27*

- E. *Board member schedule to Commissioner Training June 11-16 in Cleveland, Ohio Hosted by HUD and the Department of Agriculture.*

Finance

- 1. The Ypsilanti Housing Commission (“YHC”) does not have quality fee accountancy or independent audit services as evidenced by, in part, low Financial Indicator (“FASS”) scores, the amount of initial costs questioned by the Department, inter-fund transfers, etc.**

A. RFP for Fee Accountant and Auditor Service issued December 29, 2011. Proposals due 1/19/2012 and Contract to be awarded 1/27/2011. Proposals due date have been moved to Tuesday January 25, 2012 Due to lack of response and an added addendum for response to questions. Award date has also been moved until February Board meeting or a requested call meeting

B. YHC has received and is reviewing the RFP's for Audit service and Fee accountant. The Director will make recommendation to the Board at YHC March board meeting

C. YHC has received all RFP's for Legal and will be reviewing. The Director will make a recommendation to the Board at the March Board meeting.

D. YHC Board Approved the selection of legal counsel for Tenant Landlord Issues. Roberts and Freatman from Ypsilanti Michigan and for General Council Nacht and associates from Ann Arbor Michigan.

E. Contract was issued to the Selected Legal firms for review and execution

F. YHC Executive Staff is reviewing the RFP for Tax Credit Legal to be award at YHC April board meeting

- 2. Financial Reporting to the Board is often not adequate to enable Board to make decisions.**

A. YHC fee accountant has developed monthly accounting reports for the BOC that are clear and understandable and in compliance with the financial policies of the BOCs.

B. These include monthly actual to budget comparisons Chart.

C. The YHC staff at the direction of the YHC BOC and in compliance with HUD regulation issued a RFP for Fee Account and Independent Audit Services.

- 3. YHC is using/has used LRPH funds to support its non-LRPH mixed finance project.**

A. Separate Checking Account has been established to ensure funds are properly separated and expended only for eligible approved budgeted expenses.

B. YHC has reimbursed all questioned and costs to its low rent program from its Development Fee Account.

C. This Development Fee Account is funded with nonfederal funds and therefore the reimbursement is from nonfederal funds.

D. In compliance with the HUD review team recommendation, a Cost Allocation plan I will be reviewed by the BOC

- E. *Plan has been established and provides for allocations from the Development Fee Account to the YHC general fund account for YHC staff time provided to its non-public housing property, Hamilton Crossing.*
- F. *The Plan will reflect a percentages allocation to staff salaries and other overhead and soft cost to YHC*
- G. *YHC Board to approval an allocation plan at February 2012 board meeting. Board of Commissioners tabled the presented allocation plan until their March meeting.*
- H. *YHC Board will review and approval and allocation plan their March 2012 Board meeting*
- I. *YHC Board approve a Allocation Plan for use or development fees with the direction for YHC Executive Staff to bring back to the board at the April 2012 Board meeting a request of approval for cost factor.*
- J.

4. There is approximately \$20,114 in questioned costs identified during the initial site visit.

- A. *The YHC has in its files/possession documentation supporting the resolution of all questioned costs, i.e. receipts etc. and as of 8-2-2011 HUD reviewed the documents*
- B. *YHC has, effective 10-26-2011, repaid in-eligible costs to its low rent housing program from its Development Fee account for any expenditure questioned as in-eligible.*

5. The Operating Budget and process needs to be improved to include all pertinent activities, cost efficiencies, etc.

- A. *Internal controls are inadequate.*

The BOC will assure that, all internal controls and fiscal control policies will be reviewed and revised as needed.

- B. *The recommended improvements will provide for proper controls for vendor payment documentation, quality controls, personnel and other contract administration as well as any other areas identified as in need of greater control.*

6. YHC would benefit from identification and institution of cost efficiencies. A recent review by a HUD contractor confirmed the PHARS Team's conclusion that YHC lacks sufficient controls in spending; has excessively high administrative salaries; lacks clear distinction between the role of the contracted Fee Accountant and the role of the salaried Accounting Assistant; maintenance and administrative expenses are over-budget; tenant accounts receivables are higher than permitted by HUD.

- A. *Proposals due date have been moved to Tuesday January 25, 2012 Due to lack of response and added addendum for responses to questions. Award Date has also been moved until February Board meeting or a requested call meeting*
- B. *YHC is using utilize the recently established budgeting format and built in accessibility to current financial information to control expenditures regarding maintenance and other management related cost and expenditures; assuring that expenditures are within approved budgets.*
- C. *This process will be perused with the fee accountant procured as recommended by the HUD review team in Item "8" above.*

- D. Expenditures will be reviewed within YHC policy before expenditure to assure that they are within budget, authorized. In response to the relative cost of the YHC Administrative salaries the YHC as referenced in item "12" above will apply cost adjustments allocating funds from the non-federal project Hamilton Crossing to the YHC with the net effect of lowering the salary cost for YHC.
- E. The ED will analyze the job descriptions for the fee account and the YHC Accounting Assistant and present recommendations for the BOC's consideration at the 1-27-2012 meeting. (completed)
- F. Further, the ED will work with the, to be newly procured, fee accountant to maintain clear roles and responsibilities between salaried and contracted fee accountant role: the clarifications will be incorporated into the new fee accountant's contract.
- G. YHC ED reviewed the f YHC high tenant account receivables (TAR) the ED presented to the YHC BOC a resolution to write off uncollected receivables at the 11-01-2011 BOC Commission meeting.

H. YHC is reviewing the RFP'S for Audit and Fee accountant and will award the contract at the close of the FYE 2012..

Programmatic Governance and Execution

1. **YHC has a large percentage of vacant units (approx. 11%); YHC does not meet HUD standards for unit turnaround time; YHC does not have a plan or policy to make viable units market ready.- Modernization actions and costs must be included in YHC's Agency Plan and routine maintenance costs for unit turnaround must be included in YHC's operating budget.**
 - YHC's unit turnaround time is currently 99 days, 78 days longer than required under HUD regulations. YHC should keep its average unit turnaround time under 21 days
 - A. Vacant unit turnaround plan will be created by Property Manager, Maintenance Coordinator and ED by 12/31/2011.
 - B. Vacancy; FYE 6/30/10 we had a 5% vacancy rate or averaged 9 vacant units per month for the year; Vacancy Rate as of
 - C. FYE 6/30/11 we had a 9% vacancy rate or averaged 17 vacant units per month for the year; (this vacancy increase was caused by YHC Public Housing Residents being issued Housing Choice Vouchers or section 8 subsidies, causing their move from Public housing units to Section 8 units); however due to public housing rent up efforts the
 - D. YHC currently has a 2.9% vacancy rate, or an average of 5 vacant unit as of 3/28/2012
 - E. Housing Data System, the YHC Vendor for maintenance of the Public Housing data in the HUD PIC system, will upload of Unit Turnaround/ Lease Batch be done on a monthly basis as opposed to a quarterly basis
 - F. YHC Administrative staff / Administrative Specialist will review Agency Plan and 2012 CFP Budget and will recommend revisions as needed. The YHC Budgets will reflect all current PNA items. Revised Agency Plan and CFP Budget will be presented to YHC BOC at February meeting.
 - G. Met with Residents to discuss and receive input 2012 Agency Plan on March 7, 2012
2. **The ARRA and Capital programs have severe deficiencies as evidenced by the lack of documentation and very poor record keeping.**
 - A. YHC has provided documentation to clear this finding regarding the use of insurance proceeds and CFP funds in the same units.

- B. *Documentation is available in our offices and has been provided both physically and by email to the HUD review team.*
- C. *Records management procedures/system will be set up by the Administrative Specialist with supervision by the ED and presented to the YHC BOC at the March 2012 meeting. The maintenance supplies are also being included in the record management systems.*
- D. *Met With Pat Hairston, HUD Detroit and Ms. Shook of PHARS to discuss the AARA and Insurance payment for paradise Manor Issue them Documents on Sole Contract*

3. There are outstanding HUD review and audit findings.

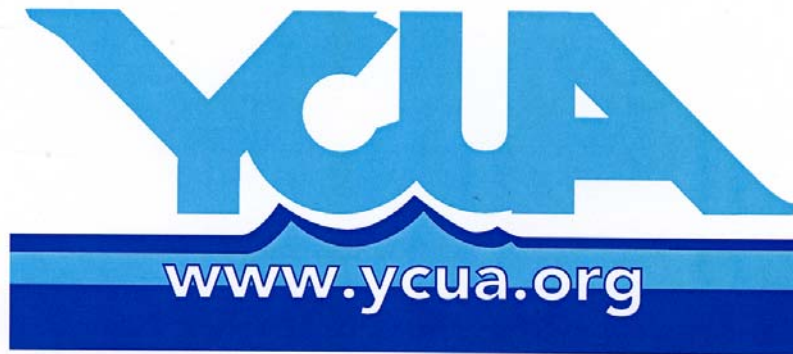
- A. *The YHC is working to close 2009 and 2010 CAP's and have submitted all reports due for related CAP plans to the current time frame.*
- B. *Agency Plan for FY 2010 has been uploaded and submitted to HUD*
- C. *YHC is now working on its 2012 Agency Plan due in late April; meeting with residents are set for first week of March 2012 YHC will review with Resident its 2012 plans with comment from residents*
- D. *YHC Submit March 2012 Cap 2010 Cap report to HUD completing the Briefing Package and utility allowance chart*

AREA: HOUSING CHOICE VOUCHER

- 1. The YHC certified to a passing 2009 SEMAP score without benefit of documentation as documented by HUD's on-site SEMAP confirmatory review.**
 - A. *The YHC has procured the services of a HCV specialist since February 2011 and hired that person on a permanent basis affective 10-24-2011*
 - B. *. In accord with HUD Troubled Housing Recovery Team this staff person will be monitored by management; HCV utilization reports and trends will be made to the Board on a monthly basis at the BOC board meeting*
- 2. Deficiencies identified include incorrect market rent calculations and unauthorized expansion of geographic territory outside of the previously HUD-approved area.**
 - A. *This individual has been hired and directed to continue and accelerate the correction of all deficiencies included in the 2009 & 2010 CAP Plan.*

Ypsilanti Community Utilities Authority

Environmental Leaders



**Dedicated to Providing Top Quality, Cost Effective, and Environmentally Safe
Water and Wastewater Services to our Customers**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended August 31, 2011



YPSILANTI COMMUNITY UTILITIES AUTHORITY
Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2011

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INTRODUCTORY SECTION



YPSILANTI COMMUNITY UTILITIES AUTHORITY

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February 10, 2012

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

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Ypsilanti Community Utilities Authority ("YCUA" or the "Authority") for the fiscal year ended August 31, 2011.

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

The Authority's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended August 31, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that YCUA's financial statements for the fiscal year ended August 31, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Authority

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

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

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

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

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

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

Projects currently under construction include improvements to the Snow Road Pump Station (wastewater), water supply system improvements to be completed on West Cross Street in the City and Golfside Drive in the Township. The Golfside project will also include improvements to a wastewater force main. Sanitary sewer improvements are also planned for the Paint Creek Interceptor south of Interstate 94 in the Township and along Huron Street north of Michigan Avenue in the City. Construction of further odor control measures at the wastewater treatment plant will also be getting underway later this spring.

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

Pension and other postemployment benefits. The Authority participates in an agent multiple-employer plan that provides pension benefits for all full-time employees. The annual actuarial valuation for this plan shows that it is 70% funded as of December 31, 2010 (the date of the latest actuarial valuation). The remaining unfunded amount is being systematically funded over 30 years as part of the annual required contribution calculated by the actuary.

The Authority also provides postretirement health care benefits to all full-time employees upon retirement. As of August 31, 2011, there were 71 retired employees receiving these benefits. In September 2005, YCUA entered into an agreement with MERS to create a retiree healthcare trust plan.

Further information regarding the Authority's retirement and other postemployment benefits plans can be found in Notes 4-C and 4-D in the notes to the financial statements.

Acknowledgements

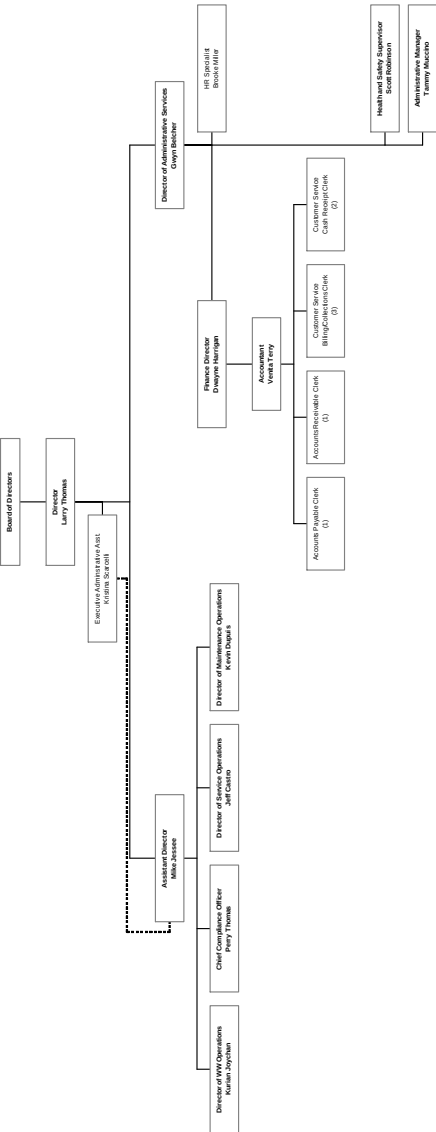
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Ypsilanti Community Utilities Authority. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this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

Larry R. Thomas
Executive Director

Upper Management and Other Key Accounting Personnel August 31, 2011



Organizational
Chart



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

February 10, 2012

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

We have audited the accompanying basic financial statements of the **Ypsilanti Community Utilities Authority** as of and for the years ended August 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ypsilanti Community Utilities Authority as of August 31, 2011 and 2010, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2-8 and the pension and other postemployment benefits supplementary information on pages 35-36 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 an opinion on the basic financial statements taken as a whole. The introductory section, supplementary financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary financial schedules have been subjected to the auditing procedures applied in the audit of the 2011 financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the 2011 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.



MANAGEMENT'S DISCUSSION and ANALYSIS



Management's Discussion and Analysis

As management of the ***Ypsilanti Community Utilities Authority*** we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended August 31, 2011, 2010 and 2009. We encourage readers to consider the information presented herein conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal by \$188,708,722 (*net assets*). Of this amount, \$9,464,577 (*unrestricted net assets*) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net assets decreased by \$5,123,504 for fiscal 2011 and by \$4,398,764 for fiscal 2010.
- The Authority's total long-term debt decreased by a net of \$430,646 for fiscal 2011 and \$249,243 for fiscal 2010; new debt was issued during both years as described in detail in Note 3-E of this report.

Overview of the Financial Statements

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

- The *statement of net assets* presents information on all of the Authority'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 Authority is improving or deteriorating.
- The *statement of revenues, expenses and changes in net assets* presents information showing how the Authority's net assets changed during the two most recent fiscal years. 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.

- The *statement of cash flows* presents the change in the Authority's cash and investments for the two most recent fiscal years.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

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

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

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

Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of YCUA, assets exceeded liabilities by \$188,708,722 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net assets (87.8 percent) is its investment in capital assets (e.g., land, buildings, systems, equipment and construction in process), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although YCUA's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net assets (7.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the Authority's ongoing obligations to system users and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all three categories of net assets. The same situation held true for the prior two fiscal years.

YCUA's Net Assets

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 16,824,917	\$ 17,230,284	\$ 18,043,028
Restricted assets	13,586,191	13,817,539	13,331,762
Capital assets	232,312,848	238,273,532	241,578,700
Total assets	<u>262,723,956</u>	<u>269,321,355</u>	<u>272,953,490</u>
Long-term liabilities outstanding	69,055,838	69,486,484	69,476,825
Other liabilities	4,959,396	6,002,645	5,245,675
Total liabilities	<u>74,015,234</u>	<u>75,489,129</u>	<u>74,722,500</u>
Net assets:			
Invested in capital assets, net of related debt	165,657,954	171,457,428	174,488,753
Restricted	13,586,191	13,817,539	13,331,762
Unrestricted	<u>9,464,577</u>	<u>8,557,259</u>	<u>10,410,475</u>
Total net assets	<u><u>\$ 188,708,722</u></u>	<u><u>\$ 193,832,226</u></u>	<u><u>\$ 198,230,990</u></u>

The Authority's net assets decreased by \$5,123,504 for fiscal 2011 and \$4,398,764 for fiscal 2010. Key elements of the 2011 decrease include:

- Capital contributions to the Authority were \$.3 million (\$2.9 million less than last year).
- Water sales increased by \$1.3 million (or 10.5 percent). There was a 1.3 percent decrease in consumption that was offset by a rate increase of 12.0% in the City and a 12.0% increase in the Township. Corresponding direct costs for water distribution decreased by \$750,000 (or 6.2 percent).
- Sewage disposal sales increased by \$1.4 million (or 10.4 percent). There was a 10.4 increase in wastewater processed. Direct costs for treatment decreased \$.2 million (or 0.8 percent). Total wastewater billed by the City and Township was down 2.4%.
- Total operating expenses increased by \$.5 million (or 1.4 percent) primarily reflecting the increase for purchasing water from the City of Detroit.
- The city division did not change sewer rates and water rates increased by 12.0%; the surcharge decreased to 71.0 percent. These rates all became effective October 1, 2010.
- The township division sewer rates also did not change and water rates increased 12.0%. The water rate increase became effective October 1, 2010. The surcharge rate remained unchanged at 5.0 percent.

YCUA's Changes in Net Assets

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenue	\$ 33,347,021	\$ 30,846,675	\$ 33,292,151
Expenses:			
Water distribution	12,902,066	12,134,221	12,308,463
Wastewater treatment	23,393,782	23,603,944	24,779,892
Total expenses	<u>36,295,848</u>	<u>35,738,165</u>	<u>37,088,355</u>
Operating loss	(2,948,827)	(4,891,490)	(3,796,204)
Nonoperating expense	<u>(2,497,994)</u>	<u>(2,772,273)</u>	<u>(1,652,447)</u>
Loss before contributions	(5,446,821)	(7,663,763)	(5,448,651)
Capital contributions	<u>323,317</u>	<u>3,264,999</u>	<u>872,261</u>
Change in net assets	(5,123,504)	(4,398,764)	(4,576,390)
Net assets - beginning	<u>193,832,226</u>	<u>198,230,990</u>	<u>202,807,380</u>
Net assets - end of year	<u>\$ 188,708,722</u>	<u>\$ 193,832,226</u>	<u>\$ 198,230,990</u>

Key elements of the 2010 decrease include:

- Capital contributions to the Authority were \$3.26 million (\$2.4 million more than last year).
- Water sales increased by \$0.67 million (or .6 percent). There was a 7.1 percent decrease in consumption that was offset by a rate increase of 5.50% in the City and a 5.75% increase in the Township. Corresponding direct costs for water distribution decreased by \$174,000 (or 1.4 percent).
- Sewage disposal sales decreased by \$2.2 million (or 4.3 percent) due primarily to a 26.8% decline in usage from our largest contract customer due to construction delays of improvements to their system. Direct costs for treatment decreased \$1.2 million (or 4.7 percent) due to less usage. Total wastewater generated by the City and Township was flat.
- Total operating expenses decreased by \$1.3 million (or 3.5 percent) primarily reflecting the \$1.2 million decrease (or 2.4 percent) in wastewater treatment costs.
- The city division did not change sewer rates and water rates increased by 5.5%; the surcharge decreased to 76.0 percent. These rates all became effective October 1, 2009.

- The township division sewer rates also did not change and water rates increased 5.75%. The water rate increase became effective October 1, 2009. The surcharge rate remained unchanged at 5.0 percent.

Capital Asset and Debt Administration

Capital assets. YCUA's investment in capital assets as of August 31, 2011 amounted to \$232.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, plants, transmission lines, vehicles and other equipment. Total net capital assets decreased by \$6.0 million or 2.5 percent. The net decrease is primarily attributable to the depreciation of existing plant and systems.

YCUA's Capital Assets (net of depreciation)

	2011	2010	2009
Land	\$ 1,298,704	\$ 1,298,704	\$ 1,298,704
Buildings and improvements	1,042,324	1,097,337	1,152,350
Wastewater treatment plant	111,883,238	116,240,391	122,998,528
Water and wastewater systems	109,720,504	110,741,720	110,920,489
Vehicles	953,795	684,626	912,596
Equipment	747,613	853,860	914,385
Construction in process	6,666,670	7,356,894	3,381,648
Total	<u><u>\$ 232,312,848</u></u>	<u><u>\$ 238,273,532</u></u>	<u><u>\$ 241,578,700</u></u>

Additional information on the Authority's capital assets can be found in Note 3-D on pages 20-21 of this report.

Long-term debt. At year-end, the Authority had \$68,826,157 of long-term debt including limited tax obligation bonds, revenue bond and other obligations as summarized below.

YCUA's Outstanding Debt

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Limited tax obligation bonds	\$ 38,029,701	\$ 37,035,057	\$ 35,484,300
Revenue bonds	29,755,000	31,405,000	33,005,000
Environmental liability	<u>1,041,456</u>	<u>1,041,456</u>	<u>1,041,456</u>
Total	<u>\$ 68,826,157</u>	<u>\$ 69,481,513</u>	<u>\$ 69,530,756</u>

Additional information on the Authority's long-term debt can be found in Note 3-E on pages 22-27 of this report.

Economic Factors Affecting Next Year's Operations and Rates

The City and Township independently set their own water rates. Wastewater operation and maintenance rates are the same for each community, a requirement imposed by the federal government when it provided funds to build the original wastewater treatment plant.

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

Other factors also affect the Authority's operating plan for fiscal 2012. The most significant among them are changes in consumer behavior in response to local economic conditions, the effects of inflation on the local labor market and health care costs, and the rates charged by the Authority's water supplier (i.e., the City of Detroit Water Board).

YCUA's plan reflects a belief that local economic conditions will not improve from those during fiscal 2011. Inflation in the local labor markets will remain moderate, whereas inflation in utility and health care costs will be significant. The Authority has decreased operating costs to the Authority in response to the decreased usage. YCUA has been able to minimize the rate increase passed on by Detroit Water Board and maintain wastewater rates at last year's level.

The Authority's operating budget for fiscal 2012 is approximately \$39.5 million; key provisions include:

- An increase of 6.2 percent in budgeted operating revenue, attributable to an increase in water rates along with a conservative consumption forecast due to further anticipated economic slowdowns of our residential and manufacturing customers.

- An increase of 3.67 percent in operating expenses due to the increase of water from the City of Detroit, labor related costs.

The capital budget for fiscal 2012 totals approximately \$4.4 million due primarily to wastewater plant improvements and water main replacement projects. Delivering water to our customers and collecting and treating the wastewater generated are the primary functions of the Authority. In addition, planning for the future water and wastewater needs of our communities is a vital function. Other capital asset activity scheduled to occur includes:

- Many water mains and sanitary sewers within the City and Township have been identified as needing replacement, either because of age or inadequate size. These replacements are being scheduled as time and funds permit. In fiscal 2012, about 1.5 miles of water main replacement are scheduled for replacement.
- The city division increased sewer rates by 3.5% and increased water rates by 7.0%; the surcharge decreased to 68.0 percent. These rates all became effective September 1, 2011.
- The township division increased sewer rates by 3.5% and water rates increased by 7.0%. The rate increase became September 1, 2011. The surcharge rate remained unchanged at 5.0 percent.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Statements of Net Assets

	August 31,	
	2011	2010
Assets		
Current assets:		
Cash and investments	\$ 8,596,980	\$ 9,089,912
Receivables, net	5,538,276	5,464,765
Inventories	1,037,421	1,004,050
Prepaid items	112,701	88,705
Total current assets	<u>15,285,378</u>	<u>15,647,432</u>
Noncurrent assets:		
Restricted assets:		
Cash and investments	10,771,401	11,002,749
Bond reserve funds held by City of Ypsilanti	2,814,790	2,814,790
Receivables, long-term portion	356,640	384,950
Capital assets not being depreciated	7,965,374	8,655,598
Capital assets being depreciated, net	224,347,474	229,617,934
Unamortized bond issuance costs	1,182,899	1,197,902
Total noncurrent assets	<u>247,438,578</u>	<u>253,673,923</u>
Total assets	<u>262,723,956</u>	<u>269,321,355</u>
Liabilities		
Current liabilities:		
Accounts payable	2,322,633	3,238,050
Retentions, deposits and other liabilities	2,029,486	2,199,817
Accrued interest payable	607,277	564,778
Current maturities of long-term liabilities	2,755,016	2,480,000
Current maturities of accrued compensated absences	679,744	639,462
Total current liabilities	<u>8,394,156</u>	<u>9,122,107</u>
Long-term liabilities:		
Bonds payable	64,349,878	65,136,104
Environmental liability	591,456	591,456
Accrued compensated absences	679,744	639,462
Total long-term liabilities	<u>65,621,078</u>	<u>66,367,022</u>
Total liabilities	<u>74,015,234</u>	<u>75,489,129</u>
Net assets		
Invested in capital assets, net of related debt	165,657,954	171,107,428
Restricted for special purposes	13,586,191	13,817,539
Unrestricted	<u>9,464,577</u>	<u>8,907,259</u>
Total net assets	<u>\$ 188,708,722</u>	<u>\$ 193,832,226</u>

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Statements of Revenues, Expenses and Changes in Net Assets

	For the Year Ended August 31,	
	2011	2010
Operating revenue		
Water sales	\$ 13,148,378	\$ 11,896,822
Sewage disposal sales	14,805,649	13,438,220
Surcharges and other usage fees:		
Capital improvement surcharge	3,374,244	3,449,704
Construction reserve	283,587	281,653
Environmental reserve	99,344	93,448
Other operating revenue	1,635,819	1,686,828
Total operating revenue	<u>33,347,021</u>	<u>30,846,675</u>
Operating expenses		
Water distribution	7,792,536	7,081,762
Wastewater treatment	16,017,852	16,080,897
Wastewater pump stations	1,027,107	1,098,445
Industrial surveillance	368,906	378,400
Transmission and distribution	6,706,413	6,502,734
Meter service	1,229,452	1,038,294
Customer accounting and collections	641,919	757,180
General and administration	2,511,663	2,800,453
Total operating expenses	<u>36,295,848</u>	<u>35,738,165</u>
Operating loss	<u>(2,948,827)</u>	<u>(4,891,490)</u>
Nonoperating income (expense)		
Investment earnings	237,628	265,257
Connection fees	2,304	3,751
Interest and amortization expense	(2,769,043)	(2,693,219)
Gain (loss) on disposal of capital assets	31,117	(348,062)
Total nonoperating income (expense)	<u>(2,497,994)</u>	<u>(2,772,273)</u>
Loss before contributions	(5,446,821)	(7,663,763)
Capital contributions	<u>323,317</u>	<u>3,264,999</u>
Change in net assets	(5,123,504)	(4,398,764)
Net assets, beginning of year	<u>193,832,226</u>	<u>198,230,990</u>
Net assets, end of year	<u><u>\$ 188,708,722</u></u>	<u><u>\$ 193,832,226</u></u>

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Statements of Cash Flows

	For the Year Ended August 31,	
	2011	2010
Cash flows from operating activities		
Receipts from customers and users	\$ 33,301,820	\$ 31,924,332
Payments to suppliers	(13,882,939)	(11,075,438)
Payments to employees and employee benefits	(13,132,400)	(13,576,771)
Net cash provided by operating activities	6,286,481	7,272,123
Cash flows from capital and related financing activities		
Proceeds from issuance of and draws on long-term debt	4,059,644	3,270,756
Proceeds from federal grants for capital assets	62,802	3,191,700
Payment of bond issuance costs	(73,061)	(72,775)
Acquisition and construction of capital assets	(3,907,434)	(7,515,091)
Proceeds from sale or disposal of capital assets	31,117	334,645
Principal payments on long-term debt	(4,715,000)	(3,319,999)
Interest payments on long-term debt	(2,708,761)	(2,682,291)
Receipts from connection fees	2,304	3,751
Net cash provided by (used in) capital and related financing activities	(7,248,389)	(6,789,304)
Cash flows from investing activities		
Earnings received on investments	237,628	265,262
Net increase (decrease) in cash and investments	(724,280)	748,081
Cash and investments, beginning of year	20,092,661	19,344,580
Cash and investments, end of year	\$ 19,368,381	\$ 20,092,661
Reconciliation to statements of net assets		
Cash and investments	\$ 8,596,980	\$ 9,089,912
Restricted cash and investments	10,771,401	11,002,749
Total cash and investments	\$ 19,368,381	\$ 20,092,661

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Statements of Cash Flows (Concluded)

	For the Year Ended August 31,	
	2011	2010
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,948,827)	\$ (4,891,490)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	10,128,633	10,195,891
Amortization of bond issuance costs, discounts and deferred loss on refunding	214,427	208,168
Changes in current assets and liabilities:		
Receivables	(45,201)	1,077,657
Inventories	(33,371)	(9,350)
Prepaid items	(23,996)	(3,256)
Accounts payable	(915,417)	921,092
Retentions, deposits and other liabilities	(170,331)	(160,091)
Accrued compensated absences	80,564	(66,498)
Net cash provided by operating activities	\$ 6,286,481	\$ 7,272,123
Non-cash items		
Capital contributions from developers	\$ 260,515	\$ 73,299

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

NOTES to the FINANCIAL STATEMENTS

YPSILANTI COMMUNITY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting Entity

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

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

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

A five-member board of commissioners governs the Authority. Three of the members are appointed by the Township, the other two are appointed by the City.

In addition to serving residents of the City and Township, the Authority also sells water distribution and wastewater treatment services capacity to neighboring governments under contractual agreements.

1-B. Basis of Presentation / Measurement Focus / Basis of Accounting

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

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

1-C. Assets, Liabilities and Equity

Deposits and Investments

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

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

Investments are stated at fair value.

Receivables

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed. No net interest costs were capitalized for fiscal 2011 or 2010.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	40
Water and wastewater system infrastructure	5-50
Vehicles and heavy equipment	5-20
Machinery and equipment	5-20

Compensated Absences

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

Long-term Obligations

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

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary Information

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

2-B. Rate Setting

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

NOTE 3 – DETAILED NOTES

3-A. Deposits and Investments

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

	<u>2011</u>	<u>2010</u>
Statement of Net Assets:		
Cash and investments	\$ 8,596,980	\$ 9,089,912
Restricted cash and investments	<u>10,771,401</u>	<u>11,002,749</u>
Total	<u>\$ 19,368,381</u>	<u>\$ 20,092,661</u>
 Deposits and Investments:		
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 6,381,520	\$ 8,439,691
Investments in money market accounts	12,986,011	11,652,120
Cash on hand	<u>850</u>	<u>850</u>
Total	<u>\$ 19,368,381</u>	<u>\$ 20,092,661</u>

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to the government. As of August 31, 2011, \$6,141,834 of the Authority's total bank balance of \$6,891,834 (total book balance was \$6,381,520) was exposed to custodial credit risk as it was uninsured and uncollateralized. As of August 31, 2010, \$8,058,787 of the Authority's total bank balance of \$9,401,609 (total book balance was \$8,439,691) was exposed to custodial credit risk as it was uninsured and uncollateralized.

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

Custodial Credit Risk - Investments. Following is a summary of the Authority's investments as of August 31:

	<u>2011</u>	<u>2010</u>
Money market accounts	<u>\$ 12,986,011</u>	<u>\$ 11,652,120</u>

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 Authority's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of August 31, 2011 and 2010, all of the Authority's investments were held in money market accounts, which are not subject to custodial credit risk.

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

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

3-B. Receivables

Receivables as of August 31 are summarized as follows:

	<u>2011</u>	<u>2010</u>
Accounts, net of \$25,000 allowance	\$ 5,493,592	\$ 5,401,138
Accrued investment interest	9,583	9,583
Benefit charges	1,484	9,600
Special assessments	<u>390,257</u>	<u>429,394</u>
	5,894,916	5,849,715
Less long-term portion of benefit charges and special assessments	<u>(356,640)</u>	<u>(384,950)</u>
Current portion of receivables	<u>\$ 5,538,276</u>	<u>\$ 5,464,765</u>

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

3-C. Restricted Assets

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

<u>Description / Reference</u>	<u>2011</u>	<u>2010</u>
Township bond and interest reserve (Ordinance No. 11, section 13; amended by No. 47)	\$ 302,211	\$ 301,328
Township construction reserve surcharge (Ordinance No. 124, sections A(10) and B(9))	1,989,002	1,977,578
WWTP future construction reserve (WWTP construction agreement, as amended)	1,023,814	1,017,543
Flexible spending account (IRS regulatory requirement)	3,227	2,778
City construction reserve surcharge (Ordinance No. 697, section 2.137)	947,207	1,163,926
City debt retirement and capital improvements surcharge (Ordinance No. 696, amended by Ordinance No. 959)	459,850	679,187
Wastewater treatment plant improvement reserve (WTUA wastewater disposal agreement, as amended)	1,337,660	1,334,743
EPA replacement reserve (EPA regulatory requirements)	2,811,973	2,582,935
Township environmental reserve surcharge (Ordinance No. 11, section 9; amended by No. 134)	1,879,995	1,774,739
Construction project bond/capital lease proceeds (Bond ordinances)	16,462	167,992
	<u>\$ 10,771,401</u>	<u>\$ 11,002,749</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

3-D. Capital Assets

Capital assets activity for the year ended August 31, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,298,704	\$ -	\$ -	\$ 1,298,704
Construction in progress	7,356,894	1,632,310	(2,322,534)	6,666,670
Total capital assets not being depreciated	<u>8,655,598</u>	<u>1,632,310</u>	<u>(2,322,534)</u>	<u>7,965,374</u>
Capital assets being depreciated:				
Buildings and improvements	2,176,058	-	-	2,176,058
Wastewater treatment plant	179,272,340	2,081,888	-	181,354,228
Water and wastewater systems	164,562,886	2,222,290	-	166,785,176
Vehicles	3,363,261	425,495	199,888	3,988,644
Equipment	5,326,132	128,500	-	5,454,632
Total capital assets being depreciated	<u>354,700,677</u>	<u>4,858,173</u>	<u>199,888</u>	<u>359,758,738</u>
Less accumulated depreciation for:				
Buildings and improvements	1,078,721	55,013	-	1,133,734
Wastewater treatment plant	63,031,949	6,439,041	-	69,470,990
Water and wastewater systems	53,821,166	3,243,506	-	57,064,672
Vehicles	2,678,635	156,326	199,888	3,034,849
Equipment	4,472,272	234,747	-	4,707,019
Total accumulated depreciation	<u>125,082,743</u>	<u>10,128,633</u>	<u>199,888</u>	<u>135,411,264</u>
Total capital assets being depreciated, net	<u>229,617,934</u>	<u>(5,270,460)</u>	<u>-</u>	<u>224,347,474</u>
Total capital assets, net	<u>\$ 238,273,532</u>	<u>\$ (3,638,150)</u>	<u>\$ (2,322,534)</u>	<u>\$ 232,312,848</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

Capital assets activity for the year ended August 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,298,704	\$ -	\$ -	\$ 1,298,704
Construction in progress	3,381,648	7,376,386	(3,401,140)	7,356,894
Total capital assets not being depreciated	<u>4,680,352</u>	<u>7,376,386</u>	<u>(3,401,140)</u>	<u>8,655,598</u>
Capital assets being depreciated:				
Buildings and improvements	2,176,058	-	-	2,176,058
Wastewater treatment plant	179,733,983	415,007	(876,650)	179,272,340
Water and wastewater systems	161,568,450	2,994,436	-	164,562,886
Vehicles	3,363,261	-	-	3,363,261
Equipment	5,122,431	203,701	-	5,326,132
Total capital assets being depreciated	<u>351,964,183</u>	<u>3,613,144</u>	<u>(876,650)</u>	<u>354,700,677</u>
Less accumulated depreciation for:				
Buildings and improvements	1,023,708	55,013	-	1,078,721
Wastewater treatment plant	56,735,455	6,475,477	(178,983)	63,031,949
Water and wastewater systems	50,647,961	3,173,205	-	53,821,166
Vehicles	2,450,665	227,970	-	2,678,635
Equipment	4,208,046	264,226	-	4,472,272
Total accumulated depreciation	<u>115,065,835</u>	<u>10,195,891</u>	<u>(178,983)</u>	<u>125,082,743</u>
Total capital assets being depreciated, net	<u>236,898,348</u>	<u>(6,582,747)</u>	<u>(697,667)</u>	<u>229,617,934</u>
Total capital assets, net	<u>\$ 241,578,700</u>	<u>\$ 793,639</u>	<u>\$ (4,098,807)</u>	<u>\$ 238,273,532</u>

The Authority has active construction projects as of August 31, 2011. The primary projects include upgrades to the Holmes road pump station and water mains, pump station upgrades/replacements on Matrz and Willow Run roads, and various other pump station and water main upgrades/replacements and improvements to the wastewater treatment plant.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

3-E. Long-term Debt

Limited tax general obligation bonds. The Authority issues bonds that are backed by the full faith and credit of the City or Township, but where the income derived from the acquired or constructed assets is intended to pay debt service. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. The original amount of bonds issued in prior years for the issues outstanding as of August 31, 2011 was \$57,298,074.

During fiscal 2011 and 2010, the cash draws against the Drinking Water Revolving Fund and Clean Water State Revolving Fund bonds amounted to \$603,832 and \$3,270,756, respectively, which were the project construction costs incurred during those years. The total amount authorized under these issues was \$16,647,133 of which \$635,623 is still available and expected to be drawn as of August 31, 2011. Also during fiscal 2011, the Authority issued \$4,740,000 of refunding bonds (of which \$1,650,812 is to be repaid by the Authority and \$3,089,188 by Superior Township) and \$1,805,000 of water supply system bonds.

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

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2011							
1998 water (DWRf)	Twp	2.50%	\$ 1,567,056	\$ -	\$ (220,000)	\$ 1,347,056	\$ 225,000
1999 water (DWRf)	City	2.50%	525,000	-	(50,000)	475,000	50,000
2000 sewer	Twp	5.00-5.10%	1,740,000	-	(1,740,000)	-	-
2001 sewer	Twp	4.875%	510,000	-	(160,000)	350,000	170,000
2002 sewer	Twp	3.25-5.00%	6,600,000	-	(100,000)	6,500,000	110,000
2003 water	Twp	3.00-4.35%	7,415,000	-	(305,000)	7,110,000	320,000
2003 water (DWRf)	Twp	2.50%	7,470,000	-	(85,000)	7,385,000	80,000
2006 refunding	Twp	3.75-4.125%	1,525,000	-	(80,000)	1,445,000	80,000
2007 water / refunding	Twp	4.00-4.10%	2,347,426	-	(140,000)	2,207,426	145,000
2007 water (DWRf)	City	2.125%	273,702	-	(10,000)	263,702	10,000
2007 water (DWRf)	Twp	2.125%	1,885,075	-	(85,000)	1,800,075	90,000
2008 water (DWRf)	Twp	2.50%	1,173,603	-	(50,000)	1,123,603	55,000
2008 water (DWRf)	City	2.50%	419,253	-	(20,000)	399,253	20,000
2009 water (DWRf)	City	2.50%	102,128	26,253	(5,000)	123,381	5,000
2009 water (DWRf)	Twp	2.50%	295,068	5,875	(15,000)	285,943	15,000
2010 water (SRF)	Shared	2.50%	497,289	176,296	-	673,585	-
2010 water (SRF)	Twp	2.50%	2,408,711	262,006	-	2,670,717	120,000
2010 water (SRF)	Twp	2.50%	280,746	133,402	-	414,148	17,000
2010 refunding	Twp	1.50-3.125%	-	1,650,812	-	1,650,812	148,016
2010 water	Twp	4.00-5.00%	-	1,805,000	-	1,805,000	50,000
			<u>\$ 37,035,057</u>	<u>\$ 4,059,644</u>	<u>\$ (3,065,000)</u>	<u>\$ 38,029,701</u>	<u>\$ 1,710,016</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

	<u>Credit</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2010							
1998 water (DWRf)	Twp	2.50%	\$ 1,782,056	\$ -	\$ (215,000)	\$ 1,567,056	\$ 220,000
1999 water (DWRf)	City	2.50%	575,000	-	(50,000)	525,000	50,000
2000 sewer	Twp	5.00-5.10%	1,850,000	-	(110,000)	1,740,000	120,000
2001 sewer	Twp	4.875%	665,000	-	(155,000)	510,000	160,000
2002 sewer	Twp	3.25-5.00%	7,700,000	-	(285,000)	7,415,000	305,000
2003 water	Twp	3.00-4.35%	1,600,000	-	(75,000)	1,525,000	80,000
2003 water (DWRf)	Twp	2.50%	2,477,426	-	(130,000)	2,347,426	140,000
2006 refunding	Twp	3.75-4.125%	6,700,000	-	(100,000)	6,600,000	100,000
2007 water / refunding	Twp	4.00-4.10%	7,550,000	-	(80,000)	7,470,000	85,000
2007 water (DWRf)	City	2.125%	283,702	-	(10,000)	273,702	10,000
2007 water (DWRf)	Twp	2.125%	1,970,075	-	(85,000)	1,885,075	85,000
2008 water (DWRf)	Twp	2.50%	1,223,603	-	(50,000)	1,173,603	50,000
2008 water (DWRf)	City	2.50%	434,253	-	(15,000)	419,253	20,000
2009 water (DWRf)	City	2.50%	166,967	40,161	(105,000)	102,128	5,000
2009 water (DWRf)	Twp	2.50%	506,218	43,849	(254,999)	295,068	15,000
2010 water (SRF)	Shared	2.50%	-	497,289	-	497,289	-
2010 water (SRF)	Twp	2.50%	-	2,408,711	-	2,408,711	-
2010 water (SRF)	Twp	2.50%	-	280,746	-	280,746	-
			<u>\$ 35,484,300</u>	<u>\$ 3,270,756</u>	<u>\$ (1,719,999)</u>	<u>\$ 37,035,057</u>	<u>\$ 1,445,000</u>

DWRf - Drinking Water Revolving Fund sponsored/administered by the Michigan Municipal Bond Authority.

SRF - Clean Water Revolving Fund sponsored/administered by the Michigan Municipal Bond Authority.

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

During fiscal 2011, the Authority issued \$1,650,812 of limited tax general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of \$1,615,955 in bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed. The carrying amount of the old debt exceeded the reacquisition price by \$37,023, which has been added to the new debt and is being amortized over the refunded debt's remaining life. The refunding resulted in a savings of future debt service payments of \$215,836 and an economic gain \$187,341.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

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

<u>Year Ended August 31,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,710,016	\$ 1,355,224
2013	1,793,240	1,299,482
2014	1,876,723	1,241,513
2015	1,925,205	1,183,191
2016	2,006,947	1,121,801
2017-2021	9,867,737	4,612,192
2022-2026	9,617,426	2,789,158
2027-2031	8,908,030	1,076,198
2032	960,000	37,515
	38,665,324	<u>\$ 14,716,274</u>
Less amount remaining to draw on outstanding projects	<u>(635,623)</u>	
Total	<u><u>\$ 38,029,701</u></u>	

For purposes of presenting the above maturities, the debt amortization schedules for the outstanding projects present the maturities based on the total authorized project amount whereas the debt per the financial statements are based on the actual draws through year end.

Revenue bonds. The Authority, in conjunction with the City, also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. The original amount of revenue bonds issued in prior years for the issues outstanding as of August 31, 2011 was \$49,455,000.

No new or refunding bonds were issued during fiscal 2011 or 2010.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

Revenue bonds outstanding at August 31 are as follows:

	<u>Credit</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>2011</u>							
2001 water and sewer	City	4.25-4.875%	\$ 1,005,000	\$ -	\$ (65,000)	\$ 940,000	\$ -
2002A water and sewer	City	4.00-5.00%	1,185,000	-	(85,000)	1,100,000	-
2002B water (DWRf)	City	2.50%	330,000	-	(25,000)	305,000	25,000
2002C water and sewer	City	4.00-4.75%	3,805,000	-	(270,000)	3,535,000	-
2003A water and sewer	City	3.00-4.10%	2,045,000	-	(510,000)	1,535,000	-
2003B water and sewer	City	3.50-4.25%	1,320,000	-	(40,000)	1,280,000	-
2003C water (DWRf)	City	2.50%	590,000	-	(35,000)	555,000	35,000
2003D water (DWRf)	City	2.50%	3,975,000	-	(240,000)	3,735,000	245,000
2004A water and sewer	City	3.30-4.55%	2,340,000	-	(70,000)	2,270,000	-
2004B water (DWRf)	City	2.125%	4,990,000	-	(285,000)	4,705,000	290,000
2006 refunding	City	3.75-4.125%	9,820,000	-	(25,000)	9,795,000	-
			<u>\$ 31,405,000</u>	<u>\$ -</u>	<u>\$ (1,650,000)</u>	<u>\$ 29,755,000</u>	<u>\$ 595,000</u>
<u>2010</u>							
2001 water and sewer	City	4.25-4.875%	\$ 1,065,000	\$ -	\$ (60,000)	\$ 1,005,000	\$ -
2002A water and sewer	City	4.00-5.00%	1,255,000	-	(70,000)	1,185,000	-
2002B water (DWRf)	City	2.50%	355,000	-	(25,000)	330,000	25,000
2002C water and sewer	City	4.00-4.75%	4,060,000	-	(255,000)	3,805,000	-
2003A water and sewer	City	3.00-4.10%	2,555,000	-	(510,000)	2,045,000	-
2003B water and sewer	City	3.50-4.25%	1,360,000	-	(40,000)	1,320,000	-
2003C water (DWRf)	City	2.50%	625,000	-	(35,000)	590,000	35,000
2003D water (DWRf)	City	2.50%	4,210,000	-	(235,000)	3,975,000	240,000
2004A water and sewer	City	3.30-4.55%	2,405,000	-	(65,000)	2,340,000	-
2004B water (DWRf)	City	2.125%	5,270,000	-	(280,000)	4,990,000	285,000
2006 refunding	City	3.75-4.125%	9,845,000	-	(25,000)	9,820,000	-
			<u>\$ 33,005,000</u>	<u>\$ -</u>	<u>\$ (1,600,000)</u>	<u>\$ 31,405,000</u>	<u>\$ 585,000</u>

DWRf - Drinking Water Revolving Fund sponsored/administered by the Michigan Municipal Bond Authority.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

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

<u>Year Ended</u> <u>August 31,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 595,000	\$ 1,081,493
2013	1,725,000	1,025,354
2014	1,780,000	965,960
2015	1,840,000	903,074
2016	1,725,000	840,110
2017-2021	9,600,000	3,213,308
2022-2026	9,795,000	1,411,377
2027-2028	2,695,000	106,775
	<u>\$ 29,755,000</u>	<u>\$ 9,547,451</u>

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

In fiscal 1995, the named PRP's entered into an agreement to fund the cost of the clean up. Based on this agreement, the Authority recorded a liability totaling \$1,150,000 and agreed that it will: (1) make three annual payments of \$250,000 each beginning in 2002; and (2) pay up to an additional \$500,000 for certain water treatment costs over a period of not more 30 years with no more than \$50,000 payable in any one year. Through August 31, 2008, two payments of \$50,000 each were made between fiscal 1997 and 1998. During fiscal year 2009, following receipt of a reimbursement request from General Motors Corporation, the Authority made a payment of \$108,544 to cover costs from 1998 through 2007. No payments have been made since 2007.

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

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>2011</u>					
Limited tax obligation bonds	\$ 37,035,057	\$ 4,059,644	\$ (3,065,000)	\$ 38,029,701	\$ 1,710,016
Revenue bonds	31,405,000	-	(1,650,000)	29,755,000	595,000
Environmental liability	1,041,456	-	-	1,041,456	450,000
Compensated absences	1,278,924	1,002,767	(922,203)	1,359,488	679,744
	<u>70,760,437</u>	<u>5,062,411</u>	<u>(5,637,203)</u>	<u>70,185,645</u>	<u>3,434,760</u>
Deduct deferred amounts for:					
Issuance discounts	(500,554)	(19,239)	33,135	(486,658)	-
Deferred loss on refunding	(773,399)	-	93,227	(680,172)	-
Deferred gain on refunding	-	37,023	-	37,023	-
	<u>\$ 69,486,484</u>	<u>\$ 5,080,195</u>	<u>\$ (5,510,841)</u>	<u>\$ 69,055,838</u>	<u>\$ 3,434,760</u>
<u>2010</u>					
Limited tax obligation bonds	\$ 35,484,300	\$ 3,270,756	\$ (1,719,999)	\$ 37,035,057	\$ 1,445,000
Revenue bonds	33,005,000	-	(1,600,000)	31,405,000	585,000
Environmental liability	1,041,456	-	-	1,041,456	450,000
Compensated absences	1,345,422	871,460	(937,958)	1,278,924	639,462
	<u>70,876,178</u>	<u>4,142,216</u>	<u>(4,257,957)</u>	<u>70,760,437</u>	<u>3,119,462</u>
Deduct deferred amounts for:					
Issuance discounts	(532,727)	-	32,173	(500,554)	-
Deferred loss on refunding	(866,626)	-	93,227	(773,399)	-
	<u>\$ 69,476,825</u>	<u>\$ 4,142,216</u>	<u>\$ (4,132,557)</u>	<u>\$ 69,486,484</u>	<u>\$ 3,119,462</u>

3-F. Capital Contributions

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

	<u>2011</u>	<u>2010</u>
Western Townships Utility Authority	\$ -	\$ 63,599
Federal government	62,802	3,191,700
Private developers	<u>260,515</u>	<u>9,700</u>
Total	<u>\$ 323,317</u>	<u>\$ 3,264,999</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

NOTE 4 – OTHER INFORMATION

4-A. Risk Management

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

4-B. Contingent Liabilities

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

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

4-C. Defined Benefit Pension Plan

The Authority participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. The plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The MERS Retirement Board establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

The Authority is required to contribute at an actuarially determined rate; the current overall rate is 15.33% of annual covered payroll. The Authority's non-union and AFSCME unionized employees are required to contribute 3.0% of their annual covered payroll to the plan, whereas Teamster unionized employees are required to contribute 4.0%. The Authority's contribution requirements are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the Authority, subject to collective bargaining agreements and depending on the MERS contribution program adopted by the Authority.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

For the year ended August 31, 2011, the Authority's annual pension cost of \$1,095,324 was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 8.0%; (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit.

The actuarial value of MERS pension assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, the date of the latest actuarial valuation, was 30 years.

Three-Year Trend Information

<u>Annual Years Ended August 31,</u>	<u>Pension Cost (APC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 1,213,837	100%	\$ -
2010	1,046,865	100	-
2011	1,095,324	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Liability (AAL) Entry Age</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>Funded Ratio Total</u>	<u>(c) Covered Payroll</u>	<u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u>
12/31/10	\$28,817,702	\$41,318,496	\$12,500,794	70%	\$7,143,311	175%

The accompanying schedule of employer contributions presents trend information about the amounts contributed 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.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

4-D. Postemployment Benefits

The Authority participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer other postemployment benefit (OPEB) plan that provides certain health care benefits to all full-time employees upon retirement, in accordance with the applicable labor agreements. These benefits are integrated with Medicare to provide benefits comparable to those received at date of retirement for the employee's life. MERS issues a publicly available financial report that includes financial statements and required supplementary information, which may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

The Authority had 71 retirees that were eligible and receiving benefits for the year ended August 31, 2011. Plan participants are not required to contribute to the plan. Administrative costs of the plan are paid for by the Authority. The Authority 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. However, under applicable financial reporting standards, as a single-purpose government reported in a single enterprise fund, the Authority would be required to record a fund liability for any net OPEB obligation, as described below.

For the year ended August 31, 2011, the Authority estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2007. 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 34.78% of annual covered payroll.

For fiscal 2011, the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the Authority's net OPEB obligation to the plan are as follows:

Annual required contribution	\$ 2,598,816
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	2,598,816
Payments of current costs	(2,598,816)
Change in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ -

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last year (since implementation of the applicable financial reporting standards) were as follows:

Year Ended	Annual Required Contribution	Actual Contribution	Percentage of ARC Contributed	Net OPEB Asset
8/31/09	\$ 2,322,304	\$ 2,322,304	100.0%	\$ -
8/31/10	2,426,808	2,426,808	100.0%	-
8/31/11	2,598,816	2,598,816	100.0%	-

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

Actuarial accrued liabilities (AAL)	\$ 29,443,624
Actuarial value of plan assets	<u>7,127,544</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 22,316,080</u>
Funded ratio	24.2%
Covered payroll (active plan members)	7,291,562
UAAL as a percentage of covered payroll	306.1%

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.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

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	Individual entry age normal cost
Amortization method	Level percent of payroll closed
Remaining amortization period	24 years
Asset valuation method	Market value
Discount rate	8.0%
Projected salary increases	4.5%
Healthcare inflation rate	9.0% grading to 4.5% ultimately

4-E. Supplementary Schedules and Allocation Methods

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

4-F. Subsequent Events

On September 23, 2011, the Authority issued \$3,495,000 of limited tax general bonds for wastewater improvement projects; the bonds bear interest at 2.50% and mature serially through 2032.

On December 14, 2011, the Authority issued \$6,325,000 of refunding bonds at interest rates ranging from 2.00% to 4.00% with maturities through 2026.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

4-G. Segment Information

Revenue bonds have been issued through the City to finance certain water and wastewater capital projects. The City and Township divisions are accounted for in a single fund (i.e., the Authority). However, investors in the revenue bonds rely solely on the revenue generated by the City division for repayment. Accordingly, summary information for the City and Township divisions as of and for the year ended August 31, 2011 is presented on the next page.

Condensed Statement of Net Assets

	<u>City</u>	<u>Township</u>	<u>Totals</u>
Current and other assets	\$ 10,444,046	\$ 19,967,062	\$ 30,411,108
Capital assets	<u>69,173,115</u>	<u>163,139,733</u>	<u>232,312,848</u>
Total assets	<u>79,617,161</u>	<u>183,106,795</u>	<u>262,723,956</u>
Long-term liabilities	30,993,235	38,062,603	69,055,838
Other liabilities	<u>814,120</u>	<u>4,145,276</u>	<u>4,959,396</u>
Total liabilities	<u>31,807,355</u>	<u>42,207,879</u>	<u>74,015,234</u>
Invested in capital assets, net of related debt	38,412,024	127,245,930	165,657,954
Restricted	5,972,750	7,613,441	13,586,191
Unrestricted	<u>3,425,032</u>	<u>6,039,545</u>	<u>9,464,577</u>
Total net assets	<u>\$ 47,809,806</u>	<u>\$ 140,898,916</u>	<u>\$ 188,708,722</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Financial Statements

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	City			Township			
	Water	Wastewater	Total	Water	Wastewater	Total	Totals
Operating revenue	\$ 3,622,744	\$ 5,020,908	\$ 8,643,652	\$ 11,508,352	\$ 13,195,017	\$ 24,703,369	\$ 33,347,021
Operating expenses:							
Depreciation	826,024	1,725,335	2,551,359	1,264,086	6,313,188	7,577,274	10,128,633
Other operating	1,944,505	3,600,645	5,545,150	8,867,451	11,754,614	20,622,065	26,167,215
	<u>2,770,529</u>	<u>5,325,980</u>	<u>8,096,509</u>	<u>10,131,537</u>	<u>18,067,802</u>	<u>28,199,339</u>	<u>36,295,848</u>
Operating income (loss)	852,215	(305,072)	547,143	1,376,815	(4,872,785)	(3,495,970)	(2,948,827)
Nonoperating income (expense)	(468,287)	(708,893)	(1,177,180)	(276,873)	(1,043,941)	(1,320,814)	(2,497,994)
Capital contributions	<u>10,086</u>	<u>-</u>	<u>10,086</u>	<u>145,550</u>	<u>167,681</u>	<u>313,231</u>	<u>323,317</u>
Change in net assets	<u>\$ 394,014</u>	<u>\$ (1,013,965)</u>	<u>(619,951)</u>	<u>\$ 1,245,492</u>	<u>\$ (5,749,045)</u>	<u>(4,503,553)</u>	<u>(5,123,504)</u>
Net assets:							
Beginning of year			<u>48,429,757</u>			<u>145,402,469</u>	<u>193,832,226</u>
End of year			<u>\$ 47,809,806</u>			<u>\$ 140,898,916</u>	<u>\$ 188,708,722</u>

REQUIRED SUPPLEMENTAL INFORMATION

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Defined Benefit Pension Plan

GASB Statement 25 Required Supplementary Information

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation as of December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Annual Covered Payroll	UAAL as a % of Covered Payroll (3/5)
2003	\$ 20,994,213	\$ 29,319,302	\$ 8,325,089	71.6%	\$ 6,768,365	123.0%
2004	22,212,469	31,546,256	9,333,787	70.4%	6,738,337	138.5%
2005	23,276,154	33,270,928	9,994,774	70.0%	7,186,387	139.1%
2006	24,848,546	35,783,703	10,935,157	69.4%	7,803,193	140.1%
2007	26,567,938	37,824,856	11,256,918	70.2%	7,954,021	141.5%
2008	27,456,016	40,050,833	12,594,817	68.6%	8,125,523	155.0%
2009	28,091,431	40,184,091	12,092,660	69.9%	7,557,538	160.0%
2010	28,817,702	41,318,496	12,500,794	69.7%	7,143,311	175.0%

Schedule of Employer Contributions

Fiscal Year Ended August 31	Annual Contribution		Percentage Contributed
	Required	Actual	
2004	\$ 775,472	\$ 775,472	100.0%
2005	925,863	925,863	100.0%
2006	1,039,502	1,039,502	100.0%
2007	1,155,082	1,155,082	100.0%
2008	1,146,712	1,146,712	100.0%
2009	1,213,837	1,213,837	100.0%
2010	1,046,865	1,046,865	100.0%
2011	1,095,324	1,095,324	100.0%

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Other Postemployment Benefits

GASB Statement 43 Required Supplementary Information

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation as of December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Annual Covered Payroll	UAAL as a % of Covered Payroll (3/5)
2007	\$ 2,985,517	\$ 31,101,121	\$ 28,115,604	9.6%	\$ 7,722,755	364.1%
2010	7,127,544	29,443,624	22,316,080	24.2%	7,291,562	306.1%

Schedule of Employer Contributions

Fiscal Year Ended August 31	Annual Contribution		Percentage Contributed
	Required	Actual	
2009	\$ 2,322,304	\$ 2,322,304	100.0%
2010	2,426,808	2,426,808	100.0%
2011	2,598,816	2,598,816	100.0%

SUPPLEMENTAL FINANCIAL INFORMATION

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Schedule of Revenues, Expenses and Changes in Net Assets
City and Township Allocation
For the Year Ended August 31, 2011

	<u>City</u>	<u>Township</u>	<u>Total</u>
Operating revenues			
Water sales	\$ 2,117,075	\$ 11,031,303	\$ 13,148,378
Sewage disposal sales	3,210,681	11,594,968	14,805,649
Surcharges and other usage fees:			
Capital improvement surcharge	2,837,464	536,780	3,374,244
Construction reserve	68,269	215,318	283,587
Environmental reserve	-	99,344	99,344
Other operating revenue	410,163	1,225,656	1,635,819
	<u>8,643,652</u>	<u>24,703,369</u>	<u>33,347,021</u>
Operating expenses			
Water distribution	1,220,447	6,572,089	7,792,536
Wastewater treatment	3,757,790	12,260,062	16,017,852
Wastewater pump stations	199,909	827,198	1,027,107
Industrial surveillance	86,546	282,360	368,906
Transmission and distribution	1,812,792	4,893,621	6,706,413
Meter service	284,591	944,861	1,229,452
Customer accounting and collections	148,668	493,251	641,919
General and administration	585,766	1,925,897	2,511,663
	<u>8,096,509</u>	<u>28,199,339</u>	<u>36,295,848</u>
Operating income (loss)	<u>547,143</u>	<u>(3,495,970)</u>	<u>(2,948,827)</u>
Nonoperating income (expense)			
Investment earnings	77,554	160,074	237,628
Connection fees	-	2,304	2,304
Interest and amortization expense	(1,263,478)	(1,505,565)	(2,769,043)
Gain on disposal of capital assets	8,744	22,373	31,117
	<u>(1,177,180)</u>	<u>(1,320,814)</u>	<u>(2,497,994)</u>
Total nonoperating expense	<u>(1,177,180)</u>	<u>(1,320,814)</u>	<u>(2,497,994)</u>
Loss before contributions	(630,037)	(4,816,784)	(5,446,821)
Capital contributions	<u>10,086</u>	<u>313,231</u>	<u>323,317</u>
Change in net assets	(619,951)	(4,503,553)	(5,123,504)
Net assets, beginning of year	48,429,757	145,402,469	193,832,226
Net assets, end of year	<u>\$ 47,809,806</u>	<u>\$ 140,898,916</u>	<u>\$ 188,708,722</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Schedule of Revenues, Expenses and Changes in Net Assets
Water and Wastewater Allocation
For the Year Ended August 31, 2011

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Operating revenues			
Water sales	\$ 13,148,378	\$ -	\$ 13,148,378
Sewage disposal sales	-	14,805,649	14,805,649
Surcharges and other usage fees:			
Capital improvement surcharge	1,740,618	1,633,626	3,374,244
Construction reserve	150,673	132,914	283,587
Environmental reserve	-	99,344	99,344
Other operating revenue	91,427	1,544,392	1,635,819
	<u>15,131,096</u>	<u>18,215,925</u>	<u>33,347,021</u>
Total operating revenue			
Operating expenses			
Water distribution	7,792,536	-	7,792,536
Wastewater treatment	-	16,017,852	16,017,852
Wastewater pump stations	-	1,027,107	1,027,107
Industrial surveillance	-	368,906	368,906
Transmission and distribution	3,052,463	3,653,950	6,706,413
Meter service	614,727	614,725	1,229,452
Customer accounting and collections	320,959	320,960	641,919
General and administration	1,121,381	1,390,282	2,511,663
	<u>12,902,066</u>	<u>23,393,782</u>	<u>36,295,848</u>
Total operating expenses			
Operating income (loss)	<u>2,229,030</u>	<u>(5,177,857)</u>	<u>(2,948,827)</u>
Nonoperating income (expense)			
Investment earnings	126,812	110,816	237,628
Connection fees	1,152	1,152	2,304
Interest and amortization expense	(873,124)	(1,895,919)	(2,769,043)
Gain on disposal of capital assets	-	31,117	31,117
	<u>(745,160)</u>	<u>(1,752,834)</u>	<u>(2,497,994)</u>
Total nonoperating expense			
Income (loss) before contributions	1,483,870	(6,930,691)	(5,446,821)
Capital contributions	<u>155,636</u>	<u>167,681</u>	<u>323,317</u>
Change in net assets	<u><u>\$ 1,639,506</u></u>	<u><u>\$ (6,763,010)</u></u>	<u><u>\$ (5,123,504)</u></u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Schedule of Revenues and Expenses
Water and Wastewater Allocation by Member
For the Year Ended August 31, 2011

	City		
	Water	Wastewater	Total
Operating revenues			
Water sales	\$ 2,117,075	\$ -	\$ 2,117,075
Sewage disposal sales	-	3,210,681	3,210,681
Surcharges and other usage fees:			
Capital improvement surcharge	1,434,608	1,402,856	2,837,464
Construction reserve	34,886	33,383	68,269
Environmental reserve	-	-	-
Other operating revenue	36,175	373,988	410,163
	<u>3,622,744</u>	<u>5,020,908</u>	<u>8,643,652</u>
Operating expenses			
Water distribution	1,220,447	-	1,220,447
Wastewater treatment	-	3,757,790	3,757,790
Wastewater pump stations	-	199,909	199,909
Industrial surveillance	-	86,546	86,546
Transmission and distribution	1,071,977	740,815	1,812,792
Meter service	142,292	142,299	284,591
Customer accounting and collections	74,334	74,334	148,668
General and administration	261,479	324,287	585,766
	<u>2,770,529</u>	<u>5,325,980</u>	<u>8,096,509</u>
	<u>852,215</u>	<u>(305,072)</u>	<u>547,143</u>
Nonoperating income (expense)			
Investment earnings	39,016	38,538	77,554
Connection fees	-	-	-
Interest and amortization expense	(507,303)	(756,175)	(1,263,478)
Gain on disposal of capital assets	-	8,744	8,744
	<u>(468,287)</u>	<u>(708,893)</u>	<u>(1,177,180)</u>
	<u>383,928</u>	<u>(1,013,965)</u>	<u>(630,037)</u>
Capital contributions	<u>10,086</u>	<u>-</u>	<u>10,086</u>
Change in net assets	<u>\$ 394,014</u>	<u>\$ (1,013,965)</u>	<u>\$ (619,951)</u>

		Township			
Water	Wastewater	Total		Total	
\$ 11,031,303	\$ -	\$ 11,031,303	\$ 13,148,378		
-	11,594,968	11,594,968	14,805,649		
306,010	230,770	536,780	3,374,244		
115,787	99,531	215,318	283,587		
-	99,344	99,344	99,344		
55,252	1,170,404	1,225,656	1,635,819		
11,508,352	13,195,017	24,703,369	33,347,021		
6,572,089	-	6,572,089	7,792,536		
-	12,260,062	12,260,062	16,017,852		
-	827,198	827,198	1,027,107		
-	282,360	282,360	368,906		
1,980,486	2,913,135	4,893,621	6,706,413		
472,435	472,426	944,861	1,229,452		
246,625	246,626	493,251	641,919		
859,902	1,065,995	1,925,897	2,511,663		
10,131,537	18,067,802	28,199,339	36,295,848		
1,376,815	(4,872,785)	(3,495,970)	(2,948,827)		
87,796	72,278	160,074	237,628		
1,152	1,152	2,304	2,304		
(365,821)	(1,139,744)	(1,505,565)	(2,769,043)		
-	22,373	22,373	31,117		
(276,873)	(1,043,941)	(1,320,814)	(2,497,994)		
1,099,942	(5,916,726)	(4,816,784)	(5,446,821)		
145,550	167,681	313,231	323,317		
\$ 1,245,492	\$ (5,749,045)	\$ (4,503,553)	\$ (5,123,504)		

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses
City and Township Allocation
For the Year Ended August 31, 2011

	<u>City</u>	<u>Township</u>	<u>Total</u>
Water distribution			
Wages	\$ 62,562	\$ 326,991	\$ 389,553
Benefits allocation	50,806	265,546	316,352
Purchased water	1,061,526	5,548,226	6,609,752
Utilities	2,476	206,171	208,647
Maintenance and supplies	1,920	10,033	11,953
Computers, copiers and printers	36	188	224
Third party systems support	1,129	5,904	7,033
Professional services	3,127	16,347	19,474
Depreciation	2,811	14,693	17,504
Other	5,273	27,566	32,839
Fleet allocation	3,226	16,857	20,083
Maintenance allocation	25,555	133,567	159,122
	<u>1,220,447</u>	<u>6,572,089</u>	<u>7,792,536</u>
Wastewater treatment			
Wages	327,574	1,068,736	1,396,310
Benefits allocation	266,020	867,909	1,133,929
Utilities	518,929	1,693,044	2,211,973
Sludge removal	74,184	242,030	316,214
Maintenance and supplies	140,029	456,854	596,883
Computers, copiers and printers	2,105	6,868	8,973
Third party systems support	4,740	15,466	20,206
Professional services	32,446	105,859	138,305
Engineering	883	2,879	3,762
Laboratory	3,644	11,889	15,533
Chemicals	90,305	294,625	384,930
Depreciation	1,566,952	5,112,296	6,679,248
Other	6,957	22,700	29,657
Fleet allocation	79,291	258,693	337,984
Maintenance allocation	506,986	1,654,081	2,161,067
Laboratory allocation	136,745	446,133	582,878
	<u>3,757,790</u>	<u>12,260,062</u>	<u>16,017,852</u>
Wastewater pump stations			
Wages	51,244	167,185	218,429
Benefits allocation	41,614	135,770	177,384
Utilities	72,872	410,728	483,600
Maintenance and supplies	25,706	83,871	109,577
Computers, copiers and printers	78	253	331
Professional services	5,583	18,215	23,798
Engineering	-	2,000	2,000
Depreciation	2,697	8,799	11,496
Other	115	377	492
	<u>199,909</u>	<u>827,198</u>	<u>1,027,107</u>

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Continued)
City and Township Allocation
For the Year Ended August 31, 2011

	<u>City</u>	<u>Township</u>	<u>Total</u>
Industrial surveillance			
Wages	\$ 44,803	\$ 146,172	\$ 190,975
Benefits allocation	36,384	118,705	155,089
Maintenance and supplies	1,296	4,230	5,526
Third party systems support	127	413	540
Professional services	2,630	8,579	11,209
Other	427	1,394	1,821
Fleet allocation	879	2,867	3,746
	<u>86,546</u>	<u>282,360</u>	<u>368,906</u>
Transmission and distribution			
Wages	373,135	1,095,900	1,469,035
Benefits allocation	303,013	889,977	1,192,990
Utilities	12,087	35,500	47,587
Service center rent	55,880	164,120	220,000
Sewer overflow settlements	-	46,010	46,010
Maintenance:			
Shop and office	6,397	18,782	25,179
Water and sewer mains	45,216	136,071	181,287
Computers, copiers and printers	231	677	908
Third party systems support	1,118	3,282	4,400
Professional services	3,438	10,099	13,537
Engineering	1,092	3,208	4,300
Depreciation	892,391	2,161,889	3,054,280
Other	11,023	11,580	22,603
Fleet allocation	95,606	280,791	376,397
Maintenance allocation	12,165	35,735	47,900
	<u>1,812,792</u>	<u>4,893,621</u>	<u>6,706,413</u>
Meter service			
Wages	128,948	427,821	556,769
Benefits allocation	104,717	347,429	452,146
Utilities	270	1,548	1,818
Maintenance and supplies	66	217	283
Computers, copiers and printers	79	261	340
Third party systems support	835	2,770	3,605
Professional services	317	1,051	1,368
Meter parts	3,935	13,056	16,991
Depreciation	34,388	114,093	148,481
Other	1,254	4,159	5,413
Fleet allocation	9,782	32,456	42,238
	<u>284,591</u>	<u>944,861</u>	<u>1,229,452</u>
			Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Continued)
City and Township Allocation
For the Year Ended August 31, 2011

	<u>City</u>	<u>Township</u>	<u>Total</u>
Customer accounting and collections			
Wages	\$ 65,347	\$ 216,808	\$ 282,155
Benefits allocation	53,068	176,067	229,135
Utilities	3,800	12,607	16,407
Maintenance and supplies	3,697	12,268	15,965
Computers, copiers and printers	175	582	757
Third party systems support	7,024	23,306	30,330
Professional services	418	1,388	1,806
Postage	12,348	40,968	53,316
Depreciation	2,505	8,310	10,815
Other	286	947	1,233
	<u>148,668</u>	<u>493,251</u>	<u>641,919</u>
General and administrative			
Wages	133,391	435,199	568,590
Benefits allocation	108,326	353,420	461,746
Maintenance and supplies	1,180	3,850	5,030
Computers, copiers and printers	358	1,166	1,524
Third party systems support	1,268	4,138	5,406
Engineering	3,654	10,046	13,700
Building and liability insurance	48,755	159,066	207,821
Legal services	14,041	45,811	59,852
Professional services	972	3,173	4,145
Depreciation	4,625	15,091	19,716
Other	6,141	18,588	24,729
Bad debt expense	14,001	59,187	73,188
Fleet allocation	3,870	12,627	16,497
Maintenance allocation	779	2,541	3,320
Human resource allocation	126,725	415,875	542,600
Accounting allocation	117,680	386,119	503,799
	<u>585,766</u>	<u>1,925,897</u>	<u>2,511,663</u>
Fleet			
Wages	43,223	135,576	178,799
Benefits allocation	35,101	110,099	145,200
Radio maintenance	347	1,090	1,437
Maintenance parts and supplies	22,331	70,045	92,376
Computers, copiers and printers	15	45	60
Third party systems support	282	883	1,165
Professional services	2,283	7,163	9,446
Gas, oil and grease	40,572	127,261	167,833
Insurance	9,741	30,554	40,295
Depreciation	38,210	119,851	158,061
Other	549	1,724	2,273
Allocated to various departments	<u>(192,654)</u>	<u>(604,291)</u>	<u>(796,945)</u>
	<u>-</u>	<u>-</u>	<u>-</u>

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Continued)
City and Township Allocation
For the Year Ended August 31, 2011

	<u>City</u>	<u>Township</u>	<u>Total</u>
Human resources			
Wages	\$ 60,117	\$ 197,286	\$ 257,403
Benefits allocation	48,820	160,214	209,034
Safety program	(463)	(1,521)	(1,984)
Legal services	3,307	10,854	14,161
Physicals	1,276	4,189	5,465
Office supplies	1,010	3,315	4,325
Computers, copiers and printers	1,085	3,559	4,644
Third party systems support	2,776	9,111	11,887
Professional services	151	497	648
Depreciation	3,181	10,439	13,620
Other	5,465	17,932	23,397
Allocated to general and administrative	(126,725)	(415,875)	(542,600)
	<u>-</u>	<u>-</u>	<u>-</u>
Benefits and payroll taxes			
Health insurance	961,183	3,154,335	4,115,518
Life insurance	3,194	10,480	13,674
Disability insurance	11,974	39,297	51,271
Social security	127,406	418,111	545,517
Workers compensation	16,053	52,681	68,734
Pension contribution	255,814	839,510	1,095,324
Unemployment	4,543	14,907	19,450
Uniforms	2,783	9,131	11,914
Allocated to various departments	(1,382,950)	(4,538,452)	(5,921,402)
	<u>-</u>	<u>-</u>	<u>-</u>
Maintenance			
Wages	291,934	977,201	1,269,135
Benefits allocation	237,077	793,574	1,030,651
Maintenance and supplies	6,579	22,024	28,603
Computers, copiers and printers	105	353	458
Third party systems support	2,755	9,221	11,976
Depreciation	943	3,157	4,100
Other	6,092	20,394	26,486
Allocated to various departments	(545,485)	(1,825,924)	(2,371,409)
	<u>-</u>	<u>-</u>	<u>-</u>

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Concluded)
City and Township Allocation
For the Year Ended August 31, 2011

	<u>City</u>	<u>Township</u>	<u>Total</u>
Laboratory			
Wages	\$ 71,295	\$ 232,604	\$ 303,899
Benefits allocation	57,898	188,895	246,793
Maintenance and supplies	3,300	10,766	14,066
Computers, copiers and printers	133	432	565
Third party systems support	214	699	913
Professional services	732	2,389	3,121
Depreciation	2,048	6,681	8,729
Other	1,125	3,667	4,792
Allocated to wastewater treatment	(136,745)	(446,133)	(582,878)
	<u>-</u>	<u>-</u>	<u>-</u>
Accounting			
Wages	49,386	161,124	210,510
Benefits allocation	40,106	130,847	170,953
Office supplies	412	1,343	1,755
Third party systems support	1,209	3,946	5,155
Professional services	14,583	47,577	62,160
Depreciation	606	1,975	2,581
Other	11,378	39,307	50,685
Allocated to general and administrative	(117,680)	(386,119)	(503,799)
	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u><u>\$ 8,096,509</u></u>	<u><u>\$ 28,199,339</u></u>	<u><u>\$ 36,295,848</u></u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses
Water and Wastewater Allocation
For the Year Ended August 31, 2011

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Water distribution			
Wages	\$ 389,553	\$ -	\$ 389,553
Benefits allocation	316,352	-	316,352
Purchased water	6,609,752	-	6,609,752
Utilities	208,647	-	208,647
Maintenance and supplies	11,953	-	11,953
Computers, copiers and printers	224	-	224
Third party systems support	7,033	-	7,033
Professional services	19,474	-	19,474
Depreciation	17,504	-	17,504
Other	32,839	-	32,839
Fleet allocation	20,083	-	20,083
Maintenance allocation	159,122	-	159,122
	<u>7,792,536</u>	<u>-</u>	<u>7,792,536</u>
Wastewater treatment			
Wages	-	1,396,310	1,396,310
Benefits allocation	-	1,133,929	1,133,929
Utilities	-	2,211,973	2,211,973
Sludge removal	-	316,214	316,214
Maintenance and supplies	-	596,883	596,883
Computers, copiers and printers	-	8,973	8,973
Third party systems support	-	20,206	20,206
Professional services	-	138,305	138,305
Engineering	-	3,762	3,762
Laboratory	-	15,533	15,533
Chemicals	-	384,930	384,930
Depreciation	-	6,679,248	6,679,248
Other	-	29,657	29,657
Fleet allocation	-	337,984	337,984
Maintenance allocation	-	2,161,067	2,161,067
Laboratory allocation	-	582,878	582,878
	<u>-</u>	<u>16,017,852</u>	<u>16,017,852</u>
Wastewater pump stations			
Wages	-	218,429	218,429
Benefits allocation	-	177,384	177,384
Utilities	-	483,600	483,600
Maintenance and supplies	-	109,577	109,577
Computers, copiers and printers	-	331	331
Professional services	-	23,798	23,798
Engineering	-	2,000	2,000
Depreciation	-	11,496	11,496
Other	-	492	492
	<u>-</u>	<u>1,027,107</u>	<u>1,027,107</u>
			Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Continued)
Water and Wastewater Allocation
For the Year Ended August 31, 2011

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Industrial surveillance			
Wages	\$ -	\$ 190,975	\$ 190,975
Benefits allocation	-	155,089	155,089
Maintenance and supplies	-	5,526	5,526
Third party systems support	-	540	540
Professional services	-	11,209	11,209
Other	-	1,821	1,821
Fleet allocation	-	3,746	3,746
	<u>-</u>	<u>368,906</u>	<u>368,906</u>
Transmission and distribution			
Wages	445,118	1,023,917	1,469,035
Benefits allocation	361,374	831,616	1,192,990
Utilities	14,419	33,168	47,587
Service center rent	66,660	153,340	220,000
Sewer overflow settlements	14,465	31,545	46,010
Maintenance:			
Shop and office	7,629	17,550	25,179
Water and sewer mains	54,967	126,320	181,287
Computers, copiers and printers	275	633	908
Third party systems support	1,333	3,067	4,400
Professional services	4,102	9,435	13,537
Engineering	1,303	2,997	4,300
Depreciation	1,945,642	1,108,638	3,054,280
Other	6,613	15,990	22,603
Fleet allocation	114,049	262,348	376,397
Maintenance allocation	14,514	33,386	47,900
	<u>3,052,463</u>	<u>3,653,950</u>	<u>6,706,413</u>
Meter service			
Wages	278,385	278,384	556,769
Benefits allocation	226,073	226,073	452,146
Utilities	909	909	1,818
Maintenance and supplies	142	141	283
Computers, copiers and printers	170	170	340
Third party systems support	1,802	1,803	3,605
Professional services	684	684	1,368
Meter parts	8,496	8,495	16,991
Depreciation	74,240	74,241	148,481
Other	2,706	2,707	5,413
Fleet allocation	21,120	21,118	42,238
	<u>614,727</u>	<u>614,725</u>	<u>1,229,452</u>
			Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Continued)
Water and Wastewater Allocation
For the Year Ended August 31, 2011

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Customer accounting and collections			
Wages	\$ 141,077	\$ 141,078	\$ 282,155
Benefits allocation	114,567	114,568	229,135
Utilities	8,204	8,203	16,407
Maintenance and supplies	7,982	7,983	15,965
Computers, copiers and printers	379	378	757
Third party systems support	15,165	15,165	30,330
Professional services	903	903	1,806
Postage	26,658	26,658	53,316
Depreciation	5,408	5,407	10,815
Other	616	617	1,233
	<u>320,959</u>	<u>320,960</u>	<u>641,919</u>
General and administrative			
Wages	284,295	284,295	568,590
Benefits allocation	230,873	230,873	461,746
Maintenance and supplies	2,515	2,515	5,030
Computers, copiers and printers	762	762	1,524
Third party systems support	2,703	2,703	5,406
Engineering	6,851	6,849	13,700
Building and liability insurance	103,911	103,910	207,821
Legal services	29,926	29,926	59,852
Professional services	2,073	2,072	4,145
Depreciation	9,858	9,858	19,716
Other	12,364	12,365	24,729
Bad debt expense	36,594	36,594	73,188
Fleet allocation	8,248	8,249	16,497
Maintenance allocation	1,660	1,660	3,320
Human resource allocation	136,847	405,753	542,600
Accounting allocation	251,901	251,898	503,799
	<u>1,121,381</u>	<u>1,390,282</u>	<u>2,511,663</u>
Fleet			
Wages	36,682	142,117	178,799
Benefits allocation	29,789	115,411	145,200
Radio maintenance	295	1,142	1,437
Maintenance parts and supplies	18,952	73,424	92,376
Computers, copiers and printers	12	48	60
Third party systems support	239	926	1,165
Professional services	1,938	7,508	9,446
Gas, oil and grease	34,432	133,401	167,833
Insurance	8,267	32,028	40,295
Depreciation	32,428	125,633	158,061
Other	466	1,807	2,273
Allocated to various departments	<u>(163,500)</u>	<u>(633,445)</u>	<u>(796,945)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
			Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Continued)
Water and Wastewater Allocation
For the Year Ended August 31, 2011

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Human resources			
Wages	\$ 64,919	\$ 192,484	\$ 257,403
Benefits allocation	52,720	156,314	209,034
Safety program	(500)	(1,484)	(1,984)
Legal services	3,571	10,590	14,161
Physicals	1,378	4,087	5,465
Office supplies	1,091	3,234	4,325
Computers, copiers and printers	1,171	3,473	4,644
Third party systems support	2,998	8,889	11,887
Professional services	163	485	648
Depreciation	3,435	10,185	13,620
Other	5,901	17,496	23,397
Allocated to general and administrative	<u>(136,847)</u>	<u>(405,753)</u>	<u>(542,600)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Benefits and payroll taxes			
Health insurance	1,037,957	3,077,561	4,115,518
Life insurance	3,449	10,225	13,674
Disability insurance	12,931	38,340	51,271
Social security	137,582	407,935	545,517
Workers compensation	17,335	51,399	68,734
Pension contribution	276,247	819,077	1,095,324
Unemployment	4,905	14,545	19,450
Uniforms	3,005	8,909	11,914
Allocated to various departments	<u>(1,493,411)</u>	<u>(4,427,991)</u>	<u>(5,921,402)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Maintenance			
Wages	93,815	1,175,320	1,269,135
Benefits allocation	76,186	954,465	1,030,651
Maintenance and supplies	2,114	26,489	28,603
Computers, copiers and printers	34	424	458
Third party systems support	886	11,090	11,976
Depreciation	303	3,797	4,100
Other	1,958	24,528	26,486
Allocated to various departments	<u>(175,296)</u>	<u>(2,196,113)</u>	<u>(2,371,409)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
			Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses (Concluded)
Water and Wastewater Allocation
For the Year Ended August 31, 2011

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Laboratory			
Wages	\$ -	\$ 303,899	\$ 303,899
Benefits allocation	-	246,793	246,793
Maintenance and supplies	-	14,066	14,066
Computers, copiers and printers	-	565	565
Third party systems support	-	913	913
Professional services	-	3,121	3,121
Depreciation	-	8,729	8,729
Other	-	4,792	4,792
Allocated to wastewater treatment	-	(582,878)	(582,878)
	<u>-</u>	<u>-</u>	<u>-</u>
Accounting			
Wages	105,255	105,255	210,510
Benefits allocation	85,477	85,476	170,953
Office supplies	877	878	1,755
Third party systems support	2,578	2,577	5,155
Professional services	31,080	31,080	62,160
Depreciation	1,291	1,290	2,581
Other	25,343	25,342	50,685
Allocated to general and administrative	(251,901)	(251,898)	(503,799)
	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 12,902,066</u>	<u>\$ 23,393,782</u>	<u>\$ 36,295,848</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses -
Budget and Actual
For the Year Ended August 31, 2011

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Water distribution				
Wages	\$ 380,118	\$ 380,118	\$ 389,553	\$ 9,435
Benefits allocation	342,002	342,002	316,352	(25,650)
Purchased water	7,012,252	7,012,252	6,609,752	(402,500)
Utilities	185,990	185,990	208,647	22,657
Maintenance and supplies	9,450	9,450	11,953	2,503
Computers, copiers and printers	450	450	224	(226)
Third party systems support	6,291	6,291	7,033	742
Professional services	8,500	8,500	19,474	10,974
Engineering	1,000	1,000	-	(1,000)
Depreciation	17,504	17,504	17,504	-
Other	36,335	36,335	32,839	(3,496)
Fleet allocation	19,305	19,305	20,083	778
Maintenance allocation	88,273	88,273	159,122	70,849
	<u>8,107,470</u>	<u>8,107,470</u>	<u>7,792,536</u>	<u>(314,934)</u>
Wastewater treatment				
Wages	1,422,204	1,422,204	1,396,310	(25,894)
Benefits allocation	1,279,591	1,279,591	1,133,929	(145,662)
Utilities	2,625,960	2,625,960	2,211,973	(413,987)
Sludge removal	170,000	170,000	316,214	146,214
Maintenance and supplies	566,700	566,700	596,883	30,183
Computers, copiers and printers	3,450	3,450	8,973	5,523
Third party systems support	17,200	17,200	20,206	3,006
Professional services	140,000	140,000	138,305	(1,695)
Engineering	5,000	5,000	3,762	(1,238)
Laboratory	20,000	20,000	15,533	(4,467)
Chemicals	500,000	500,000	384,930	(115,070)
Depreciation	6,700,960	6,700,960	6,679,248	(21,712)
Other	46,770	46,770	29,657	(17,113)
Fleet allocation	308,864	308,864	337,984	29,120
Maintenance allocation	2,426,875	2,426,875	2,161,067	(265,808)
Laboratory allocation	712,630	712,630	582,878	(129,752)
	<u>16,946,204</u>	<u>16,946,204</u>	<u>16,017,852</u>	<u>(928,352)</u>
Wastewater pump stations				
Wages	225,565	225,565	218,429	(7,136)
Benefits allocation	202,946	202,946	177,384	(25,562)
Utilities	555,500	555,500	483,600	(71,900)
Maintenance and supplies	130,000	130,000	109,577	(20,423)
Computers, copiers and printers	-	-	331	331
Professional services	45,000	45,000	23,798	(21,202)
Engineering	-	-	2,000	2,000
Depreciation	11,496	11,496	11,496	-
Other	600	600	492	(108)
	<u>1,171,107</u>	<u>1,171,107</u>	<u>1,027,107</u>	<u>(144,000)</u>

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses - (Continued)
Budget and Actual
For the Year Ended August 31, 2011

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Industrial surveillance				
Wages	\$ 178,833	\$ 178,833	\$ 190,975	\$ 12,142
Benefits allocation	173,743	173,743	155,089	(18,654)
Maintenance and supplies	9,250	9,250	5,526	(3,724)
Third party systems support	316	316	540	224
Professional services	12,000	12,000	11,209	(791)
Other	2,167	2,167	1,821	(346)
Fleet allocation	-	-	3,746	3,746
	<u>376,309</u>	<u>376,309</u>	<u>368,906</u>	<u>(7,403)</u>
Transmission and distribution				
Wages	1,537,053	1,537,053	1,469,035	(68,018)
Benefits allocation	1,382,924	1,382,924	1,192,990	(189,934)
Utilities	52,700	52,700	47,587	(5,113)
Service center rent	220,000	220,000	220,000	-
Sewer overflow settlements	95,000	95,000	46,010	(48,990)
Maintenance:				
Shop and office	27,500	27,500	25,179	(2,321)
Water and sewer mains	210,000	210,000	181,287	(28,713)
Computers, copiers and printers	1,850	1,850	908	(942)
Third party systems support	8,923	8,923	4,400	(4,523)
Professional services	1,500	1,500	13,537	12,037
Engineering	8,000	8,000	4,300	(3,700)
Depreciation	2,977,065	2,977,065	3,054,280	77,215
Other	18,021	18,021	22,603	4,582
Fleet allocation	334,452	334,452	376,397	41,945
Maintenance allocation	39,633	39,633	47,900	8,267
	<u>6,914,621</u>	<u>6,914,621</u>	<u>6,706,413</u>	<u>(208,208)</u>
Meter service				
Wages	486,734	486,734	556,769	70,035
Benefits allocation	437,927	437,927	452,146	14,219
Utilities	1,730	1,730	1,818	88
Maintenance and supplies	1,650	1,650	283	(1,367)
Computers, copiers and printers	50	50	340	290
Third party systems support	1,475	1,475	3,605	2,130
Professional services	1,600	1,600	1,368	(232)
Meter parts	44,000	44,000	16,991	(27,009)
Depreciation	121,121	121,121	148,481	27,360
Other	5,940	5,940	5,413	(527)
Fleet allocation	90,831	90,831	42,238	(48,593)
	<u>1,193,058</u>	<u>1,193,058</u>	<u>1,229,452</u>	<u>36,394</u>

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses - (Continued)
Budget and Actual
For the Year Ended August 31, 2011

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Customer accounting/collections				
Wages	\$ 285,885	\$ 285,885	\$ 282,155	\$ (3,730)
Benefits allocation	257,217	257,217	229,135	(28,082)
Utilities	3,220	3,220	16,407	13,187
Maintenance and supplies	20,000	20,000	15,965	(4,035)
Computers, copiers and printers	950	950	757	(193)
Third party systems support	31,472	31,472	30,330	(1,142)
Professional services	1,000	1,000	1,806	806
Postage	72,000	72,000	53,316	(18,684)
Depreciation	10,815	10,815	10,815	-
Other	2,130	2,130	1,233	(897)
	<u>684,689</u>	<u>684,689</u>	<u>641,919</u>	<u>(42,770)</u>
General and administrative				
Wages	583,535	583,535	568,590	(14,945)
Benefits allocation	525,020	525,020	461,746	(63,274)
Maintenance and supplies	5,000	5,000	5,030	30
Computers, copiers and printers	900	900	1,524	624
Third party systems support	18,896	18,896	5,406	(13,490)
Engineering	15,000	15,000	13,700	(1,300)
Building and liability insurance	220,500	220,500	207,821	(12,679)
Legal services	150,000	150,000	59,852	(90,148)
Professional services	5,000	5,000	4,145	(855)
Depreciation	6,336	6,336	19,716	13,380
Other	64,640	64,640	24,729	(39,911)
Bad debt expense	11,000	11,000	73,188	62,188
Fleet allocation	32,144	32,144	16,497	(15,647)
Maintenance allocation	18,787	18,787	3,320	(15,467)
Human resource allocation	618,633	618,633	542,600	(76,033)
Accounting allocation	512,590	512,590	503,799	(8,791)
	<u>2,787,981</u>	<u>2,787,981</u>	<u>2,511,663</u>	<u>(276,318)</u>
Fleet				
Wages	175,922	175,922	178,799	2,877
Benefits allocation	158,281	158,281	145,200	(13,081)
Radio maintenance	1,000	1,000	1,437	437
Maintenance parts and supplies	92,850	92,850	92,376	(474)
Computers, copiers and printers	-	-	60	60
Third party systems support	816	816	1,165	349
Professional services	15,000	15,000	9,446	(5,554)
Gas, oil and grease	150,000	150,000	167,833	17,833
Insurance	44,000	44,000	40,295	(3,705)
Depreciation	158,061	158,061	158,061	-
Other	2,510	2,510	2,273	(237)
Allocated to various departments	<u>(798,440)</u>	<u>(798,440)</u>	<u>(796,945)</u>	<u>1,495</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses - (Continued)
Budget and Actual
For the Year Ended August 31, 2011

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Human resources				
Wages	\$ 254,094	\$ 254,094	\$ 257,403	\$ 3,309
Benefits allocation	228,614	228,614	209,034	(19,580)
Safety program	6,350	6,350	(1,984)	(8,334)
Legal services	25,000	25,000	14,161	(10,839)
Physicals	12,000	12,000	5,465	(6,535)
Office supplies	5,200	5,200	4,325	(875)
Computers, copiers and printers	3,600	3,600	4,644	1,044
Third party systems support	11,505	11,505	11,887	382
Professional services	7,000	7,000	648	(6,352)
Depreciation	21,045	21,045	13,620	(7,425)
Other	44,225	44,225	23,397	(20,828)
Allocated to general and administrative	(618,633)	(618,633)	(542,600)	76,033
	-	-	-	-
Benefits and payroll taxes				
Health insurance	4,774,834	4,774,834	4,115,518	(659,316)
Life insurance	15,586	15,586	13,674	(1,912)
Disability insurance	58,870	58,870	51,271	(7,599)
Social security	565,791	565,791	545,517	(20,274)
Workers compensation	105,000	105,000	68,734	(36,266)
Pension contribution	1,098,079	1,098,079	1,095,324	(2,755)
Unemployment	19,450	19,450	19,450	-
Uniforms	16,719	16,719	11,914	(4,805)
Allocated to various departments	(6,654,329)	(6,654,329)	(5,921,402)	732,927
	-	-	-	-
Maintenance				
Wages	1,322,582	1,322,582	1,269,135	(53,447)
Benefits allocation	1,189,960	1,189,960	1,030,651	(159,309)
Maintenance and supplies	25,500	25,500	28,603	3,103
Computers, copiers and printers	250	250	458	208
Third party systems support	8,467	8,467	11,976	3,509
Depreciation	4,100	4,100	4,100	-
Other	22,710	22,710	26,486	3,776
Allocated to various departments	(2,573,569)	(2,573,569)	(2,371,409)	202,160
	-	-	-	-
				Continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Detailed Schedule of Operating Expenses - (Concluded)
Budget and Actual
For the Year Ended August 31, 2011

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Laboratory				
Wages	\$ 349,909	\$ 349,909	\$ 303,899	\$ (46,010)
Benefits allocation	314,822	314,822	246,793	(68,029)
Maintenance and supplies	22,600	22,600	14,066	(8,534)
Computers, copiers and printers	3,300	3,300	565	(2,735)
Third party systems support	950	950	913	(37)
Professional services	4,000	4,000	3,121	(879)
Depreciation	8,729	8,729	8,729	-
Other	8,320	8,320	4,792	(3,528)
Allocated to wastewater treatment	(712,630)	(712,630)	(582,878)	129,752
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting				
Wages	193,532	193,532	210,510	16,978
Benefits allocation	174,126	174,126	170,953	(3,173)
Office supplies	2,100	2,100	1,755	(345)
Third party systems support	6,000	6,000	5,155	(845)
Professional services	72,500	72,500	62,160	(10,340)
Depreciation	2,582	2,582	2,581	(1)
Other	61,750	61,750	50,685	(11,065)
Allocated to general and administrative	(512,590)	(512,590)	(503,799)	8,791
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 38,181,439</u>	<u>\$ 38,181,439</u>	<u>\$ 36,295,848</u>	<u>\$ (1,885,591)</u>

STATISTICAL SECTION

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Revenues and Expenses - Unaudited
Last Ten Fiscal Years Ended August 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenue				
Water sales	\$ 13,148,378	\$ 11,896,822	\$ 11,829,728	\$ 12,338,209
Sewage disposal sales	14,805,649	13,438,220	15,683,034	16,422,599
Surcharges and other usage fees	3,757,175	3,824,805	3,915,930	4,070,849
Other operating revenue	1,635,819	1,686,828	1,863,459	1,562,404
Sales discounts (4)	-	-	-	-
Total operating revenue	<u>33,347,021</u>	<u>30,846,675</u>	<u>33,292,151</u>	<u>34,394,061</u>
Operating expenses (2)				
Water distribution	7,792,536	7,081,762	6,680,598	7,527,032
Wastewater treatment	16,017,852	16,080,897	16,928,838	17,771,780
Wastewater pump stations	1,027,107	1,098,445	1,106,431	1,145,548
Industrial surveillance	368,906	378,400	516,865	336,782
Transmission and distribution	6,706,413	6,502,734	6,814,592	6,627,636
Meter service	1,229,452	1,038,294	1,281,173	1,436,719
Customer accounting and collections	641,919	757,180	842,231	872,717
General and administration (1)	2,511,663	2,800,453	2,917,627	2,467,995
Total operating expenses	<u>36,295,848</u>	<u>35,738,165</u>	<u>37,088,355</u>	<u>38,186,209</u>
Operating income (loss)	<u>(2,948,827)</u>	<u>(4,891,490)</u>	<u>(3,796,204)</u>	<u>(3,792,148)</u>
Nonoperating income (expense)				
Investment earnings	237,628	265,257	462,878	998,650
Connection fees (2)	2,304	3,751	593,613	155,860
Debt service contributions	-	-	-	-
Interest and amortization expense	(2,769,043)	(2,693,219)	(2,712,540)	(2,783,337)
Gain (loss) on disposal of capital assets	31,117	(348,062)	3,602	32,337
Debt service transfer to County (3)	-	-	-	-
Total nonoperating income (expense)	<u>(2,497,994)</u>	<u>(2,772,273)</u>	<u>(1,652,447)</u>	<u>(1,596,490)</u>
Income (loss) before contributions and special item	<u>\$ (5,446,821)</u>	<u>\$ (7,663,763)</u>	<u>\$ (5,448,651)</u>	<u>\$ (5,388,638)</u>

(1) Beginning in fiscal 2003, payroll taxes and employee benefits are allocated to departments.

(2) Prior to fiscal 2003, connection fees were recorded directly to equity (i.e., contributed capital).

(3) Beginning in fiscal 2003, this debt was properly recognized as lease payable; the portion that is interest is reported as interest expense.

(4) Discounts on prepayments were phased out during fiscal 2004.

Table 1

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 12,680,932	\$ 11,542,307	\$ 11,649,244	\$ 9,763,879	\$ 8,616,377	\$ 8,039,879
16,480,689	13,621,058	13,701,463	14,274,813	13,235,087	12,908,599
4,195,911	4,422,394	4,460,475	3,649,946	2,503,637	1,891,240
2,500,151	2,217,203	2,159,409	2,408,713	2,248,813	2,380,576
-	-	-	(80,105)	(705,985)	(866,723)
<u>35,857,683</u>	<u>31,802,962</u>	<u>31,970,591</u>	<u>30,017,246</u>	<u>25,897,929</u>	<u>24,353,571</u>
7,486,176	7,085,751	6,930,845	5,873,120	5,282,942	4,894,966
16,977,585	13,052,424	10,226,090	10,062,008	10,882,313	9,085,357
1,054,513	883,122	834,416	771,991	805,890	928,166
335,299	335,131	375,466	174,773	146,967	118,270
6,630,235	6,105,316	5,766,919	4,938,907	5,049,571	3,665,838
1,518,009	1,513,485	1,419,979	1,147,385	1,121,564	845,806
837,640	791,665	720,370	680,264	651,361	523,708
<u>2,424,113</u>	<u>2,438,567</u>	<u>2,125,010</u>	<u>1,912,661</u>	<u>1,832,080</u>	<u>4,269,158</u>
<u>37,263,570</u>	<u>32,205,461</u>	<u>28,399,095</u>	<u>25,561,109</u>	<u>25,772,688</u>	<u>24,331,269</u>
<u>(1,405,887)</u>	<u>(402,499)</u>	<u>3,571,496</u>	<u>4,456,137</u>	<u>125,241</u>	<u>22,302</u>
1,595,219	958,973	651,753	1,181,681	21,493	1,034,719
265,589	909,761	975,348	2,145,105	1,066,491	-
63,007	146,476	1,004,525	206,509	211,511	920,478
(2,747,453)	(1,109,703)	(951,745)	(1,220,577)	(1,023,113)	(1,709,110)
19,852	-	(75,287)	(1,969,458)	(2,833)	(66,461)
-	-	-	-	-	(1,214,715)
<u>(803,786)</u>	<u>905,507</u>	<u>1,604,594</u>	<u>343,260</u>	<u>273,549</u>	<u>(1,035,089)</u>
<u>\$ (2,209,673)</u>	<u>\$ 503,008</u>	<u>\$ 5,176,090</u>	<u>\$ 4,799,397</u>	<u>\$ 398,790</u>	<u>\$ (1,012,787)</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Revenues and Expenses - City Division - Unaudited
Last Ten Fiscal Years Ended August 31

		<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenue					
Water sales		\$ 2,117,075	\$ 1,959,836	\$ 1,903,714	\$ 1,930,661
Sewage disposal sales		3,210,681	2,908,831	3,353,761	3,505,232
Surcharges and other usage fees		2,905,733	2,990,356	3,043,380	3,155,294
Other operating revenue		410,163	392,322	384,288	415,965
Sales discounts	(4)	-	-	-	-
Total operating revenue		<u>8,643,652</u>	<u>8,251,345</u>	<u>8,685,143</u>	<u>9,007,152</u>
Operating expenses (2)					
Water distribution		1,220,447	1,104,248	1,039,709	1,117,918
Wastewater treatment		3,757,790	3,772,580	3,968,120	4,185,210
Wastewater pump stations		199,909	261,659	236,208	251,459
Industrial surveillance		86,546	88,772	121,153	78,639
Transmission and distribution		1,812,792	1,741,448	2,227,406	1,863,539
Meter service		284,591	239,901	293,137	336,541
Customer accounting and collections		148,668	175,060	192,787	204,304
General and administration	(1)	585,766	658,522	693,653	583,954
Total operating expenses		<u>8,096,509</u>	<u>8,042,190</u>	<u>8,772,173</u>	<u>8,621,564</u>
Operating income (loss)		<u>547,143</u>	<u>209,155</u>	<u>(87,030)</u>	<u>385,588</u>
Nonoperating income (expense)					
Investment earnings		77,554	98,523	160,812	341,508
Connection fees	(2)	-	3,751	17,224	2,122
Debt service contributions		-	-	-	-
Interest and amortization expense		(1,263,478)	(1,311,768)	(1,347,719)	(1,387,097)
Gain (loss) on disposal of capital assets		8,744	(97,805)	-	-
Debt service transfer to County	(3)	-	-	-	-
Total nonoperating income (expense)		<u>(1,177,180)</u>	<u>(1,307,299)</u>	<u>(1,169,683)</u>	<u>(1,043,467)</u>
Income (loss) before contributions and special item		<u><u>\$ (630,037)</u></u>	<u><u>\$ (1,098,144)</u></u>	<u><u>\$ (1,256,713)</u></u>	<u><u>\$ (657,879)</u></u>

(1) Beginning in fiscal 2003, payroll taxes and employee benefits are allocated to departments.

(2) Prior to fiscal 2003, connection fees were recorded directly to equity (i.e., contributed capital).

(3) Beginning in fiscal 2003, this debt was properly recognized as lease payable; the portion that is interest is reported as interest expense.

(4) Discounts on prepayments were phased out during fiscal 2004.

Table 2

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 1,874,679	\$ 1,514,474	\$ 1,813,223	\$ 1,898,864	\$ 1,875,979	\$ 1,844,292
3,311,569	2,983,581	2,899,389	3,057,411	3,155,582	3,155,163
3,154,752	3,249,101	3,341,073	2,609,737	1,777,612	1,362,058
998,639	484,405	475,132	433,067	380,495	463,168
-	-	-	2,336	(126,303)	(153,336)
<u>9,339,639</u>	<u>8,231,561</u>	<u>8,528,817</u>	<u>8,001,415</u>	<u>7,063,365</u>	<u>6,671,345</u>
1,047,563	1,035,327	985,830	939,023	926,213	898,123
4,199,045	3,016,898	2,280,419	2,253,203	2,510,603	2,258,154
232,488	170,871	174,512	167,913	160,684	215,444
82,920	77,884	83,730	38,824	33,173	28,844
1,811,269	1,245,754	1,174,276	1,104,675	1,416,512	843,346
361,620	362,019	334,123	284,106	284,344	218,046
199,025	189,367	169,503	169,654	167,210	138,154
591,252	554,375	460,812	402,537	440,901	1,111,971
<u>8,525,182</u>	<u>6,652,495</u>	<u>5,663,205</u>	<u>5,359,935</u>	<u>5,939,640</u>	<u>5,712,082</u>
<u>814,457</u>	<u>1,579,066</u>	<u>2,865,612</u>	<u>2,641,480</u>	<u>1,123,725</u>	<u>959,263</u>
704,584	347,237	219,724	285,942	(12,884)	92,213
10,455	61,780	102,504	26,102	11,406	-
63,007	146,476	149,273	169,161	211,511	236,052
(1,238,663)	(711,028)	(405,501)	(610,808)	(496,504)	(722,772)
-	-	-	(550,816)	(1,416)	(16,660)
-	-	-	-	-	(331,253)
<u>(460,617)</u>	<u>(155,535)</u>	<u>66,000</u>	<u>(680,419)</u>	<u>(287,887)</u>	<u>(742,420)</u>
<u>\$ 353,840</u>	<u>\$ 1,423,531</u>	<u>\$ 2,931,612</u>	<u>\$ 1,961,061</u>	<u>\$ 835,838</u>	<u>\$ 216,843</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Revenues and Expenses - Township Division - Unaudited
Last Ten Fiscal Years Ended August 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenue				
Water sales	\$ 11,031,303	\$ 9,936,986	\$ 9,926,014	\$ 10,407,548
Sewage disposal sales	11,594,968	10,529,389	12,329,273	12,917,367
Surcharges and other usage fees	851,442	834,449	872,550	915,555
Other operating revenue	1,225,656	1,294,506	1,479,171	1,146,439
Sales discounts (4)	-	-	-	-
Total operating revenue	<u>24,703,369</u>	<u>22,595,330</u>	<u>24,607,008</u>	<u>25,386,909</u>
Operating expenses (2)				
Water distribution	6,572,089	5,977,514	5,640,889	6,409,114
Wastewater treatment	12,260,062	12,308,317	12,960,718	13,586,570
Wastewater pump stations	827,198	836,786	870,223	894,089
Industrial surveillance	282,360	289,628	395,712	258,143
Transmission and distribution	4,893,621	4,761,286	4,587,186	4,764,097
Meter service	944,861	798,393	988,036	1,100,178
Customer accounting and collections	493,251	582,120	649,444	668,413
General and administration (1)	1,925,897	2,141,931	2,223,974	1,884,041
Total operating expenses	<u>28,199,339</u>	<u>27,695,975</u>	<u>28,316,182</u>	<u>29,564,645</u>
 Operating income (loss)	 <u>(3,495,970)</u>	 <u>(5,100,645)</u>	 <u>(3,709,174)</u>	 <u>(4,177,736)</u>
Nonoperating income (expense)				
Investment earnings	160,074	166,734	302,066	657,142
Connection fees (2)	2,304	-	576,389	153,738
Debt service contributions	-	-	-	-
Interest and amortization expense	(1,505,565)	(1,381,451)	(1,364,821)	(1,396,240)
Gain (loss) on disposal of capital assets	22,373	(250,257)	3,602	32,337
Debt service transfer to County (3)	-	-	-	-
Total nonoperating income (expense)	<u>(1,320,814)</u>	<u>(1,464,974)</u>	<u>(482,764)</u>	<u>(553,023)</u>
 Income (loss) before contributions and special item	 <u><u>\$ (4,816,784)</u></u>	 <u><u>\$ (6,565,619)</u></u>	 <u><u>\$ (4,191,938)</u></u>	 <u><u>\$ (4,730,759)</u></u>

(1) Beginning in fiscal 2003, payroll taxes and employee benefits are allocated to departments.

(2) Prior to fiscal 2003, connection fees were recorded directly to equity (i.e., contributed capital).

(3) Beginning in fiscal 2003, this debt was properly recognized as lease payable; the portion that is interest is reported as interest expense.

(4) Discounts on prepayments were phased out during fiscal 2004.

Table 3

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 10,806,253	\$ 10,027,833	\$ 9,836,021	\$ 7,865,015	\$ 6,740,398	\$ 6,195,587
13,169,120	10,637,477	10,802,074	11,217,402	10,079,505	9,753,436
1,041,159	1,173,293	1,119,402	1,040,209	726,025	529,182
1,501,512	1,732,798	1,684,277	1,975,646	1,868,318	1,917,408
-	-	-	(82,441)	(579,682)	(713,387)
<u>26,518,044</u>	<u>23,571,401</u>	<u>23,441,774</u>	<u>22,015,831</u>	<u>18,834,564</u>	<u>17,682,226</u>
6,438,613	6,050,424	5,945,015	4,929,893	4,356,729	3,996,843
12,778,540	10,035,526	7,945,671	7,825,218	8,371,710	6,827,203
822,025	712,251	659,904	604,078	645,206	712,722
252,379	257,247	291,736	135,949	113,794	89,426
4,818,966	4,859,562	4,592,643	3,826,206	3,633,059	2,822,492
1,156,389	1,151,466	1,085,856	863,279	837,220	627,760
638,615	602,298	550,867	510,610	484,151	385,554
<u>1,832,861</u>	<u>1,884,192</u>	<u>1,664,198</u>	<u>1,505,941</u>	<u>1,391,179</u>	<u>3,157,187</u>
<u>28,738,388</u>	<u>25,552,966</u>	<u>22,735,890</u>	<u>20,201,174</u>	<u>19,833,048</u>	<u>18,619,187</u>
<u>(2,220,344)</u>	<u>(1,981,565)</u>	<u>705,884</u>	<u>1,814,657</u>	<u>(998,484)</u>	<u>(936,961)</u>
890,635	611,736	432,029	895,739	34,377	942,506
255,134	847,981	872,844	2,119,003	1,055,085	-
-	-	855,252	37,348	-	684,426
(1,508,790)	(398,675)	(546,244)	(609,769)	(526,609)	(986,338)
19,852	-	(75,287)	(1,418,642)	(1,417)	(49,801)
-	-	-	-	-	(883,462)
<u>(343,169)</u>	<u>1,061,042</u>	<u>1,538,594</u>	<u>1,023,679</u>	<u>561,436</u>	<u>(292,669)</u>
<u>\$ (2,563,513)</u>	<u>\$ (920,523)</u>	<u>\$ 2,244,478</u>	<u>\$ 2,838,336</u>	<u>\$ (437,048)</u>	<u>\$ (1,229,630)</u>

Table 4

YPSILANTI COMMUNITY UTILITIES AUTHORITY
Water and Wastewater Debt Coverage - Unaudited
Last Ten Fiscal Years Ended August 31

<u>Fiscal Year</u>	<u>(1) Gross Revenue</u>	<u>(2) Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>(3) Total Debt Service Requirement</u>	<u>Coverage</u>
2011	\$ 33,586,953	\$ 26,167,217	\$ 7,419,736	\$ 5,683,760	1.31
2010	31,115,683	25,491,690	5,623,993	6,002,290	0.94
2009	34,348,642	26,841,880	7,506,762	5,653,810	1.33
2008	35,548,571	27,925,431	7,623,140	5,368,807	1.42
2007	37,781,498	26,934,365	10,847,133	5,765,242	1.88
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

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

(2) Excludes depreciation expense.

(3) Includes bonds and capital leases (excludes principal reduction on refunded debt).



Resolution No. 2012 -067
April 3, 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: