



Approved

**CITY OF YPSILANTI
CITY COUNCIL – BUDGET MEETING MINUTES
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, MAY 22, 2012
6:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 6:08 p.m.

II. ROLL CALL –

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

Moved by Council Member Vogt, supported by Council Member Bodary, to excuse the absence. Motion carried.

III. INVOCATION –

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

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS –

None

VI. AGENDA APPROVAL –

Council Member Murdock requested an executive session to discuss union negotiations.

Moved by Council Member Murdock, supported by Council Member Robb, to enter into a closed session after adjournment to discuss union negotiations.

On a voice vote the agenda was approved as amended.

VII. AUDIENCE PARTICIPATION –

Mayor Schreiber read the rules for audience participation.

1. Mr. Lee Tooson stated that he is overwhelmed by the idea of losing public safety jobs as he feels losing police officers would not help to keep the community safe. He also mentioned a

proposal he had in mind to help control the pedophiles in the City of Ypsilanti. He gave resounding support for Police Chief Amy Walker and asked council to give her the resources she needs and not cut jobs.

2. Mr. Leonardo Christian mentioned that earlier in the afternoon his house was almost broken into at the same time as a house fire just down the street. He added that a neighbor's home had been almost broken into recently as well and stressed the importance of not cutting any police jobs.

VIII. REMARKS FROM THE MAYOR –

Mayor Schreiber thanked the speakers for their comments and support.

IX. BUDGET DISCUSSION/DELIBERATION –

Mayor Schreiber asked Interim City Manager Frances McMullan to begin the discussion.

Interim City Manager McMullan explained the budgets she had presented previously as well as adjustments that had been made since her last presentation. She asked Finance Director Marilou Uy to present the adjustments to Council.

Finance Director Uy presented the adjustments as they related to DPS.

Council Member Bodary asked why DPS wasn't using their revenues to pay in for replacement costs as the Fire Department and Police Department have done.

Ms. Uy answered that the budget was trying to minimize the cost of DPS in the general fund as they should not be incurring any expenses in the general fund just in the Major, Local and Garbage funds.

Council Member Bodary asked where the money to replace the DPS vehicles would come from.

Director of Administrative Services David Kowal explained that the General Fund used to subsidize the cost for the replacement of vehicles for DPS, as it does with Fire and Police, but stopped doing so many years back in order to balance the budget. He added that DPS revenues alone are not enough to cover the cost for the replacement of the vehicles.

Council Member Murdock asked if some of the costs for DPW come from contracts with the State for highway maintenance. He added that perhaps the State rate being charged is not enough to cover the costs. He suggested that perhaps they perform their own maintenance.

DPS Secretary Janice Beckett confirmed and stated that this is an option. She added that Director of Public Services Stan Kirton was not in attendance and she as well as other DPS staff in attendance would be doing their best to answer questions relating to DPS.

Council Member Bodary expressed concern that there would be no money to fix or replace vehicles.

Ms. Beckett added this had been a problem and DPS is trying to recover from the vehicles being in disrepair due to the deferred maintenance.

Mr. Kowal explained that Environmental Services, at one time, made contributions for the replacement of Environmental Services vehicles but has not done so in recent years; he added this is the money that is used to cover the deficit in the General Fund. He clarified that not only does the budget not contribute to the replacement of DPS vehicles but they are taking money out of the Environmental Services motor pool fund to balance the General Fund.

Council Member Bodary said this just seemed as if we were "kicking the can down the road."

Mr. Kowal added that we all knew this "day of reckoning" was coming at some point.

Council Member Murdock stated that this budget only seems to be making the situation worse and not better. He stated that we have to look ahead as if we are going to be here more than a year or two.

Mr. Kowal agreed that if we are going to make contributions toward the replacement of vehicles for DPS then there needs to be a subsidy from the General Fund or from redistributing the motor pool, possibly both. He clarified that the only contribution toward replacement for DPS vehicles in the budget lies in charging the motor pool "rent" for the use of the vehicles.

Council Member Murdock suggested using some of the excess contribution in the General Fund to cover the DPS replacement costs rather than having no contribution.

Accounting Supervisor Sallea Tisch explained that the reason Fire has an excess is because they put aside money each year for replacement and then received a grant to replace two of the trucks.

Council Member Bodary asked to look at the amount of time we allow vehicles to stay in the fleet and to extend it out, hoping we can make the vehicles last longer and stop contributing so much from the General Fund to the replacement costs and instead start addressing the deficit of replacement costs in the DPS.

Ms. Tisch mentioned the option, suggested by the auditor, of having Police and Fire subsidize DPS to get them back on their feet.

Mayor Schreiber asked what rate is used for General Fund contributions to the motor pool.

Ms. Uy answered no rate is used, just a fixed amount.

Council Member Murdock mentioned looking into the rates for DPS, Fire and Police and re-evaluating them for efficiency.

Mayor Schreiber stated that in spite of the fact that we received a grant for a fire truck we've still been underpaying from the General Fund into the motor pool.

Mr. Kowal explained that he feels, in the case of Fire and Police, there has been over-contribution, for the replacement component, into the motor pool; the same had not been done for DPS because DPS doesn't have the revenue to make the contributions and over the years the General Fund had not had the money to subsidize the contributions, leaving Fire and Police slightly over-funded and DPS significantly under-funded. He added, however, that if proper funding was provided for the replacement of DPS vehicles the entire fund would be under-funded.

Mayor Schreiber asked if we redistribute contributions from Fire and from Police into replacement for DPS would that only leave a deficit of \$200,000 instead of \$1.2 million.

Ms. Tisch answered that this is correct however this would only help "soften" the problem.

Mayor Schreiber asked if Council had more questions relating to the motor pool.

Council Member Robb replied that we were nowhere near done with going over the motor pool but there was more to look at [before discussion could continue on the matter].

Mayor Schreiber explained that Ms. Uy had completed her presentation on the motor pool and it comes back to the Memo from Interim City Manager McMullan and asked if there were questions relating to the differences in the amended budget she provided.

Council Member Vogt asked what the net difference was between the two proposals based on a change from assuming no spending for two years to now assuming one year with no spending and then making cuts in the second year.

Council Member Murdock explained that some of the recommendations for reductions will not impact the General Fund.

Ms. Uy answered that the total amount of the General Fund impact would be \$332,297 for 2012-2013.

Council Member Murdock asked if the proposed changes were just for FY13 or FY14 or if they were for both.

Mayor Schreiber asked Ms. Uy to go over the major changes in the budgets.

Ms. Uy and Ms. Tisch highlighted the changes in the budget as they related to the 2012 budget.

Council Member Murdock asked what these changes are projected to do to the bottom line.

Ms. Uy answered that there was originally a deficit of \$50,000 and the changes add \$170,000 to the fund, leaving the fund with a balance of \$120,000.

Ms. Uy and Ms. Tisch continued to discuss changes that were made at the suggestion of Interim City Manager McMullan.

Interim City Manager McMullan mentioned that an adjustment needed to be made to reflect the purchase of at least one Toughbook tablet because the city had already purchased the software.

Council Member Bodary asked if alternatives for the Toughbook tablet had been explored as it is an expensive notebook.

Ms. Tisch explained Washtenaw County was asked if there were alternatives as they provide IT services for the city and it is important to consult with them before making technology purchases.

Mayor Schreiber asked if it was correct that in FY13 one of the expenditures was spending down the energy efficiency fund. He suggested holding off on this because not only would it keep the fund balance up but also because if we wait a while longer it is more likely the price of LED technology will decrease and the payback on our investment will be better. He mentioned that this would result in an estimated savings of \$20,000.

Council Member Murdock clarified that the plan for that money wasn't going to be used for streetlights but rather for buildings, like Fire and Police, which are open 24/7 and stated he doesn't feel we gain anything by not spending the money.

Council Member Robb suggested the following matters be addressed by next week:

- 1- How to combine Clerk and Treasurer
- 2- Impact of going to a 4-day workweek
- 3- Street Light Assessment District

He suggests these changes could give an additional \$700,000 a year and would like to see proposals based on these options.

Mayor Schreiber stated that he feels the 4-day workweek would only change the work days from 10 hour days to 14 hour days and having city hall closed an additional day each week would only make more work for the employees.

Council Member Robb mentioned instead using 26 furlough days as the city of Lansing has done. He stated that "we either believe we have a crisis or we don't have a crisis" and added that everything is on the table and he does not want to dismiss anything at the moment. He stated that he wants to see the impact of these suggestions so council can make their decision under advisement.

Mayor Schreiber mentioned it would be nice to have additional input from the new City Manager.

Council Member Robb stated that we don't even know when the new City Manager will be brought on board and the budget will already have been adopted by then.

Mayor Schreiber stated that he was fine with discussing budget cuts but thinks reorganization should not be discussed until later.

Interim City Manager McMullan agreed that reorganization should be held off until there was a new City Manager.

Mayor Schreiber suggested Council consider holding off on the motor pool for FY13 and also identify some possible departmental cuts for FY14.

Council Member Murdock stated that we had three issues when this was discussed three years ago and they are still issues:

1. Decreased Revenues
2. Water Street Debt
3. Legacy Costs

He expressed the urgency of addressing them because the city cannot continue with all three of these issues remaining the same; he added we can likely not continue with even one of the issues remaining the same.

Mayor Schreiber then asked how deep we are willing to cut to balance the budget.

Interim City Manager McMullan asked if Mr. Kowal would come to the podium to explain the recommendation to combine the positions of Clerk and Assistant City Manager.

Mr. Kowal stated that seeing all of the deficits the city is facing the Planner could be a direct report to the City Manager and then the remaining functions (Building, HR) could be combined with the City Clerk position, with the Clerk position serving both as City Clerk and Director of Administrative Services. He explained that his suggestion was based on his belief that his position, the Director of Administrative Services, was created for a person and not based on the needs of the organization. He added that he feels strongly that his position should be cut before public safety is cut.

Council Member Robb stated that we would not be cutting the Director of Administrative Services position to fund public safety rather we would just be cutting the position *in addition* to cutting public safety positions.

Council Member Murdock expressed concern with cutting the Director of Administrative Services position when we are just bringing in a new City Manager who will need the assistance.

Mr. Kowal explained that he, in no way, was trying to talk himself out of a job, he simply was trying to see where, within City Hall, the burden could be shared as the main focus had been on DPS, Fire and Police. He added that comparatively speaking he was highly paid and if jobs are going to be cut it should be the position that gives you the most "bang for the buck".

Mayor Schreiber stated that it was clear that we would have to cut more than just the Assistant City Manager to survive more than a couple of years. He suggested Council consider additional cuts in FY14 for Fire, Police and Administration and explore the Streetlight Special Assessment District as a source of revenue. He expressed Council must make this difficult decision or invite an Emergency Financial Manager into the city.

Council Member Murdock stated that the level of service we wish to provide needs to be evaluated. He added that cutting back the Fire Department, to a certain degree, might as well result in cutting all of the Fire positions.

Fire Chief Ichesco explained that everyone in the Fire Department, even management, has been trained to fight fires. He stated they will do the best they can with what they are given but it will be increasingly difficult. He explained that the best opportunity for him right now is partnering or contracting as the success rate for Volunteer Firefighters in the state is horrible, particularly in South Eastern Michigan; he explained that a majority of the volunteers were UAW workers and there are very few left. He added that by law the only requirement of the city would be to report the fire and the Clerk's office is responsible for that task, however we can only report fires that we know about.

Council Member Murdock asked if, considering cutting firefighters, we would be cutting employees with 16 years of service.

Fire Chief Ichesco answered that the youngest person has just over 6 years of service and cutting six or seven positions would definitely impact employees with 12 or up to 16 years of service.

Mr. Kowal asked if Police Chief Amy Walker would speak about the impact cuts would have on the Police Department.

Police Chief Walker stated that command staff and officers are combined and operate together. She discussed potential changes including closing the lobby, losing the DDA officer, and being

late for responses/calls. She indicated they would do their best and they will always respond, however it will eventually be difficult. She discussed the importance she places on officer safety as she cannot keep the community safe if she cannot ensure the safety of her officers.

Council Member Murdock asked Police Chief Walker to speak specifically to the loss of a Records Clerk.

Police Chief Walker stated they have currently switched hours and shut down the records office two days a week so the Record's Clerk can catch up and do other work. She indicated there are mandates from the state to update the Sex Offender registry, breathalyzer, FOIA requests, and different registrations from the state that are required and must be processed. Additionally she indicated the Record's Clerk took more work when the department lost their dispatch.

Mayor Schreiber asked about the impact of having medical training for police officers and first responders.

Police Chief Walker answered they are currently trained in basic first aid and CPR indicating that HVA does triage calls for most life threatening emergencies or unknown crashes.

Mayor Schreiber exalted the Police Department for their commitment to the community and shared the appreciation of neighbors in the community for the police presence in the city.

Council Member Murdock mentioned that everyone supports Community policing though it is incredibly labor intensive.

Police Chief Walker stated that was certainly one of the things that would be affected, specifically including special events.

Mayor Schreiber stated that we had heard from Police, Fire and Administration and we had discussed the limited resources for increased revenue and asked which different limited revenue options Council was interested in exploring.

Council Member Bodary mentioned checking to be sure we weren't "stepping into quicksand" with the storm water runoff option.

Mayor Schreiber mentioned getting in touch with Garden City as he believes they had passed an ordinance relating to the issue.

Council Member Murdock added that they have a whole report.

Council Member Bodary mentioned that it was previously suggested that the scheduled replacement of a few vehicles be deferred for the next year or so and asked if we could defer replacement on all vehicles.

Council Member Murdock asked if we had explored the option of eliminating a DPW supervisor and how that would affect the budget.

Brad Holman, DPS Supervisor, explained that the immediate impact would be the loss of management who knows and understands what is expected of DPS. He added that it is a matter of proficiency and mentioned that removing a supervisor would cause the DPS to not run as smoothly.

Council Member Bodary explained that it is not the intention of Council to get rid of people rather to shift positions and then reduce positions at the lower level. He stated the city wants to maintain the expertise of the workers we presently have to keep our departments as proficient as possible.

Council Member Robb suggested the DPS provide more information on the time saved by breaks/lunches being taken on-site rather than having to come back to the DPS yard.

Mr. Holman indicated 2 hours would be saved, per person, right away.

Ms. Beckett stated that DPS does a lot of work that is not seen, including drain cleaning, winter maintenance, assist different City departments, and special events. She added that when Stan took over the position of Director they lost his old position that assisted mostly with Special events and Mr. Holman took over a lot of the duties of that position. She also added that there are requirements, when it comes to winter maintenance, for the number of hours each person can work before they must stop.

Mayor Schreiber suggested that Council really target the budget reductions and ask staff to come up with a plan to inform Council on the budget reductions. He also addressed the people that spoke to Council saying that he understands this is tough and discussing layoffs is always difficult. He requested an updated budget spreadsheet including the changes that had been made and suggested Council discuss, in a closed session, what kinds of cuts are going to have to be made relating to the budget.

Council Member Bodary confirmed another meeting for next Tuesday, May 29, 2012 at 6:00p.m.

Mayor Schreiber asked if there was any objection to this meeting. There was none.

Mr. Kowal asked for clarification on whether all or a portion the \$500,000 in the FY12-13 budget that wasn't being transferred from Police and Fire into the motor pool should be included in the budget.

Mayor Schreiber answered that his suggestion to council was to keep that transfer out of the motor pool and have them transfer in for FY14.

Mayor Schreiber asked if there were any other comments by Council or Department Heads. He thanked everyone for coming and for their participation.

Mr. Kowal asked if the Chiefs were invited to the closed session.

X. AUDIENCE PARTICIPATION –

Robert Peto of the Ypsilanti Police Officer's Association stated that it has been very hectic, work is stacking up, and work isn't being done to the quality that it should. He said "there is going to be a decision made: do you want a police department or not?" He talked about the burnout and overload of the current staff. He added the liabilities that could be incurred from working 16 hour shifts as well, including car crashes and injury.

XI. REMARKS FROM THE MAYOR –

Mayor Schreiber stated if there are ways that money can be saved without costing money to please let Council know.

He added that Council tried very hard to get more revenue for the city through the ballot proposals but the citizens did not respond.

Council Member Bodary stated that, as far as producing revenue, they gave it a good shot. He added there will be no more money coming from the State and they cannot tax and higher than they already are. He also suggested the Union/Officers discuss efficiency and partnerships.

Mayor Schreiber asked for a roll call vote to move into a closed session.

On roll call, the vote to move into a closed session 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	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Richardson) Vote: Carried

XII. ADJOURNMENT –

Resolution No. 2012-107, adjourning the City Council Meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

OFFERED BY: Council Member Jefferson

SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried. The meeting adjourned at 8:45 p.m.